Annual General Meeting 2021

Deutsche Wohnen SE, Berlin (ISIN DE000A0HN5C6, WKN A0HN5C)

Annual General Meeting of Deutsche Wohnen SE (virtual Annual General Meeting), on Tuesday, 1 June 2021, at 10:00 a.m. (CEST)

Information on Agenda item 7: Remuneration system for the members of the Management Board of Deutsche Wohnen SE

The Supervisory Board of Deutsche Wohnen SE shall agree the remuneration of members of its Management Board in accordance with this remuneration system, which the Supervisory Board has resolved at its meeting on 15 April 2021 and which the Supervisory Board has submitted for approval to the general assembly on 1 June 2021.

1. **General Principles.** The remuneration of the members of the Management Board shall contribute to company's business strategy and its continuous performance by setting incentives to manage the company and the group as a portfolio-holding residential real estate enterprise, which is capital market and growth orientated and which aims to achieve sustainable positive and stable returns for its shareholders. The remuneration system motivates the members of the Management Board to follow a clear and sustainable business strategy, the goal of which is a long-term value enhancement of the group's assets. At the same time, the remuneration system offers a fair and attractive remuneration for the members of the Management Board. It allows the company to continue to hire exceptional personalities for the management of its business.

   The Supervisory Board is very much aware of the company's responsibilities towards its tenants, its other customers and its employees, as well as the value of its engagement for the public good. Therefore, the Management Board member's remuneration shall include non-financial criteria, in particular customer satisfaction, employee development and targets relating to the company's environmental, social and governance (**ESG**) performance.

   The members of the Management Board shall be compensated based on their performance measured against ambitious and achievable goals for variable remuneration components (**Pay-for-Performance**). The criteria applied to determine an adequate remuneration for the members of the Management Board are the tasks assigned to the individual member, its personal achievements, the economic situation, the success achieved and the economic perspectives of the business, as well the common standards for remuneration as compared with peers as well as the remuneration structure within the group. Overall, the remuneration system supports a sustainable business development.

2. **Methods applied to set, review and implement the remuneration system**. Following a recommendation of its executive and nomination committee, the Supervisory Board has resolved this remuneration system and has submitted it to the general assembly for approval. Following the general assembly's approval, the Supervisory Board will only make such service and remuneration agreements with the members of the Management Board, which comply with this remuneration system. The executive and nomination committee will review the remuneration system and its implementation on an ongoing basis with a view to economic and legal developments. Where the executive and nomination committee or the Supervisory Board solicit advice from remuneration experts they procure the independence of such experts and will change the expert from time to time. The general assembly will resolve on the approval of the remuneration system, if a proposal for a substantial amendment is made, but at a minimum every four years.

   For the assessment of the specific total remuneration of the members of the Management Board, the Supervisory Board refers to a peer group review. The peer group includes the corporations listed in the indices DAX and MDAX at the relevant point in time, as well as other listed national and international corporations, which are active in the real estate sector or which apply comparable business models (Peer-Group). The peer group review is made reasonably in order to avoid biased decisions, which may induce upward trends automatically.

   The terms of remuneration and employment of the group's employees are considered when determining the customary level of specific total remuneration for the members of the Management Board. The Supervisory Board compares the members of the top management levels as well as the staff in total. The review is based on the average remuneration on full-time equivalent basis over the five most recent financial years.

3. **Performance criteria**. The financial and non-financial targets for variable remuneration elements are directly aligned with the targets of the company and its shareholders for sustainable, long-term positive return performance of Deutsche Wohnen shares and

the group’s real estate assets. The annual STI-remuneration comprises financial targets of the group applied and individual performance criteria with a ratio of 80% to 20%, which essentially shall reflect contributions of a Management Board Member’s with respect to the implementation of the business plan in the relevant financial year (which may comprise individual criteria with or without financial target measurements). Within the scope of the four-year based LTI-remuneration, the company applies financial targets with a pro rata share of 70%, which reflect the development of the business’ enterprise value performance. ESG-targets account for a 30% pro rata share of the LTI-remuneration. By including ESG-criteria in the long-term remuneration component, the members of the Management Board shall be motivated to pursue such goals jointly and on a sustainable basis.

4. **Negotiating and agreeing remuneration with members of the Management Board**. The Supervisory Board negotiates remuneration agreements with the members of the Management Board based on an annual target remuneration set with a view to an achievement of 100% of all variable components’ targets. The sum of the envisaged fixed base compensation, the STI-remuneration and the LTI-remuneration represents 100% of the target remuneration. The remuneration covers a Management Board Member’s services for group companies. Members of the Management Board must provide their full working capacity to the company for the terms of their service agreements. The Supervisory Board will only approve other working activities by Management Board members, if they do not restrict their commitment for the company.

