

Corporate Governance report

Corporate governance rules are intended to ensure good, responsible and value-focused corporate management. The Federal Government amended its Public Corporate Governance Code (Public Corporate Governance Kodex; PCGK) on principles of good corporate and investment management by resolution dated September 16, 2020. The PCGK sets out the essential provisions of applicable law governing the management and monitoring of non-listed companies in which the Federal Republic of Germany holds a majority stake, while outlining the internationally and nationally acknowledged principles of good and responsible corporate management. The objective of the PCGK is to make the corporate management and oversight of companies more transparent and easier to understand as well as to establish more precisely the role of the Federal Government as a shareholder in such companies. It also intends to increase awareness of good corporate governance.

We are convinced that good corporate governance is fundamental to the success of DB Group. Our aim is to sustainably increase the enterprise value so as to promote the interests of customers, business partners, investors, employees and the public, while maintaining and expanding trust in DB Group.

For corporations under uniform management, the executive bodies of the parent company must jointly issue the statement of compliance for the parent company of the Group and the companies under its uniform management which are required to apply the Code. Deutsche Bahn AG (DBAG) complies with this recommendation below. The statement of compliance is an essential part of the Corporate Governance report, which is therefore also submitted in its entirety at the level of the Group's parent company.

STATEMENT OF COMPLIANCE

I.

The Supervisory Board and the Management Board of DBAG declare that since the last declaration was issued on March 30, 2022, the recommendations on the PCGK adopted by the Federal Government on September 16, 2020, have been complied with, with the following exceptions:

1. NO. 3.1 CLAUSE 1

A clause on the application of the PCGK, as amended, was included in the relevant company documents during the reporting period. In the case of one company, this process could not be finalized before the reporting date.

2. NO. 3.2 CLAUSES 1 TO 4

For some of the limited liability companies (GmbHs) within DB Group, general meetings did not take place in person once a year as recommended by the PCGK; instead, they were held by way of a written resolution in accordance with Section 48 of the Act on Limited Liability Companies (Gesetz betreffend die Gesellschaften mit beschränkter Haftung; GmbHG).

These companies are directly or indirectly wholly owned by DBAG and are integrated into DB Group via a domination and profit and loss transfer agreement. As part of DB Group, meetings held in person to discuss the financial statements with only one person present as shareholder representative would have no added value in terms of content, but would result in a significantly disproportionate administrative burden and additional expenses, due to the presence of the auditor, for example.

3. NO. 4.1.2 PARA. 1

A clause on the application of the PCGK, as amended, was included in the relevant company documents during the reporting period. In the case of one company, this process could not be finalized before the reporting date.

4. NO. 4.1.3 PARA. 2 CLAUSE 1 AND NO. 4.1.3 PARA. 4

Continuous quarterly reporting recommended by the PCGK for the companies it covers in accordance with Section 90 of the German Stock Corporation Act (Aktiengesetz; AktG) is not implemented for four GmbHs (Para. 2) and six GmbHs (Para. 4). The previous cycle of semi-annual reporting has proved successful in these companies. The proper, timely and comprehensive information of the supervisory body continues to be effectively ensured, even with the current reporting period of at least one meeting per calendar half-year. If there are additional events, written reports by the Management Board or extraordinary meetings of the Supervisory Board may continue to take account of the reporting requirements to the Supervisory Board.

5. NO. 4.1.3 PARA. 5 CLAUSES 4 AND 5

The respective rules of procedure for the companies covered by the scope of application of the PCGK generally stipulate that a 14-day period must be observed for convening the Supervisory Board, including communication of agenda items. Additions should be communicated no later than one week before the meeting (by means of subsequent dispatch). In justified exceptional cases, additions to the agenda or the submission of documents may be required at short notice so that the Supervisory Board can also be informed in urgent cases or can also make corresponding decisions. During the reporting period, some companies covered by the PCGK

submitted documents within less than 14 days' notice in isolated cases. The companies strive to comply with the 14-day deadline in principle.

6. NO. 4.3.2 CLAUSE 2

In its D&O insurance policy, DB Group does not comply with the deductible recommended by the PCGK for members of GmbH management bodies. DB AG has taken out a Group-wide D&O insurance policy for all its management body members in fully consolidated companies. A deductible for management body members of GmbH companies is not prescribed by law. Unlike executives of stock corporations, for whom the deductible is prescribed by law, there are hardly any corresponding insurance offers on the market to cover such a deductible for members of the management body of GmbHs. DB AG continuously monitors the insurance market. If the corresponding offers are available on the market, DB AG will aim to implement this recommendation from the PCGK.

7. NO. 4.3.2 CLAUSE 3

In D&O insurance, there is no deductible for members of supervisory bodies.

DB AG has taken out a Group-wide D&O insurance policy for all its Board members in fully consolidated companies, which also covers the members of the supervisory bodies.

A deductible makes it difficult to obtain suitably qualified candidates for members of the supervisory bodies, especially since comparatively low remuneration is already paid.

