

CASH FLOWS BETWEEN DB AG AND DB INFRASTRUCTURE COMPANIES																							
/ € million	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
FROM CAPITAL INCREASES BY DB AG																							
DB Netz AG	-	-	-	-	-	+600	-	-	-	-	+620	-	-	+5	-	-	+1,000	-	-	-	-	+1,125	+3,350
DB Station & Service AG	-	-	-	-	-	-	+286	-	+28	+111	+14	-	-	-	-	-	-	-	-	-	-	+1,000	+1,439
Total	-	-	-	-	-	+600	-	+286	-	+28	+731	+14	-	+5	-	-	+1,000	-	-	-	-	+2,125	+4,789
FROM PROFIT AND LOSS TRANSFER AGREEMENTS TO (-)/FROM (+) DB AG																							
DB Netz AG	+790	+181	+548	+324	+183	+260	+212	-146	-338	-768	+44	-307	-197	-66	-217	-81	-280	-390	-509	-402	+23	+139	-997
DB Station & Service AG	+70	-0	+251	-37	-55	-69	-52	-90	-190	-150	-141	-155	-160	-169	-188	-203	-176	-186	-190	-146	+32	+61	-1,943
DB Energie GmbH	-34	-2	-29	-43	-47	-44	-111	-106	-18	-91	-38	+38	-62	+37	-39	-51	-35	-59	-12	+3	+66	-126	-803
Total	+826	+179	+770	+244	+81	+147	+49	-342	-546	-1,009	-135	-424	-419	-198	-444	-335	-491	-635	-711	-545	+121	+74	-3,743
DIVIDEND PAYMENT TO THE FEDERAL GOVERNMENT (FOR PREVIOUS YEAR)																							
DB AG	-	-	-	-	-	-	-	-	-	-	-	-500	-525	-525	-200	-700	-850	-600	-450	-650	-650	-	-5,650

(+) Cash inflow (-) Cash outflow

GRI Corporate Governance report

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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. DB AG complies with this recommendation in the following statement. 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 DB AG declare that since the last declaration was issued on March 24, 2021, 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 SENTENCE 1

A sample clause about the application of the PCGK as amended was developed and scheduled for inclusion in the company documents. The adoption of amended articles of association and partnership agreements is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

2. NO. 3.2 SENTENCES 1 TO 4

For some of the limited liability companies (GmbHs) within DB Group, shareholder's 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 German Limited Liability Company Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung; GmbHG).

These companies are directly or indirectly wholly owned by DB AG and are integrated into DB Group via a domination and profit and loss transfer agreement. As part of DB Group in companies mentioned above, 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 sample clause for anchoring approval conditions was developed and scheduled for inclusion in the company documents. The adoption of amended articles of association and partnership agreements is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

4. NO. 4.1.3 PARA. 2 SENTENCE 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 13 GmbHs.

In these companies, this is not considered to be expedient, as the extension to a quarterly cycle would not lead to any added value or meaningful reporting depth for the supervisory body in view of the nature and scope of the business operations. 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.

5. NO. 4.1.3 PARA. 5 SENTENCE 2

A sample clause was developed to define the general management's information and reporting obligations and was scheduled for inclusion in the company documents. The adoption of amended company documents is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

6. NO. 4.1.3 PARA. 5 SENTENCES 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 additional communication). 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 shall continue to endeavor to comply with the specified notice periods as fully as possible.

7. NO. 4.3.2 SENTENCE 2

In its D&O insurance policy, DB Group does not comply with the deductible recommended by the PCGK for executives of GmbH companies. DB AG has taken out a Group-wide D&O insurance policy for all its Board members in fully consolidated companies. A deductible for executives of GmbH companies is not prescribed by law and is not customary in the industry. 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 the executives of GmbHs. As a result, the respective executives would have to pay the economic risk of such a deductible directly from their own resources, without being able to adequately insure it, potentially leading to demands for higher remuneration. Furthermore, establishing a corresponding deductible for the executives of GmbHs would place DB Group at a significant competitive disadvantage in terms of recruiting qualified executives.

8. NO. 4.3.2 SENTENCE 3

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

DBAG 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.

In principle, a deductible is not a suitable way of improving the quality of the Supervisory Board's activities. Instead, it reduces the attractiveness of the Supervisory Board mandate and therefore makes it more difficult to attract appropriately qualified candidates, especially as the compensation paid is already relatively low.

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 (Hans-Böckler-Stiftung). 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.

9. NO. 5.1.2 SENTENCE 4

DB Group has largely complied with the PCGK's recommendation that the entity responsible for compliance should report directly to the management, or implemented this in 2021 where it was not yet the case.

Some of the reorganization processes required for this in a few of the companies covered by the PCGK had yet to be fully completed at the time of the printing of this report, so this recommendation may not yet be fully complied with.