   The Supervisory Board, following a recommendation of the executive and nomination committee will resolve the remuneration agreements. The Supervisory Board will, where required, apply the rules for related party transactions and will apply special attention when nominating members of the executive and nomination committee, with a view to their independence, and conflicts of interest in general.

5. Overview on the remuneration system

Fixed remuneration components:	
Base remuneration (annual)	40 - 45% of the target remuneration: A fixed and non-target bound remuneration, paid in twelve equal monthly instalments.
Supplementary benefits	Vacation (up to 30 working days p.a.), D&O Insurance, private use of working equipment (company car, laptop, smartphone or other), use of third party bonus programs (airlines, hotels etc.), allowances for health and care insurances, other insurances or related benefits (e.g. protection for occupational disability, accidents) and other benefits customary from time to time. Supplementary benefits will be set not to exceed 3% of the target remuneration.
Pensions	The company does not grant any pensions.
Variable remuneration components:	
Short-term incentive remuneration (STI)	20 - 25% of the target remuneration. Performance period: 1 year. Performance criteria: 80% group financial targets. 20% individual targets. Maximum (STI Cap): 125% of STI-target remuneration. Payment: In cash following the expiry of the performance period and the approval of the group's accounts.
Long Term Incentive remuneration (LTI)	35-40% of the target remuneration. Performance period: 4 years. Performance criteria: 70% group financial targets.

	30% group ESG-targets. Maximum (LTI Cap): 250% of the LTI-target remuneration. Payment: In cash following the expiry of the performance period and the approval of the group's accounts.
Other remuneration elements	
Maximum remuneration	CEO: 5.5 million Euro p.a. Other members: 3.5 million Euro p.a.
Share Ownership Guidelines - SOG	CEO: Target = 3 times annual base compensation, other members: 1.5 times annual base compensation.
Sign-On-Bonus	Payment to compensate the losses of a candidate incurred for moving from a current position to the company, which usually the company will demand the candidate to invest the amount of such payment in whole or in part into the share ownership plan.
Severance Payments	Only in case of a change-of-control up to an amount equal to 200% of the annual remuneration, but in any case not more than the amount of remuneration due for the remainder of the term of the service agreement.
Malus and Claw Back	Possibility to withhold or reclaim variable remuneration in case of severe breaches of duty or wrongful calculation.

5.1. Fixed and variable remuneration components and their ratios.

<table>
<tr><th>Remuneration components</th><th>Ratio</th><td rowspan="6">Total Remuneration
(max. € 5,5m p.a. (CEO)/ max. € 3,5 m p.a. (other members))</td></tr>
<tr><td>Base compensation (p.a.) - fixed</td><td>40-45%</td></tr>
<tr><td>Short Term Incentive (STI) - variable</td><td>20-25%</td></tr>
<tr><td>Long Term Incentive (LTI) - variable</td><td>35-40%</td></tr>
<tr><td><u>Total target remuneration</u>
<u>(TTC = BC, STI + LTI)</u></td><td><u>100%</u></td></tr>
<tr><td>Supplementary benefits</td><td>1 - 3%
(TTC)</td></tr>
</table>

The company provides

(a) a fixed annual **base compensation** (BC) and **supplementary benefits** and

(b) as variable remuneration components

- a **short-term incentive remuneration** (STI) sowie
- a **long-term incentive remuneration** (LTI).

Set with a view of a 100% fulfilment of the targets for variable remuneration components, the ratio of all remuneration components is as follows: **40-45% BC, 20-25% STI** and **35-40% LTI**. The supplementary benefits account for about **1-3%** of the target remuneration (not including any value for days of vacation). Other remuneration elements have not been included in the calculation of this ratio of the remuneration components.

This remuneration structure ensures the management boards' alignment with the company's objective for a long-term and sustainable development. With the LTI-remuneration accounting for a higher share vs. the STI-remuneration the company procures, that the variable remuneration earned by the achievement of long-term goals exceeds the share relating to short-term goals. Simultaneously, the company incentivises the members of the Management Board to achieve the operational annual targets per the STI-remuneration and its weighting.

5.2. **Maximum remuneration (annual)**. The company agrees a nominal cap – maximum remuneration - for the annual remuneration of the members of the Management Board. The sum of the base compensation, the STI-remuneration, the LTI-remuneration and the supplementary benefits per annum must not exceed, in case of the CEO (Vorstandsvorsitzender) 5.5 million Euros, for other members individually 3.5 million Euros.