A significant portion of the compensation paid to representatives on DB Group Supervisory Boards who are delegated by/elected at the behest of the Federal Government is transferred to the Federal Treasury, unless they waive their compensation altogether. Members of the Supervisory Board representing employees also transfer a significant amount of their compensation to the Hans Böckler Foundation. DB executives who take on Supervisory Board mandates within DB Group do not receive any separate compensation for DB Group-internal Supervisory Board mandates. This being the case, it does not seem appropriate to allow members of the supervisory bodies to share in the risks arising from Directors' and Officers' liability cases.

8. NO. 5.1.2 CLAUSE 4

DB Group has complied with the recommendation of the PCGK to subject the entity responsible for compliance directly to the management body, with three exceptions.

In a company, the compliance officer is indirectly subordinated to the management body, and the performance of the compliance function only represents a small proportion of their overall activity. However, there is a direct right to report to the management body and professional independence, meaning that in this case the indirect subordination is considered to be justifiable. In another case, responsibility for compliance is assigned to the chairman of the management body. The compliance officer assigned to him is responsible for compliance issues across a number of companies in this business unit. As a result of the evaluation and audit, the overall approach presented was considered to be efficient and therefore preferred to the establishment of compliance officers in the respective legal entities, who then report directly to the respective management body. In another company, direct reporting to the management body is not feasible, as the company does not have any employees, but only consists of the members of the management body and the supervisory body.

9. NO. 5.2.2 CLAUSES 1 AND 3

As part of the implementation of the PCGK recommendations, a standard procedure/sample documents were developed for a transparent selection procedure and gradually applied during the reporting period. As these were established during the reporting year, the sample documents were not yet used in all companies during the entire reporting period. In companies with minority shareholdings, there are, in some cases, rights to designate on the part of the minority shareholder for individual management mandates. In these cases, there is no room for DB AG to apply a structured selection procedure.

10. NO. 5.2.4 CLAUSE 3

In one company, a member of the management body was reappointed 1.5 years before the end of their term and the current mandate was simultaneously terminated in the reporting period. This was necessary to ensure continuity in the general management.

11. NO. 5.3.2 PARAS. 1 AND 2

The recommendations under No. 5.3.2 Clauses 1 and 2 of the PCGK, in accordance with which remuneration of management body members should be decided by the responsible corporate body, are, for the most part, complied with. In individual cases, there are still ongoing Group employment contracts for historical reasons. In these cases, where the contractual partner is not the corporate body, but rather DB AG as management holding company, the recommendations of this section shall be deviated from during the term of these Group employment contracts. There are no plans to conclude new Group employment contracts in the future.

12. NO. 5.3.2 PARA. 5

DB AG intends to comply with the recommendation to establish malus and clawback clauses in the employment contracts for members of a management body. This recommendation will be integrated into contractual regulations, predominantly in the context of new appointments and reappointments. Accordingly, it will take several years for the companies covered by the PCGK to fully comply with this recommendation.

13. NO. 5.3.3 AND 5.3.4

The recommendations under Nos. 5.3.3 and 5.3.4 of the PCGK with regard to the determination of variable compensation components by the responsible corporate body are, for the most part, complied with. In individual cases, there are still ongoing Group employment contracts for historical reasons. In these cases, where the contractual partner is not the corporate body, but rather DB Group Management is, the recommendations of this section shall be deviated from during the term of these Group employment contracts, as the targets in these cases are agreed with Group management. There are no plans to conclude new Group employment contracts in the future.

The methods for the variable remuneration/profit share in DB Group were revised in the 2022 financial year. The established methodology meets the requirements of the PCGK.

14. NO. 6.1.1 PARA. 1

In the case of DB Projekt Stuttgart—Ulm GmbH, DB Group does not comply with the PCGK's recommendation to anchor a supervisory body in the articles of association where this is not provided for by law. In 2013, the Management Board and Supervisory Board agreed to establish the project company DB Projekt Stuttgart—Ulm GmbH for the implementation of the major Stuttgart 21/Wendlingen—Ulm projects and to set up an advisory board of specialist experts to support the company. The Advisory Board of DB Projekt Stuttgart—Ulm GmbH does not have any tasks, rights or duties within the meaning of the German Stock Corporation Act (Aktienrecht). However, the Chairman of the Advisory Board regularly brings the committee's positions into the deliberations of DB AG's Supervisory Board on the Stuttgart 21 project. In addition, the auditors PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) and the engineering firm Emch + Berger provide regular, independent support and quarterly reporting on the project status on DB AG's Audit and Compliance Committee. There is, therefore, no intention to establish a separate supervisory board for DB Projekt Stuttgart—Ulm GmbH.

15. NO. 6.1.7

The majority of the relevant delegation clauses have been deleted from company documents. Apart from one exception, the deletion of which is planned for the next possible date, the PCGK is to be complied with.