10. NO. 5.2.2 SENTENCE 3

In the course of implementing the PCGK recommendations, a standard procedure/model document for a transparent selection procedure was developed in the reporting period and will be used in the future. These were not yet fully applied in 2021.

11. NO. 5.2.4 SENTENCE 2

In one case, a managing director of a DB Group company covered by the PCGK was appointed for five years upon their initial appointment. Exceeding the recommended initial appointment period of three years was necessary to ensure the success of an exposed project of the Company.

12. NO. 5.2.4 SENTENCE 3

During the reporting period, in two cases at different DB Group companies, reappointments were made before one year had elapsed and before the end of the appointment term. In one case, this was necessary to ensure the success of an exposed project of the company. In the other case, this approach was necessary to ensure continuity and stability in the company's management.

13. NO. 5.2.5

A sample clause for the establishment of an age limit for members of management in line with statutory provisions on old-age pensions has been developed and scheduled for inclusion in company documents. The adoption of amended rules of procedure is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

14. NO. 5.3.1 SENTENCES 1 TO 3

The remuneration system in DB Group will be methodically overhauled from the 2022 financial year. The envisaged methodology meets the requirements of the PCGK. At the time of printing this report, some of the relevant resolutions had not yet been adopted by the bodies.

15. NO. 5.3.2 PARAS. 1 AND 2

The recommendations under no. 5.3.2 (1) and (2) of the PCGK, in accordance with which executive remuneration should be decided by the responsible corporate body, are, for the most part, complied with. In certain 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.

16. NO. 5.3.2 PARA. 5

DB AG intends to comply with the recommendation to establish malus and clawback clauses in the employment contracts of executives. 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.

17. NOS. 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 AG as management holding company 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 variable compensation/profit share in DB Group will be methodically overhauled from the 2022 financial year. The envisaged methodology meets the requirements of the PCGK. At the time of printing this report, some of the relevant resolutions had not yet been adopted by the bodies.

18. NO. 5.4.3 SENTENCES 2 AND 3 AND NO. 5.4.4

A corresponding sample clause has been developed and scheduled for inclusion in the company documents. The adoption of adapted company documents is currently still being implemented. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

19. 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.

20. NO. 6.1.2

A sample document for the rules of procedure for the supervisory body has been developed and, where it does not yet exist, should be established promptly. The adoption of amended corporate documents is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

21. NO. 6.1.7

Provision has been made for the deletion of the relevant delegation clauses from the company documents. The adoption of adapted company documents is currently still being implemented. It may be that, by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

22. NO. 6.1.9

A sample clause about checking the efficiency and quality of the supervisory body's activities was developed and, where not yet available, scheduled for inclusion in the company documents. The adoption of adapted company documents is currently still being implemented. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

23. NO. 6.2.2

A sample clause for setting an appropriate age limit for members of the supervisory body that complies with legal requirements was developed and scheduled for inclusion in the company documents. The adoption of amended company documents is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

24. NO. 6.5 PARA. 1

DB Group does not comply with the recommendation that all companies covered by the PCGK hold one regular meeting of the supervisory body per calendar quarter. DBAG 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. From the point of view of the companies concerned, it would be disproportionate to increase the number of meetings and thus the administrative burden without there being significant added value.

25. 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 in the reporting period and will be implemented gradually. This has not yet been done exhaustively for 2021.

26. NOS. 7.2.1 AND 7.2.2

DBAG 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, 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, with the exception of the DB Group Management Board.

27. NO. 8.2.1 PARA. 3

For one company, this recommendation was not complied with in the year under review.


II.

The Supervisory Board and the Management Board of DBAG 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 Government on September 16, 2020, with the aforementioned exceptions.

COOPERATION BETWEEN THE MANAGEMENT BOARD AND SUPERVISORY BOARD

As a German Aktiengesellschaft (joint stock corporation), DBAG 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 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](#)  248ff., 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 15, 2021, the Supervisory Board of DBAG appointed Dr. Daniela Gerd tom Markotten to the Management Board of DBAG as head of the Digitalization and Technology division for the period from September 15, 2021, to September 14, 2024. She succeeds Prof. Dr. Sabina Jeschke, who resigned from her mandate on May 31, 2021.

Management Board members must disclose any conflicts of interest with the Supervisory Board immediately and must also provide their colleagues on the Management Board with information about any such conflicts.

In accordance with this provision, Dr. Sigrid Nikutta informed the bodies at the beginning of her Management Board mandate that she has a familial relationship with a member of the general management of a rail vehicle manufacturer. She has therefore not participated in procurement processes with this rail vehicle manufacturer in order to avoid any conflicts of interest. A change in the management of the rail vehicle manufacturer resolved the potential conflict of interest in the reporting period.