5.3. **Performance targets**. STI- and LTI-remuneration will be paid subject to the achievement and the level of performance over the performance period and relative to the targets set (performance level). The achievement of a goal at a level of 100% shall represent a target performance which must be considered a very satisfactory development of the relevant business criterion. After the performance period and in course of the review of the group accounts, the Supervisory Board will review and assess the performance with respect to the relevant targets. For its review, the Supervisory Board will use the financial information available at the company; in particular, the relevant group accounts, as well as financial information publicly available (e.g. relevant stock indices) and it will evaluate the performance of the members of the management board with respect to non-financial goals. It will calculate the degrees of target performance and make the necessary operations to arrive at the final remuneration amounts. The Supervisory Board will set quantities and/or quality parameters to measure performance with respect to non-financial goals as well, such parameters to allow for a retrospective performance assessment, which can be reviewed objectively using the information available at the company or otherwise accessible business or statistical information. For its assessment, the Supervisory Board will review all such information and decide on the performance level achieved.

5.4. **Transparency**. The Supervisory Board will provide comprehensive information to shareholders on the remuneration of the members of the management board in the annual remuneration report. The remuneration report will in particular include information on the choice of targets and their achievement, as well as any adjustments or extraordinary developments.

6. Core Remuneration Components

6.1. **Annual base compensation**. As a fixed remuneration, the company grants the annual base compensation (annual base compensation). The annual base compensation is paid to the members of the Management Board in twelve equal monthly instalments over the term of their service agreements.

6.2. **Supplementary benefits**. The company may grant certain benefits including the private use of working equipment (company car, laptop, smartphone or other), use of third party bonus programs (airlines, hotels etc.), adequate flat rate or specific allowances for health and care insurances, other insurances or related benefits (e.g. protection for occupational disability, accidents) and other benefits customary from time to time. The members of the Management Board are kept insured under adequate D&O-policies held by the company.

In cases of temporary incapacity or occupational disability, the company will continue to pay remuneration for an adequate period but in any case not more than six months. In case of death, the company may grant equivalent amounts to civil partners or children, which entitled to support by a member of the Management Board.

The company does not operate any pension scheme and does not grant any other retirement benefits to the members of the Management Board (a conversion of the regular remuneration for retirement purposes (e.g. direct insurance schemes remain unaffected).

6.3. **Short-term incentive remuneration (STI)**.

<table>
<tr><th>Targets (per financial year)</th><th>Weighting Factor</th><td rowspan="6">STI
(max. 125% of the STI target remuneration)</td></tr>
<tr><td>EBITDA (adjusted)</td><td>50%</td></tr>
<tr><td>FFO I</td><td>10%</td></tr>
<tr><td>Results from sales</td><td>10%</td></tr>
<tr><td>Results from enterprises evaluated at-equity</td><td>10%</td></tr>
<tr><td>Individual targets</td><td>20%</td></tr>
</table>

The short-term incentive remuneration is paid for the achievement of annual targets set for the relevant financial year up to a maximum amount of 125% of the agreed STI-target compensation.

The performance period used for the STI-remuneration is one (1) year and is equal to the financial year. For terms of services, which do not comprise a full financial year, the remuneration is granted on a pro rata temporis basis or, if reasonable with respect to the effects on performance and incentive, a reasonable intra year target value will be set.

The group's business related financial targets of the STI-remuneration are weighted with a factor of 80%, the individual targets with a factor of 20%. Individual targets are performance goals, which relate to the tasks and responsibilities of the respective member of the Management Board. All STI-targets shall be agreed with the members of the management board individually prior to the relevant financial year.

The company uses the following group's business related financial targets for determining the STI-remuneration, each as relevant for the implementation of the group's business strategy in the relevant financial year and weighted as follows (with respect to an STI-remuneration level of 100%):

- EBITDA (adjusted) (50%),
- FFO I (10%),
- results from sales (10%), and
- results from enterprises evaluated at-equity (10%).

The EBITDA, adjusted by removing extraordinary items, represents the results from all four operational segments of the group's business (residential asset management, sales, care home operations und care home assets). It is one of the most significant aggregate control parameters at group level and reflects the financial success before interest, taxes, depreciation and amortisation.

The FFO I is a key value for real estate businesses measuring the generation of liquid funds and serves as a basis for the distribution of dividends to the shareholders. It is derived from the EBITDA adjusted pre sales, mainly by deducting interest effectively paid, taxes and minority shares in the result.