16. NO. 6.5 PARA. 1

DB AG does not comply with the recommendation that all companies covered by the PCGK hold one regular meeting of the supervisory body per calendar quarter. DB AG believes that holding meetings less frequently has proven to be effective, particularly in the case of smaller companies, and – given the size of the companies and the smaller variety of topics or reportable business transactions compared to large companies – it also constitutes proper monitoring of the management body. The proper, timely and comprehensive information of the supervisory body continues to be effectively ensured, even with the current reporting period of at least one meeting per calendar half-year. If there are additional events, written reports by the management body or extraordinary meetings of the Supervisory Board may continue to take account of the reporting requirements to the Supervisory Board.

17. NO. 6.5 PARA. 2

To date, circular resolutions have been documented in a separate resolution. Additional consideration was arranged in the minutes of the subsequent meeting of the supervisory body. The procedure was introduced during the reporting year for three companies and has not yet been implemented for the full reporting period.

18. NO. 7.2.1 AND 7.2.2

DB AG does not follow the recommendation to disclose the compensation of the executive bodies of the subsidiaries covered by the PCGK on an individual basis in the Corporate Governance report.

Publishing the compensation awarded to the respective members of management bodies, especially without their consent, would be questionable with regard to data protection. As yet, relevant consents have not been contractually agreed for the members of management bodies, with the exception of the DB Group Management Board.

II.

The Supervisory Board and the Management Board of DB AG further declare that the Group parent company and the companies under its uniform management that are required to apply the Code will, in principle, comply with the recommendations on PCGK 2020 adopted by the German Federal Government on September 16, 2020, with the aforementioned exceptions.

GRI COOPERATION BETWEEN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

As a German joint stock corporation, DB AG is subject to a two-tier management and monitoring structure in the form of the Management Board and Supervisory Board. These two bodies are strictly segregated in terms of both their membership and their competencies. The members of the Management Board bear joint responsibility for the management of the company. The Supervisory Board monitors the activities of the Management Board and is responsible for appointing members to, and dismissing members from, the Management Board.

In the interests of optimum company management, we see it as very important for the Management Board and the Supervisory Board to maintain continuous dialog with each other and to work together efficiently and in an atmosphere of mutual trust for the benefit of the company. The Management Board takes part in meetings of the Supervisory Board insofar as the Supervisory Board deems this necessary and provides the Supervisory Board with regular, prompt, comprehensive information on all matters relevant to the company, particularly those concerning planning, business development, risk exposure and risk management, as well as the internal control system.

An overview of the members of the [Management Board and of the Supervisory Board of DB AG](#) 273 ff., including the mandates they hold, is provided in the Notes to the consolidated financial statements.

Management Board

The members of the Management Board bear joint responsibility for the management of the company. The Management Board is required to safeguard the interests of the company and is committed to achieving the sustainable growth of enterprise value. It specifies the business goals and defines the strategies to be implemented in order to attain these targets. The Management Board is responsible for making decisions on all matters of fundamental and key importance for the company.

In its meeting on June 23, 2022, the Supervisory Board decided to dissolve the previous Passenger Transport Board division and to transfer both long-distance passenger transport and regional transport to a separate Board division. For the period from July 1, 2022, to June 30, 2025, Ms. Evelyn Palla was appointed member of the Management Board of DBAG for the new Regional Transport Board division and Dr. Michael Peterson for the new Long-Distance Passenger Transport

Board Division. The Infrastructure Board division has been managed by Mr. Berthold Huber since July 1, 2022, thus succeeding Ronald Pofalla, who left DB Group on April 30, 2022.

Based on the recommendations of the Public Corporate Governance Code and the corresponding regulations in the company documents, all Board members are required to report conflicts of interest. Conflicts of interest that have occurred are reported in the declaration of conformity to be issued annually. Accordingly, the members of the Management Board immediately disclose conflicts of interest to the Supervisory Board and inform their colleagues on the Management Board about them. In the reporting period, no such incidents arose.

Supervisory Board

The Supervisory Board advises and monitors the Management Board in its management of the company.

In line with the requirements of the Co-Determination Act (Mitbestimmungsgesetz; MitbestG), the Supervisory Board of DB AG consists of 20 members, of whom ten members are shareholders' representatives and ten members are employee representatives. Some of the shareholders' representatives are seconded to the Supervisory Board and some are elected at the Annual General Meeting. The selection process for the members of the Supervisory Board is carried out by the owner in accordance with the statutory provisions. The employees' representatives on the Supervisory Board are elected in line with the requirements of the Co-Determination Act. The company is therefore not able to provide detailed information about a selection procedure or any underlying criteria (including diversity characteristics). An overview of the incumbent members of the Supervisory Board together with their functions or job titles is shown in the [consolidated financial statements](#) 274 ff.