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 employees' representatives on the Supervisory Board are elected in line with the requirements of the Co-Determination Act.

In the current term of office, Dr. Tamara Zieschang resigned her mandate on the Supervisory Board with effect from September 16, 2021. Mr. Enak Ferlemann (Member of the German Parliament; former Parliamentary State Secretary) was appointed as her successor on the Supervisory Board of DB AG with effect from October 11, 2021.

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.

Supervisory Board members must immediately disclose any conflicts of interest with the Supervisory Board and must also provide the Supervisory Board with information about any such conflicts. 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

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](#)  250 can be found in the Notes to the consolidated financial statements. Details of the [work performed by the individual committees](#)  29f. 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

Six women currently serve on the Supervisory Board of DB AG (30.0%). A target of a 30% share of women on the Supervisory Board of DB AG was set, with a deadline of June 30, 2022.

The Management Board of DB AG included, as at the reporting date of December 31, 2021, and still includes, two women (28.6%). A target of a 30% share of women on the Management Board of DB AG was set, with a deadline of June 30, 2022.


At the other management levels of DBAG, 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, 2021, a 23.8% share of women was realized at the first management level below the Management Board. At the second level, 33.3% 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/general management, 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 the 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.

TCFD 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 (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, continuous communication and process improvements.

ACCOUNTING AND AUDITING

On March 24, 2021, the Annual General Meeting of DB AG appointed the auditing firm PricewaterhouseCoopers GmbH (PwC), Berlin, as auditor for the 2021 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.

TCFD 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, while at the same time directly taking into account the performance of each Management Board member and the success of the company.

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 submits its 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 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.

The performance-linked annual bonus is calculated based on the achievement of business targets (business factor) and the achievement of individual targets (performance factor). There is a multiplicative link between the business factor and

the performance factor. The business factor depends on the extent to which the business targets set out by corporate planning are achieved. The parameters for this factor are operational success (operating income after interest) and return on capital employed (ROCE), with equal weighting.

The performance factor reflects success in meeting personal targets. The target bonus corresponds to the annual bonus paid to the Management Board member in a “normal financial year” for meeting performance targets in full. If the Group results do not meet planned objectives, the business factor can, in extreme cases, be reduced to zero, regardless of personal performance. This means that the annual bonus can be zero. If planned objectives are exceeded and the maximum performance factor is also achieved, the annual bonus can be as high as 2.6 times the target bonus.

The business and personal targets of the Management Board members are decided by the Supervisory Board each year 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 each financial year, the business and personal performance factors are calculated for each Management Board member based on Group results. Target income is attained if both business goals and individual targets have been met in full. The final decision on this matter is made by the Supervisory Board and is prepared by the Personnel Committee.

In December 2021, the Supervisory Board adopted an amendment to the short-term incentive (STI) methodology, which is applicable for the 2022 financial year. In the interests of transparent and uniform rules on profit-sharing in the Integrated Rail System, this should also apply, as far as possible, to other Group subsidiaries and management levels from 2022.

The long-term incentives (LTI) for the Management Board now also focus on long-term transport 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%. The entitlement arising from the LTI commitment is heritable.

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 DBAG for the remainder of the contract.

In accordance with the recommendations of the PCGK, a severance payment cap is included in all contracts of DBAG 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

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 achievement of the goals is regularly included in the assessment when making decisions on increases to the fixed salary.

If the executives are members of DBAG 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 DBAG Supervisory Board meeting in which the mid-term planning and the targets for the Group'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 DBAG.

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.

In the interests of transparent and uniform rules on profit-sharing in the Integrated Rail System, the modified STI methodology adopted for 2022 by the Supervisory Board in December 2021 should also apply, as far as possible, to other Group subsidiaries and management levels from 2022.

Pension entitlements

The Supervisory Board of DBAG set a general retirement age of 65 for Management Board members. In the previous year, in accordance with the provisions of the PCGK 2020, this regulation was modified to stipulate that the Management Board should not include any members who have exceeded the statutory retirement age. 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. An annual amount derived as a specific percentage of fixed salary is paid into the defined contribution plan.

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 free 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 non-cash 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 DB AG'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 2021 FINANCIAL YEAR

DB AG 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 DB AG 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 ⁵⁾
	Fixed compensation	Short-term ^{1),2)}	Long-term payment ²⁾	Provision ³⁾	Other ⁴⁾	
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2021						
Dr. Richard Lutz	900	-	-	495	11	911
Dr. Daniela Gerd tom Markotten	118	-	-	22	6	124
Dr. Levin Holle	400	-	-	144	15	415
Berthold Huber	650	-	-	315	12	662
Dr. Sigrid Nikutta	400	-	-	150	9	409
Ronald Pofalla	650	-	-	315	12	662
Martin Seiler	650	-	-	255	9	659
Total	3,768	-	-	1,696	75	3,843
MEMBERS WHO LEFT THE MANAGEMENT BOARD OF DB AG DURING THE YEAR UNDER REVIEW						
Prof. Dr. Sabina Jeschke	271	-	-	198	15	286
Total	4,039	-	-	1,894	90	4,129

Individual figures are rounded and therefore may not add up.

