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, and again by resolution dated December 13, 2023. 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 should jointly issue the statement of compliance for the parent company of the Group and the companies under its uniform management which are to apply the Code. Deutsche Bahn AG (DB AG) 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 DB AG declare that since the last declaration was issued on March 29, 2023, the recommendations of the Public Corporate Governance Code adopted by the Federal Government on September 16, 2020, and updated on December 13, 2023, have been complied with, with the following exceptions:

1. NO. 3.2 CLAUSES 1 TO 4

For 30 of the limited liability companies (GmbHs) covered by the PCGK 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 Act on Limited Liability Companies (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, 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.

2. 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 six GmbHs. 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.

3. 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 complied 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.

4. 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.

5. 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 compete for suitably qualified candidates for members of the supervisory bodies, especially since comparatively low remuneration is paid anyway.

A significant portion of the remuneration 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 remuneration altogether. Members of the Supervisory Board representing employees also transfer a significant amount of their remuneration, in this case to the Hans Böckler Foundation. DB executives who take on Supervisory Board mandates within DB Group do not receive any separate remuneration for 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.

6. 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 general management, with two exceptions. In one company, the compliance officer is indirectly subordinated to general management, 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 and professional independence, meaning that in this case 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 is responsible for compliance issues across the board for a number of companies in this business unit. As a result of the evaluation and audit, the overall approach presented was considered to be more efficient and therefore preferred to the establishment of compliance officers in the respective legal entities, who then report directly to the respective management body.

7. NO. 5.2.2 CLAUSES 1 AND 3
As part of the implementation of the PCGK recommendations, a standard procedure/sample documents for a transparent selection procedure were applied during the 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.

8. NO. 5.2.5
The recommendation not to appoint members of the Management Board beyond the age limit stipulated in the rules of procedure was not complied with in one case. The reason for this was the need to ensure a stable personnel situation during a phase of restructuring.

9. 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 executive remuneration 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 will be deviated from during the term of these Group employment contracts. There are no plans to conclude new Group employment contracts in the future.

10. NO. 5.3.2 PARA. 5

DB AG intends to comply with the recommendation to establish supplementary premium and clawback clauses in the employment contracts for members of a management body. This recommendation will be integrated into contractual regulations 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.

11. 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 remuneration 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, 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 2023 financial year. The established methodology continues to meet the requirements of the PCGK.

12. 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 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 auditor PwC and the engineering firm Emch+Berger provide regular, independent monitoring and quarterly reporting on the project status to DB AG's Audit and Compliance Committee. There is, therefore, no intention to establish a separate supervisory board for DB Projekt Stuttgart–Ulm GmbH.

13. 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 number of reportable business transactions compared to large companies – it also constitutes proper monitoring of the Management Board. 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.

14. NOS. 7.2.1 AND 7.2.2

DB AG does not follow the recommendation to disclose the remuneration of the executive bodies of the subsidiaries covered by the PCGK on an individual basis in the Corporate Governance report. Publishing the remuneration awarded to the respective members of management bodies, especially without their consent, would be questionable with regard to data protection. With the exception of the DB Group Management Board and the Chief Executive Officer of DB InfraGO AG, no such consents have been contractually agreed for the members of the management bodies. DB AG intends to systematize and then disclose the remuneration structures of the Group's stock corporations.

15. NO. 8.2.2

The recommendation that neither the first mandate of a selected auditor or audit firm nor this mandate in combination with renewed mandates should exceed the maximum term of ten years was not complied with in the reporting period. The mandate with the auditor had already existed beyond the recommended ten-year period in 2023. A change of auditor will take place with effect from the 2024 financial year.

16. NO. 8.2.4
Taking into account the reporting period, the audit partners responsible for the audit of the financial statements were already responsible for the audit beyond the five-year period recommended for the first time in the version of the PCGK dated December 13, 2023. The version of the PCGK dated December 13, 2023, also recommends for the first time that no services should be agreed with the auditor that would not be allowed to be provided to public-interest entities under Article 5 (1) subparagraph 2 point (a) of Regulation No. 537/2014/EU. The auditor for the reporting period provided a small number of tax advisory services for companies in DB Group in accordance with the statutory provisions and the recommendations of the PCGK until the new revised version was issued during the business year. A change of auditor and therefore a change of both the audit firm and the responsible audit partner will take place with effect from the 2024 financial year.