In the current term of office, Mr. Christian Schmidt resigned his Supervisory Board mandate with effect from the end of April 30, 2022, and Ms. Kirsten Lühmann and Mr. Eckhardt Rehberg resigned their respective Supervisory Board mandates with effect from the end of June 15, 2022. With effect from June 16, 2022, Mr. Stefan Gelbhaar (Member of the German Parliament), Ms. Dorothee Martin (Member of the German Parliament) and Mr. Bernd Reuther (Member of the German Parliament) were elected as members of the Supervisory Board of DB AG at the extraordinary general meeting on June 16, 2022. With effect from the end of June 15, 2022, Mr. Enak Ferlemann and Ms. Elisabeth Winkelmeier-Becker each resigned from their Supervisory Board mandates. With effect from June 16, 2022, Parliamentary State Secretary Susanne Henckel, Federal Ministry of Digital and Transport (BMDV), and Parliamentary Secretary of State Anja Hajduk, Federal Ministry of Economics and Climate Protection (BMWK),

were appointed to the Supervisory Board of DB AG for the remainder of the term of office. Former State Secretary Michael Odenwald resigned his mandate and, in connection with this, also resigned from his position as Chairman of the Supervisory Board with effect from the end of July 22, 2022. Ms. Ingrid Hengster resigned her Supervisory Board mandate with effect from August 19, 2022. At the Supervisory Board meeting on September 28, 2022, State Secretary Werner Gatzert was elected to the position of Chairman of the Supervisory Board. At the extraordinary general meeting of September 29, 2022, Ms. Daniela Mattheus was elected to the Supervisory Board of DB AG with immediate effect from October 1, 2022, and at the extraordinary general meeting of December 7, 2022, Mr. Michael Sven Puschel was also elected to the Supervisory Board of DB AG with immediate effect for the remaining term of office.

Mr. Jürgen Beuttler and Mr. Mario Reiss each resigned their Supervisory Board mandates with effect from the end of July 31, 2022. Mr. Klaus-Dieter Hommel resigned his Supervisory Board mandate with effect from the end of September 30, 2022 and Mr. Jürgen Knörzer resigned his Supervisory Board mandate with effect from the end of October 31, 2022. Alexander Kaczmarek and Klaus-Peter Schölzke were appointed members of the Supervisory Board of DB AG with effect from September 13, 2022, by way of a judicial appointment by the Charlottenburg District Court. By way of a judicial appointment with effect from December 8, 2022, Mr. Ralf Damde and Mr. Manfred Scholze were also appointed members of the Supervisory Board of DB AG. At the Supervisory Board meeting on December 15, 2022, Mr. Martin Burkert was elected Deputy Chair of the Supervisory Board.

Any personal or business relationships of individual members of the Supervisory Board with the company are stated in the Notes to the consolidated financial statements.

Based on the recommendations of the Public Corporate Governance Code and the corresponding regulations in the company documents, all Board members are required to report conflicts of interest. Conflicts of interest that have occurred are reported in the declaration of conformity to be issued annually. The members of the Supervisory Board must also disclose any conflicts of interest to the Supervisory Board without delay and inform the Supervisory Board accordingly. In the reporting period, no such incidents arose.

Transactions of fundamental importance and other Management Board decisions with a major impact on the business operations and on the assets, financial or income situation of the company require the authorization of the Supervisory Board. The Management Board reports to the DB Supervisory Board on the business development and the position of DB Group at least once every quarter. The Management Board




also reports to the Supervisory Board regularly on all measures implemented within the company that are intended to ensure compliance with laws and corporate regulations. In addition, the tasks of the Supervisory Board include the auditing and approval of the company's annual financial statements and the auditing of the company's management report, the consolidated financial statements, and the DB Group management report. The Supervisory Board also monitors the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the process of auditing the annual financial statements.

The Chairman of the Supervisory Board is in regular contact with the Management Board and specifically the Chief Executive Officer to discuss company strategy, business development and risk management. The Chairman of the Supervisory Board receives regular reports from the Chief Executive Officer on all events that are of key importance for assessing the company's situation and development, as well as for its management.

There were no consultancy agreements or other comparable service agreements or contracts for services between the members of the Supervisory Board and DB AG in the year under review.

Supervisory Board committees

GRI

In order to enable it to carry out its monitoring activities to the best of its abilities, the Supervisory Board of DB AG has made use of the option of setting up further committees in addition to the Mediation Committee, which has to be set up in accordance with the Co-Determination Act, and has set up an Executive Committee, an Audit and Compliance Committee and a Personnel Committee. An overview of the [members of the committees](#)  276 can be found in the notes to the consolidated financial statements. Details of the [work performed by the individual committees](#)  27f. in the year under review are included in the report of the Supervisory Board. [Details of the functions](#)  of the individual committees can be found on our Web site.

Share of women on the Management Board and Supervisory Board

GRI

As of the reporting date December 31, 2022, the Supervisory Board of DB AG included, and still includes, seven women (35.0%). A target of a 50% share of women on the Supervisory Board of DB AG was set, with a deadline of June 30, 2027.

The Management Board of DB AG included, as at the reporting date of December 31, 2022, and still includes, two women (37.5%). A target of a 50% share of women on the Management Board of DB AG was set, with a deadline of June 30, 2027.