The results from sales (including value enhancements induced by sales) are a parameter to measure, if the group was capable to explore market opportunities to realise profits by sales and thus to generate liquid funds for its investments as well.

The results from enterprises evaluated at-equity reflects the contributions from minority shareholdings, which are not shown under the EBITDA (adjusted), but are nevertheless relevant for determining the economic success of the group.

The Supervisory Board will set the target values as well as thresholds for each group business financial target, which must be met to allow the target to be assessed as being achieved at all in whole or part.

The company uses departmental and/or overall business strategy goals as individual targets for determining the STI-remuneration, weighted with a factor of 20%. When setting the individual targets, the criteria and methods for the assessment of the degree of their achievement following the completion of the financial year will also be determined. Individual targets cannot be included in the overall weighting of the STI-remuneration with a performance level exceeding 125%.

6.4. **Long-term incentive remuneration**.

<table>
<tr><td>Targets
(four year performance period)</td><td>Weighting Factor</td><td rowspan="8">LTI
(max. 250% der LTI target remuneration)</td></tr>
<tr><td colspan="2">Financial targets</td></tr>
<tr><td>Total Shareholder Return Performance</td><td>30 %</td></tr>
<tr><td>DW- asset yield</td><td>40 %</td></tr>
<tr><td colspan="2">ESG-targets</td></tr>
<tr><td>CO_2 reduction (climate target)</td><td>15 %</td></tr>
<tr><td>Employee satisfaction</td><td>7,5 %</td></tr>
<tr><td>Customer satisfaction</td><td>7,5 %</td></tr>
</table>

The LTI-remuneration is agreed under the service agreements for their respective terms. The group's business financial targets are weighted using a factor of 70% and the ESG-targets are weighted using a factor of 30%. The long-term incentive remuneration is granted for an achievement of the relevant targets over a performance period of four (4) years. The final total performance level for the LTI-remuneration is the sum of the aggregate performance level of the financial targets and the aggregate performance of the ESG-targets. The maximum LTI-remuneration is equal to 250% (cap) of the LTI-target remuneration.

The performance period relating to the LTI-remuneration is four (4) years and refers to the company's financial years. For terms of services, which do not comprise a full year, the remuneration is granted on a pro rata temporis basis. With respect to an initial hire the LTI-performance period equivalent to the first months of service may be extended or technically adjusted, to avoid aberrations.

Financial targets

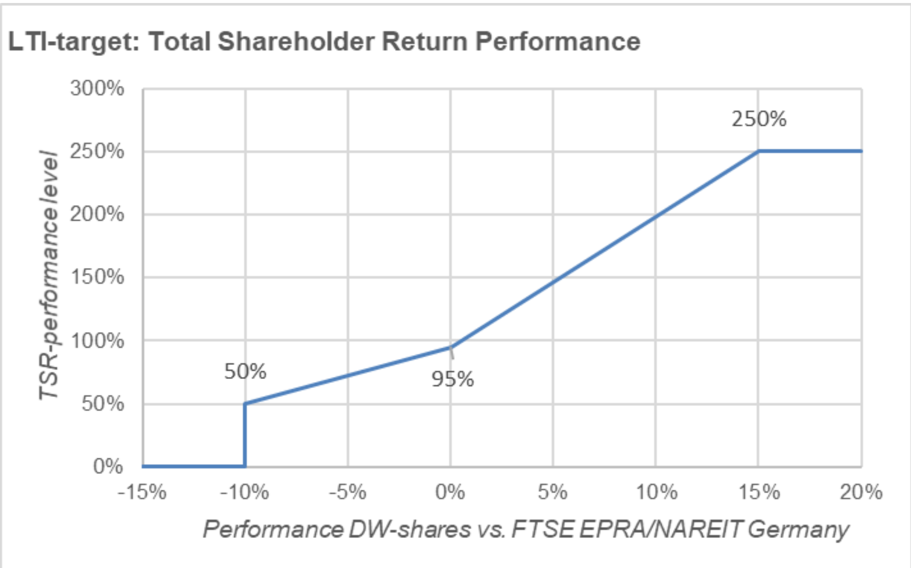
The company uses the following financial criteria for the determination of the LTI-remuneration, each weighted as follows (with respect to 100% LTI-target remuneration):

- The total shareholder return (TSR)-performance (30% = TSR-factor) and
- the development of the groups' rate of return on asset investments (40% = AR-factor).

The aggregate performance level of the financial targets is equal to the sum of the performance level for each target, weighted as set out above (TSR-factor x TSR-performance level + AR-factor x AR-performance level = aggregate level of performance of the financial targets). Each financial target is subject to a threshold performance level of 50% (failure to achieve the threshold level results in a performance level equal to zero); the maximum performance level for each target is 250%.