II.
The Supervisory Board and 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 the Public Corporate Governance Code (PCGK 2023) adopted by the Federal Government on September 16, 2020, and updated on December 13, 2023, with the aforementioned exceptions.

GRI COOPERATION BETWEEN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD
As a German Aktiengesellschaft (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 284ff., 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.

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 284ff. together with their functions or job titles is shown in the consolidated financial statements.

There were no changes to the Supervisory Board of DB AG in the reporting period.

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 asset situation, financial position 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 audit and approval of the company's annual financial statements and the audit of the company's management report, which is combined with the Group management report, as well as the consolidated financial statements and the Group management report of the company. 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 286 can be found in the Notes to the consolidated financial statements. Details of the work performed by the individual committees 27 f. in the year under review are included in the report of the Supervisory Board. A functional description 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, 2023, 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 has been set, with a deadline of June 30, 2027.

The Management Board of DB AG included, as of the reporting date of December 31, 2023, and still includes, three women (37.5 %). A target of a 50 % share of women on the Management Board of DB AG has been 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, 2023, a 30.3 % share of women was realized at the first management level below the Management Board. At the second level, 36.3 % 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 across all levels (Supervisory Boards, Management Boards/general management, 1st and 2nd 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 white-collar crime. Mandatory compliance directives 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.

DB Group's compliance work includes the early identification of compliance risks and the initiation of appropriate countermeasures. This work includes conducting compliance programs, constant communication and process improvements.

ACCOUNTING AND AUDITING

On March 29, 2023, the Annual General Meeting of DB AG appointed the auditing firm PricewaterhouseCoopers GmbH (PwC), Berlin, as auditor for the 2023 financial year. In addition, the Annual General Meeting of DB AG appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as auditor for the 2024 financial year due to the upcoming change of auditor on March 29, 2023. The Audit and Compliance Committee prepared the Supervisory Board's proposals for the election of the auditors for both financial years and, following their election by the Annual General Meeting, initially determined the focal points of the audit with the auditor for the 2023 financial year. It was again agreed with the auditor for the reporting period that the Chairman of the Audit and Compliance Committee would be informed immediately of any 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

GRI

The Supervisory Board regularly reviews the efficiency of its activities. An efficiency audit was carried out in the year under review.

REMUNERATION REPORT

GRI

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

GRI TCFD

Remuneration system of the Management Board

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

The appropriate level of remuneration is reviewed regularly using a comparison process. This review examines the level of Management Board remuneration both in comparison to the external market (horizontal appropriateness) and in comparison to other levels of remuneration within the company (vertical appropriateness). If the review shows a need to adjust the remuneration system or the level of remuneration, 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 the remuneration of the Board members was assessed in the year under review. The results of the review were taken into account as part of a revised version of the Management Board remuneration methodology, which will take effect from 2024.

GRI

REMUNERATION COMPONENTS

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

The fixed salary is cash remuneration 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 salary 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 various management levels from 2022. The methodological revised version of the STI takes into account in particular the recommendations of the Federal Government's Public Corporate Governance Code. The main focus of the established STI methodology is on operating performance (punctuality) and customer satisfaction, but also takes into account the income situation and respective Board division-specific issues. The annual remuneration is calculated on the basis of the total of five individual targets with equal weightings. Three of these targets relate to the ESG (Environmental, Social, Governance) areas of "Customer," "Quality" and "Employees," and another target is the economic performance of DB Group. These four targets 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 arithmetical calculation of the STI, it is possible to modify the arithmetical result by means of a discretionary factor 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. The STI payout cannot exceed 200 % of the STI target value (for the last time in 2023). In accordance with the recommendations of the PCGK, supplementary premium and clawback provisions were also agreed with the Management Board members. The financial 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 planning adopted by the Supervisory Board, the personal targets form the basis for calculating the annual remuneration. This means that all of the key parameters for total remuneration 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 consolidated profits. The target remuneration 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 traffic 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 LTI plan has an upper limit and can – for the last time for the 2023 tranche – vary between 0 % and 200 %. Claims from the LTI plan are inheritable.