At the other management levels of DB AG, the following targets have been set (deadline December 31, 2024): at the first management level below the Management Board, a 31.7% share of women, and at the second management level below the Management Board, a 40.2% share of women. As of December 31, 2022, a 21.6% share of women was realized at the first management level below the Management Board. At the second level, 36.4% was achieved.

DB Group is committed to the equal participation of women and men in management positions and, on the basis of the law, has decided to set a total target of 30% women in management for all applicable subsidiaries at all levels (Supervisory Boards, Management Boards/management bodies, first and second management levels), with a deadline of December 31, 2024.

Comprehensive information on DB Group's diversity and sustainability activities is provided in the non-financial section of the Integrated Report.

TRANSPARENCY

All important information regarding DB Group's consolidated and annual financial statements, the interim report, the financial calendar and information on security transactions subject to a reporting obligation can be found on our [Web site](#) . In addition, we provide regular information on current developments within the framework of our investor relations activities and corporate communication.

RISK MANAGEMENT

Good corporate management also encompasses a responsible approach to the risks and opportunities arising in connection with business operations. The early identification and limitation of business risks is therefore of paramount importance to the Management Board and the Supervisory Board.

The Management Board is responsible for ensuring, and continuously improving, adequate risk management and monitoring of risks within the company. The Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG) precisely defines the responsibilities of the Supervisory Board with regard to monitoring the accounting process and ensuring the effectiveness of the internal control system, the risk management system and the internal audit system. For the Supervisory Board to be able to discharge this responsibility, it must be provided with suitable information based on which it can form an opinion on the adequacy and effectiveness of systems. Regular reports are made to

the Audit and Compliance Committee, concerning the adequacy and effectiveness of the internal control system. In addition, the Management Board reports to the Audit and Compliance Committee regarding risks of major importance to the Group companies and the handling of these risks by the Management Board. It also controls whether the early warning system for risks meets the requirements of Section 91 Para. 2 of the German Stock Corporation Act (Aktiengesetz; AktG).

COMPLIANCE

Compliance is an integral component of the corporate and leadership culture at DB Group. To us, compliance means ensuring our business activities comply with the relevant laws and regulations that apply to them.

Our compliance activities focus on preventing and consistently combating corruption and other corporate crime. Mandatory compliance policies serve to protect DB Group, our employees and our executives. Increasing awareness among our employees and executives remains of great importance, because only risk-aware employees can recognize risks and successfully avoid or, at least, minimize them.

The compliance work of DB Group includes the early detection of compliance risks as well as the introduction of relevant countermeasures. This work includes conducting compliance programs, constant communication and process improvements.

ACCOUNTING AND AUDITING

On March 30, 2022, the Annual General Meeting of DB AG appointed the auditing firm PricewaterhouseCoopers GmbH (PwC), Berlin, as auditor for the 2022 financial year. The Audit and Compliance Committee prepared the proposal of the Supervisory Board regarding the election of the auditor and, following the election of the auditor by the Annual General Meeting, defined the key audit aspects in conjunction with the auditor. Once again this financial year it was agreed with the auditor that the Chairman of the Audit and Compliance Committee will be notified of any possible reasons for exclusion or prejudice that emerge in the course of the audit. It was also agreed that the Chairman of the Committee will be notified immediately by the auditor of any separate findings and any irregularities in the statement of compliance.

EFFICIENCY AUDIT OF THE SUPERVISORY BOARD

The Supervisory Board regularly monitors the efficiency of its activities. The last efficiency audit took place in the 2021 financial year.

COMPENSATION REPORT

The compensation report outlines the compensation system and lists the individual compensation of the members of the Management Board and the Supervisory Board.

Compensation system of the Management Board

The compensation system for the Management Board of DBAG aims to provide appropriate compensation to members of the Management Board in accordance with their duties and areas of responsibility.

The appropriate level of compensation is reviewed regularly using a comparison process. This review examines the level of Management Board compensation both in comparison to the external market (horizontal appropriateness) and in comparison to other levels of compensation within the company (vertical appropriateness). If the review shows a need to adjust the compensation system or the level of compensation, the Personnel Committee of the Supervisory Board, which has equal representation of the stakeholders and shareholders involved through the shareholders and employee representatives on the committee, submits corresponding proposals in this regard to the Supervisory Board for approval. The appropriateness of Management Board compensation was last reviewed in the 2021 financial year.

COMPENSATION COMPONENTS

The total compensation for Management Board members consists of a fixed salary, a performance-linked annual bonus (short-term incentive, STI) and a long-term incentive plan based on multi-year figures. Total compensation also includes benefit commitments, other commitments and ancillary benefits.

The fixed salary is cash compensation linked to the financial year. It is based on the scope of responsibility and the experience of each Management Board member. The individually defined fixed income is paid out in 12 equal installments.