¹⁾ Subject to the resolution of the Supervisory Board.

²⁾ All Board members have waived their variable compensation components for 2021.

³⁾ Long-term variable compensation refers to the addition/release of provisions for long-term incentives (LTI).

⁴⁾ Non-cash benefits from travel discounts, usage of company cars, and insurance and housing allowances.

⁵⁾ Total without long-term variable compensation.

In the year under review, no Management Board members of DB AG 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 2021 financial year

In the year under review, an amount of € 1,880 thousand was added to the pension provisions.

ADDITIONS TO PENSION PROVISIONS / € thousand	2021
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2021	
Dr. Richard Lutz	390
Dr. Daniela Gerd tom Markotten	58
Dr. Levin Holle	183
Berthold Huber	685
Dr. Sigrid Nikutta	177
Ronald Pofalla	0
Martin Seiler	275
Total	1,768
MEMBERS WHO LEFT THE MANAGEMENT BOARD OF DB AG DURING THE YEAR UNDER REVIEW	
Prof. Dr. Sabina Jeschke	112
Total	1,880

Pension provisions for former Management Board members 239 are shown in total in the Notes to the consolidated financial statements.

Compensation of the Supervisory Board for the 2021 financial year

Compensation of the Supervisory Board of DB AG 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 DB AG 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 (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 30, 2022, 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 2021				Total
	Fixed compensation	Variable compensation ¹⁾	Attendance fee	Ancillary services	
INCUMBENT SUPERVISORY BOARD MEMBERS OF DB AG AS OF DEC 31, 2021²⁾					
Michael Odenwald	70.0	45.5	4.5	0.9	120.9
Klaus-Dieter Hommel	40.0	26.0	3.8	6.4	76.1
Jürgen Beuttler	20.0	13.0	1.5	-	34.5
Martin Burkert	20.0	13.0	3.0	-	36.0
Enak Ferlemann ³⁾	-	-	-	-	-
Werner Gatzler	20.0	13.0	2.5	-	35.5
Dr. Ingrid Hengster	20.0	13.0	1.3	6.4	40.6
Jörg Hensel	25.0	16.3	2.8	0.9	44.9
Cosima Ingenschay	25.0	16.3	2.8	-	44.0
Prof. Dr. Susanne Knorre	20.0	13.0	1.5	6.2	40.7
Jürgen Knörzer	20.0	13.0	1.5	6.2	40.7
Kirsten Lühmann	20.0	13.0	1.5	0.9	35.4
Heike Moll	20.0	13.0	1.3	6.4	40.6
Dr. Immo Querner	40.0	26.0	2.8	6.4	75.1
Mario Reiß	20.0	13.0	1.3	-	34.3
Eckhardt Rehberg	20.0	13.0	1.3	-	34.3
Christian Schmidt	20.0	13.0	1.5	0.9	35.4
Jens Schwarz	30.0	19.5	4.3	6.2	60.0
Veit Sobek	20.0	13.0	1.5	6.4	40.9
Elisabeth Winkelmeier-Becker ³⁾	-	-	-	-	-
MEMBERS WHO LEFT THE SUPERVISORY BOARD OF DB AG DURING THE YEAR UNDER REVIEW²⁾					
Dr. Tamara Zieschang	26.3	17.1	4.5	-	47.8
Compensation for further Supervisory Board mandates in DB subsidiaries					92.4
Total					1,010

Individual figures are rounded and therefore may not add up.

¹⁾ All Supervisory Board members waived the variable compensation due to them for 2021.

²⁾ Some Supervisory Board members request that their compensation is donated to the Hans Böckler Foundation (Hans-Böckler-Stiftung) in line with the directive of the German Trade Union Confederation (Gewerkschaftsbund).

³⁾ Ms. Winkelmeier-Becker and Mr. Ferlemann waived the compensation they are due for their work as a member of the Supervisory Board.

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.

Forward-looking statements

This management report contains statements and forecasts pertaining to the future development of DB Group, its business units and individual companies. These forecasts are estimates based on information that is available at the current time. Actual developments and profits may diverge from the current expectations as a result of the non-materialization of the assumptions upon which our forecasts are based or the materialization of risks such as those presented in the risk report.

DB Group does not assume any obligation to update the statements made within this management report.

Cross-references in the management report

This management report contains cross-references to additional information that is not part of this management report. The corresponding parts are marked in the report with the symbol **term** and are not part of the management report.