During the reporting period, the Supervisory Board continued to develop the remuneration structure of the Management Board in a methodical manner. The weighting of the remuneration components was changed in line with market practice by increasing the share of fixed remuneration and, in particular, the LTI in the interests of long-term and sustainable performance management and consequently reducing the weighting of short-term variable remuneration. Likewise, the caps for the STI as well as for the LTI and thus the maximum achievable remuneration were lowered overall. At the same time, the target key figures for both the STI and the LTI underwent further development. Additional ESG targets were added to the existing targets in the STI, for example in relation to customers and quality. If targets are missed, a newly established attenuation factor reduces the STI result even further beyond the reduction that would have resulted in any case. The changes outlined above will take effect from the 2024 financial year.

The Management Board members are entitled to an appropriate severance package if their contract is terminated before the contractually stipulated termination date, provided there is no good cause for which they are responsible. 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 remuneration components, and must not provide remuneration for more than the remaining term of the employment agreement.

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

Group-wide remuneration 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. Where possible, the further development of the remuneration methodology for the Group Management Board carried out in the reporting period was also implemented in the same way for other Group subsidiaries and management levels in 2023. This will also take effect from the 2024 financial year.

The remuneration system for executives aims primarily to closely link remuneration 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 variable remuneration for executives and employees not subject to collective bargaining agreements in the Integrated Rail System is structured as profit-sharing. Personal targets 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 sharing and in decisions to increase the fixed salary.

If executives are member of a corporate body of a DB AG subsidiary, the respective subsidiary's supervisory board is responsible for discussing the personal targets, 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 the Group's Management Board are adopted. This chronological sequence of the handling of personal targets 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 (now DB InfraGO AG) is subject to separate regulations which take even greater account of the business success of the company.

Pension entitlements

In accordance with the provisions of the PCGK, the Supervisory Board of DB AG has determined that the Management Board should not include members who have reached the standard retirement age of the statutory pension insurance scheme. 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 since 2017 and thereafter receive a defined contribution 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 beforehand 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 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.

REMUNERATION FOR THE 2023 FINANCIAL YEAR

DB AG Management Board

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

The payment of variable remuneration elements (STI, LTI) for the DB Management Board is prohibited for the 2023 financial year due to the provisions of the Act on the Introduction of an Electricity Price Brake (StromPBG) for the 2023 financial year. The LTI results for the 2020 tranche, which expired at the end of 2023, are therefore reduced by the partial result for the 2023 financial year. The members of the Management Board of DB AG and the Chief Executive Officer and Chairman of the Management Board of DB InfraGO AG will receive the following remuneration for their activities in the year under review:

		Variable remuneration				
TOTAL REMUNERATION OF THE MANAGEMENT BOARD / € thousand	Fixed remuneration	Short-term [1]	Long-term (payout of LTI 2020 to 2023) [2]	Long-term [3]	Other [4]	Total [5]
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2023						
Dr. Richard Lutz	990	–	164	- 991	8	**1,162**
Dr. Daniela Gerd tom Markotten	400	–	–	–	15	**415**
Dr. Levin Holle	629	–	68	- 138	15	**712**
Berthold Huber	715	–	104	- 631	17	**837**
Dr. Sigrid Nikutta	650	–	74	- 151	11	**735**
Evelyn Palla	400	–	–	–	11	**411**
Dr. Michael Peterson	400	–	–	–	13	**413**
Martin Seiler	650	–	74	- 451	7	**732**
Total	**4,834**	**–**	**485**	**- 2,361**	**98**	**5,417**
FOR INFORMATION ONLY						
INCUMBENT CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE MANAGEMENT BOARD OF DB INFRAGO AG ON DECEMBER 31, 2023 (NEITHER INCUMBENT NOR FORMER BOARD MEMBER OF DB AG)						
Dr. Philipp Nagl	400	240	–	47	19	**659**

Individual figures are rounded and therefore may not add up.
[1] Subject to the resolution of the Supervisory Board.
[2] Payment is planned for 2024, subject to the resolution of the Supervisory Board. It relates to the 2020–2023 LTI tranche without the portion for 2023.
[3] Long-term variable remuneration relates to the additions to / reversal of provisions for long-term incentives (LTI). No additions were made in the year under review. The provisions formed in previous years for LTI plans 2019 to 2022 were reversed in full in the reporting year, while the provisions formed for LTI plans 2020 to 2023 were adjusted to the expected payout amount by means of a pro rata reversal.
[4] Monetary benefits accruing from travel discounts, usage of company cars, and insurance and housing allowances.
[5] Total excluding change in provisions for long-term variable remuneration.