In December 2021, the Supervisory Board adopted an amendment to the STI methodology, which was applicable for the first time in the 2022 financial year. In the interests of transparent and uniform rules on profit-sharing in the Integrated Rail System, this also applies, as far as possible, to other Group subsidiaries and management levels from 2022. The methodological revision of the STI takes into account in particular the recommendations of the Federal Government's Public Corporate Governance Code, which was amended in 2020. The main focus of the established STI methodology is on operating performance and customer satisfaction, but

also takes into account the income situation and respective Board Division-specific issues. The annual bonus is calculated on the basis of the total of five individual targets with equal weightings. Three of these objectives relate to the areas of "Customer," "Quality" and "Employees," and another objective is the economic performance of DB Group. These four objectives are common to all members of the Management Board. In addition, a Board Division-specific target has been agreed for each Board member. After the mathematical calculation of the STI, it is possible to modify the mathematical result by means of a discretionary factor and to allow extraordinary events that occurred during the reporting year and cannot be predicted at the start of the assessment period to be included in the target achievement via a modifier. Furthermore, the STI is only paid out if DBAG is able to pay dividends. If this is not the case, the STI is completely canceled (knock-out). The STI payout may not amount to more than 200% of the STI target bonus. Extra premium and clawback regulations were also agreed with Board members in accordance with the recommendations of the PCGK. The business and personal targets of the Management Board members are determined by the Supervisory Board annually, based on recommendations from the Personnel Committee, and are then agreed in writing with the Management Board members.

Together with the corporate plan adopted by the Supervisory Board, the personal targets form the basis for calculating the annual bonus. This means that all of the key parameters for total compensation are established at the beginning of the financial year. At the end of a financial year, the level of target achievement is determined for each member of the Management Board on the basis of the Group results. The target income is achieved if every target is 100% met. The final decision on this matter is made by the Supervisory Board and is prepared by the Personnel Committee.

The long-term incentive (LTI) for the Management Board is focused on long-term transport volume and climate policy targets and the sustainable creditworthiness and profitability of DB Group. After the end of the respective plan term of four years, the extent to which LTI targets have been achieved at the end of the tranche is measured using the average target achievement for the individual years. The payment amount for the long-term incentive plan has an upper limit and can vary between 0% and 200%. Claims from the long-term incentive plan are inheritable.

The Management Board members are entitled to an appropriate severance package if their contract is terminated before the contractually stipulated termination date, provided that the Management Board member was not personally responsible for the termination through his or her actions. The severance package is based on the remaining term of

the contract, the agreed target salary and, where applicable, the pension benefits already owed by DB AG for the remainder of the contract.

In accordance with the recommendations of the PCGK, a severance payment cap is included in all contracts of DB AG Management Board members. This cap means that payments made to a Management Board member due to premature termination of Management Board duties cannot, without good cause as defined by section 626 of the German Civil Code (Bürgerliches Gesetzbuch; BGB), exceed the value of two years' salary, including variable compensation components, and must not provide compensation for more than the remaining term of the employment agreement.

Management Board members do not receive any additional compensation for mandates exercised in control bodies of Group companies or affiliated companies.

Group-wide compensation system for executives

In the interests of transparent and uniform rules on profit-sharing in the Integrated Rail System, the modified STI methodology adopted by the Supervisory Board of DB AG for the Management Board in December 2021 was implemented for other Group subsidiaries and management levels from 2022.

The compensation system for executives aims primarily to closely link compensation to the sustainable success of the company in the sense of the business success of the Integrated Rail System and of DB Group, as well as the alignment of all divisions toward this target.

The annual bonus for executives and employees not subject to wage agreements in the Integrated Rail System is structured as a profit share. Personal goals are then agreed with executives as part of a regular process. The target achievement and/or personal performance assessments are then regularly included in the assessment, both in the profit share and in decisions to increase the fixed salary.

If the executives are members of DB AG subsidiaries, the respective subsidiary's supervisory board is responsible for discussing the personal goals, if possible by the end of a financial year. Where applicable, the respective decision-making will take place after the DB AG Supervisory Board meeting in which the mid-term planning and the targets for DB AG's Management Board are adopted. This chronological sequence of the handling of personal goals in the Supervisory Boards of the subsidiaries is due to the Group structure of DB AG.

In some cases, given the regulatory requirements, DB Netz AG is subject to separate regulatory requirements which take even greater account of the business success of DB Netz AG.

Pension entitlements

The Supervisory Board of DB AG has determined that the Management Board should not include members who have exceeded the standard retirement age of the statutory pension insurance. After leaving the company, Management Board members are entitled to pension payments. At the latest upon reaching the age of 65, Management Board members who were in office prior to 2017 are entitled to a lifelong pension if the term of employment ends due to permanent invalidity, or if the contract is terminated before the agreed termination date or is not extended, without good cause, or if the Management Board member refuses to continue the contract under the same or more beneficial conditions.

The system governing benefit commitments to Management Board members was amended in 2017. Members appointed to the Management Board for the first time in 2017 and thereafter receive a defined benefit commitment under which a capital stock is saved up for the Board member for the duration of their employment and paid out when they reach retirement age. The commitment is granted in the form of a capital account plan with an annual contribution derived as a fixed percentage rate of the fixed salary.

Company pension commitments for Management Board members already in office are based on a percentage of the basic salary depending on the length of time that the Management Board member has been with the company. Pension commitments include lifelong retirement and surviving dependent benefits. There is no lump sum payment option.

In addition, for Management Board member contracts entered into before January 1, 2009, a reinsurance policy was concluded to cover company pension benefits.

Contractual ancillary benefits

The contractual ancillary benefits for Management Board members include a company car with driver for business and personal use, a personal BahnCard 100 First travel card and standard insurance coverage. A housing allowance is provided for second homes where these are required for business purposes. Where these benefits in kind cannot be granted on a tax-free basis, they are taxed as monetary benefits for which the Management Board members are fully responsible. Management Board members, like any other member of the Group's executive personnel, can choose to take part in the company's deferred compensation program.

The members of the Management Board are covered by liability insurance against financial losses incurred due to DBAG's business operations (D&O insurance). In the year under review, this insurance was designed as a Group insurance policy with the deductible provided for under law; it provides coverage for financial losses that may occur during the performance of Management Board activities. The insurance coverage of the existing D&O insurance policy is valid for a period of five years after the termination of activities as a member of the Management Board.

COMPENSATION FOR THE 2022 FINANCIAL YEAR

DBAG Management Board

The director's fee for the previous financial year is due at the end of the month in which the company's Annual General Meeting takes place.

The DBAG Management Board members will receive the following compensation for their work during the year under review:

TOTAL COMPENSATION OF THE MANAGEMENT BOARD / € thousand	Variable compensation					Total ⁴⁾
	Fixed compensation	Short-term ¹⁾	Long-term payment	Provision ²⁾	Other ³⁾	
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2022						
Dr. Richard Lutz	968	1,261	-	672	8	2,236
Dr. Daniela Gerd tom Markotten	400	482	-	97	15	896
Dr. Levin Holle	400	518	-	219	15	933
Berthold Huber	699	699	-	428	14	1,411
Dr. Sigrid Nikutta	400	473	-	225	9	881
Evelyn Palla	200	214	-	38	5	419
Dr. Michael Peterson	200	214	-	38	6	419
Martin Seiler	650	736	-	360	8	1,394
Total	3,916	4,595	-	2,076	78	8,589
MEMBERS WHO LEFT THE MANAGEMENT BOARD OF DB AG DURING THE YEAR UNDER REVIEW						
Ronald Pofalla	217	245	-	350	12	474
Total	4,133	4,840	-	2,426	90	9,064

Individual figures are rounded and therefore may not add up.

¹⁾ Subject to the resolution of the Supervisory Board.

²⁾ Long-term variable compensation refers to the addition / release of provisions for long-term incentives (LTI).

³⁾ Monetary benefits accruing from travel discounts, usage of company cars, and insurance and housing allowances.


⁴⁾ Total without long-term variable compensation.

In the year under review, no Management Board member of DBAG received benefits or promises of benefits from a third party with regard to their activities as a member of the Management Board.

Pension benefits for the Management Board for the 2022 financial year

In the year under review, an amount of € 1,769 thousand was added to the pension provisions.

ADDITIONS TO PENSION PROVISIONS / € thousand	2022
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2022	
Dr. Richard Lutz	329
Dr. Daniela Gerd tom Markotten	176
Dr. Levin Holle	175
Berthold Huber	648
Dr. Sigrid Nikutta	171
Evelyn Palla	-
Dr. Michael Peterson	-
Martin Seiler	270
Total	1,769
MEMBERS WHO LEFT THE MANAGEMENT BOARD OF DB AG DURING THE YEAR UNDER REVIEW	
Ronald Pofalla	-
Total	1,769

Pension provisions for **former Management Board members**  265 are shown in total in the Notes to the consolidated financial statements.

Compensation of the Supervisory Board for the 2022 financial year

The compensation of the Supervisory Board of DBAG was most recently regulated by the Annual General Meeting resolution of September 21, 2010. In addition to being reimbursed for their cash outlays and the value-added tax due on their compensation and cash outlays, the DBAG Supervisory Board members each receive fixed annual compensation of € 20,000, plus performance-linked annual compensation. The performance-based compensation is calculated based on the relationship between operating profit (EBIT) as disclosed in the consolidated financial statements for the financial year compared to the previous year's figures, and the attaining of specific operational performance figures. Performance-based compensation is limited to a maximum of € 13,000. The Chairman of the Supervisory Board receives twice this amount, while his deputy receives one and a half times the above figure. This compensation is increased by a quarter for every position held on a committee by the individual Supervisory Board member. This compensation increases by 100% for the Chairman of the Executive Committee and the Chairman of the Audit and Compliance Committee, and by 50% for the Chairman of the Personnel Committee. This does not include membership or chairmanship of the committee that is formed under the terms of Section 27 Para. 3 of the Co-determination Act (MitbestG).