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

Pension benefits for the Management Board for the 2023 financial year

In the year under review, an amount of € 1,684 thousand was added to the pension provisions.

ADDITIONS TO PENSION PROVISIONS / € thousand	2023
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2023	
Dr. Richard Lutz	200
Dr. Daniela Gerd tom Markotten	170
Dr. Levin Holle	169
Berthold Huber	389
Dr. Sigrid Nikutta	167
Evelyn Palla	163
Dr. Michael Peterson	160
Martin Seiler	266
Total	**1,684**

Pension provisions for former Management Board members 275 are shown in total in the Notes to the consolidated financial statements.

Remuneration of the Supervisory Board for the 2023 financial year

The remuneration 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 remuneration and cash outlays, the DB AG Supervisory Board members each receive fixed annual remuneration of € 20,000, plus performance-linked annual remuneration. The performance-based remuneration 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 remuneration 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 remuneration is increased by a quarter for every position held on a committee by the individual Supervisory Board member. This remuneration 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 DB AG 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 DB AG'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 remuneration for each month or part of a month of their membership. This rule also applies to the increase in remuneration for the Chairman of the Supervisory Board and his or her deputy and to the increase in remuneration for membership and chairmanship of a Supervisory Board committee.

Remuneration 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 remuneration 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.

The payment of variable remuneration elements for the Supervisory Board of DB AG is prohibited for the 2023 financial year due to the regulations of the Law on the Introduction of An Electricity Price Brake (StromPBG) for the 2023 financial year. Only the fixed remuneration is paid out. Subject to the approval of the activities of the Supervisory Board by the Annual General Meeting on March 20, 2024, the members of the Supervisory Board of DB AG will receive the following remuneration for their work during the year under review:

	Annual remuneration 2023				
TOTAL REMUNERATION OF THE SUPERVISORY BOARD / € thousand	Fixed remuneration	Variable remuneration	Meeting attendance fee	Ancillary benefits	Total
ON DECEMBER 31, 2023, INCUMBENT SUPERVISORY BOARD MEMBERS OF DB AG [1]					
Werner Gatzer	70.0	–	3.8	–	**73.8**
Martin Burkert	40.0	–	3.8	–	**43.8**
Ralf Damde	20.0	–	1.8	6.9	**28.6**
Stefan Gelbhaar	20.0	–	1.8	–	**21.8**
Anja Hajduk [2]	–	–	–	6.9	**6.9**
Susanne Henckel	35.0	–	5.3	–	**40.3**
Jörg Hensel	25.0	–	2.5	0.9	**28.4**
Cosima Ingenschay	25.0	–	3.3	–	**28.3**
Alexander Kaczmarek	20.0	–	1.5	0.9	**22.4**
Prof. Dr. Susanne Knorre	20.0	–	1.8	6.9	**28.6**
Dorothee Martin	20.0	–	1.8	–	**21.8**
Daniela Mattheus	20.0	–	1.8	6.9	**28.6**
Heike Moll	20.0	–	1.8	6.9	**28.6**
Michael Puschel	20.0	–	1.8	6.9	**28.6**
Dr. Immo Querner	40.0	–	3.3	6.9	**50.1**
Bernd Reuther	20.0	–	1.8	0.9	**22.6**
Manfred Scholze	20.0	–	1.8	7.2	**29.0**
Klaus-Peter Schölzke	20.0	–	1.8	–	**21.8**
Jens Schwarz	30.0	–	3.3	6.9	**40.1**
Veit Sobek	20.0	–	1.8	6.9	**28.6**
MEMBERS WHO LEFT THE SUPERVISORY BOARD OF DB AG DURING THE YEAR UNDER REVIEW [1]					
Supervisory Board remuneration for further mandates at DB subsidiaries					**50.5**
Total					**673.0**

Individual figures are rounded and therefore may not add up.
[1] Some Supervisory Board members state that their remuneration is to be donated to the Hans Böckler Foundation in line with the directive of the German Trade Union Confederation (Gewerkschaftsbund).
[2] Ms. Hajduk has waived the remuneration to which she is entitled for her work as a member of the Supervisory Board, with the exception of the travel discount.

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

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