In addition, the members of the Supervisory Board of DBAG receive an attendance fee of € 250 for each meeting of the Supervisory Board and its committees at which they are present. The members of the Supervisory Board also have the choice between a personal BahnCard 100 First and five free train tickets.

The members of the Supervisory Board are covered by liability insurance against financial losses incurred due to DBAG's business operations (D&O insurance). This insurance is designed as a group insurance policy with no deductible and provides coverage for financial losses that may occur during the performance of Supervisory Board activities. There is also a Group accident insurance policy in place for members of the Supervisory Board. The company pays the premiums for these policies.

Supervisory Board members who have only been members for part of the respective financial year receive a twelfth of the total compensation for each month or part of a month of their membership. This rule also applies to the increase in compensation for the Chairman of the Supervisory Board and his or her deputy and to the increase in compensation for membership and chairmanship of a Supervisory Board committee.

Compensation is paid after the conclusion of the Annual General Meeting that votes to ratify the Supervisory Board's activities in the previous financial year.

Taxes due on compensation received, including the personal BahnCard 100 First and the five free train tickets, are the individual responsibility of each Supervisory Board member.

Supervisory Board members currently hold no shares in the company, nor do they hold options entitling them to purchase shares in the company.

Subject to the approval of the activities of the Supervisory Board by the Annual General Meeting on March 28, 2023, the members of the Supervisory Board of DBAG will receive the following compensation for their work during the year under review:

TOTAL COMPENSATION OF THE SUPERVISORY BOARD / € thousand	Annual compensation 2022				
	Fixed compensation	Variable compensation ^{3),4)}	Meeting attendance fee	Ancillary benefits	Total
ON DECEMBER 31, 2022, INCUMBENT SUPERVISORY BOARD MEMBERS OF DB AG¹⁾					
Werner Gatzert	40.0	26.0	3.0	-	69.0
Martin Burkert	21.7	14.1	2.8	-	38.5
Ralf Damde	1.7	1.1	0.3	-	3.0
Stefan Gelbhaar	11.7	7.6	1.0	-	20.3
Anja Hajduk ²⁾	-	-	-	-	-
Susanne Henckel	20.4	13.3	2.8	-	36.4
Jörg Hensel	25.0	16.3	3.3	0.9	45.4
Cosima Ingenschay	25.0	16.3	2.3	-	43.5
Alexander Kaczmarek	6.7	4.3	0.8	0.9	12.6
Prof. Dr. Susanne Knorre	20.0	13.0	1.5	6.6	41.1
Dorothee Martin	11.7	7.6	1.0	-	20.3
Daniela Mattheus	5.0	3.3	0.5	-	8.8
Heike Moll	20.0	13.0	1.5	6.6	41.1
Michael Puschel	1.7	1.1	0.3	-	3.0
Dr. Immo Querner	40.0	26.0	3.3	6.6	75.8
Bernd Reuther	11.7	7.6	1.0	0.9	21.1
Klaus-Peter Schölzke	6.7	4.3	0.5	-	11.5
Manfred Scholze	1.7	1.1	0.3	6.9	9.9
Jens Schwarz	30.0	19.5	3.5	6.6	59.6
Veit Sobek	20.0	13.0	1.3	6.6	40.8
MEMBERS WHO LEFT THE SUPERVISORY BOARD OF DB AG DURING THE YEAR UNDER REVIEW¹⁾					
Jürgen Beuttler	11.7	7.6	0.8	-	20.0
Enak Ferlemann ²⁾	-	-	-	-	-
Dr. Ingrid Hengster	13.3	8.7	0.8	-	22.8
Klaus-Dieter Hommel	30.0	19.5	2.5	-	52.0
Jürgen Knörzer	16.7	10.8	1.3	-	28.8
Kirsten Lüthmann	10.0	6.5	0.5	-	17.0
Michael Odenwald	40.8	26.5	2.0	-	69.4
Eckhardt Rehberg	10.0	6.5	0.5	-	17.0
Mario Reiss	11.7	7.6	0.8	-	20.0
Christian Schmidt	6.7	4.3	0.5	-	11.5
Elisabeth Winkelmeier-Becker ³⁾	8.3	5.4	0.8	-	14.5
Supervisory Board remuneration for further mandates in DB subsidiaries					108.4
Total					982.7

Individual figures are rounded and therefore may not add up.

¹⁾ Some Supervisory Board members state that their compensation is to be donated to the Hans Böckler Foundation in line with the directive of the German Trade Union Confederation (Gewerkschaftsbund).

²⁾ Ms. Hajduk and Mr. Ferlemann waived the compensation they are due for their work as a member of the Supervisory Board in full.

³⁾ Ms. Winkelmeier-Becker waived the compensation she was due for her work as a member of the Supervisory Board for the period from January 1, 2022 to March 15, 2022.

⁴⁾ Payment of variable compensation components subject to the regulations of the Law on the Introduction of a Price Brake on Electricity (StromPBG).

There are no pension obligations for members of the Supervisory Board.

The members of the Supervisory Board did not receive any compensation in the year under review for any personally provided services.