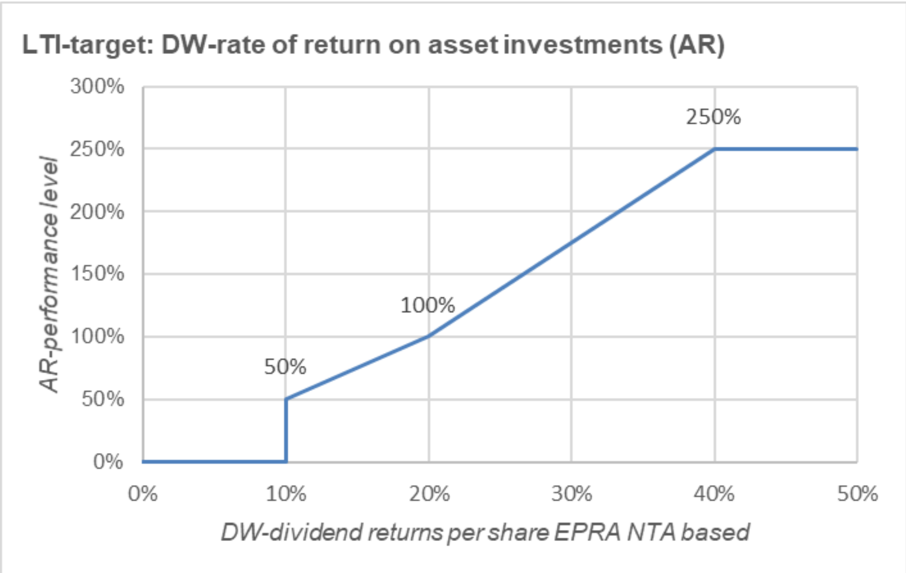
TSR-performance

The performance levels with respect to the relative share-performance over the LTI-performance period will be measured as follows with a view to the relative performance of Deutsche Wohnen-shares and the referenced stock index (FTSE EPRA/NAREIT Germany of, if this index is no longer set up, a comparable successor index):



DW-rate of return on asset investments

The performance levels with respect to the rate of return on the group's assets over the LTI-performance period will be derived from the growth rates of EPRA Net Tangible Assets and the aggregate dividend returns related to the group's EPRA Net Tangible Assets:



The financial targets are set to reflect transparent and performance related parameters and are connected to the sustainable success of the group's business as well. By using the relative share performance the total market development is factored in, as is the performance of the group's competitors. The DW-rate of return on asset investment target incentivises the management board to aim for sustainable enhancement of the net value of Deutsche Wohnen as well as distributions to shareholders. Final remuneration therefore depends on both, the performance of the group in comparison to its competitors, as well as stand-alone performance criteria. By using these metrics, the interests of the management board and the shareholders are fully aligned.

ESG-targets

The company uses the following ESG-targets as non-financial performance criteria for the LTI-remuneration, each weighted as follows (with respect to 100% LTI-target remuneration):

- Reduction of carbon dioxide emissions per sqm of residential and office space (15%),

- Employee satisfaction (based on employee satisfaction surveys – residential business, including satisfaction with respect to diversity and equal rights) (7.5%)

- Customer satisfaction (based on customer satisfaction surveys – residential business) (7,5%).

Taking these ESG-targets into account, aligns the remuneration of the Management Board with the interests of the general public and the group's stakeholders being a core element of the company's philosophy and the sustainability of the company's actions in the areas of environment, social and governance is weighted in a very substantial manner.

Each non-financial target will be weighted at a maximum performance level of 250% for the LTI-remuneration. The aggregate performance level of the ESG-targets will be calculated in accordance with the principles applying to the financial targets.

6.5. **Share Ownership Guidelines**. Members of the management board are required to build up and maintain a target portfolio of the company's shares (**share ownership guidelines**) for the term of their services to the company. The target portfolio value is 1.5 times the amount of the annual base compensation; the CEO must build up and maintain a portfolio 3 times the value of the annual base compensation. New members of the Management Board may build up the portfolio over time.

The share ownership guidelines are – in combination with the share based LTI-remuneration – directly associated with the interests of the shareholders and therefore present a contribution to the goal of the remuneration system to incentivise the management board to pursue a sustainable value creating business policy.

7. **Other remuneration elements and regulations**

7.1. **Sign-on-bonus**. Apart from the key remuneration components (BC, STI and LTI), the Supervisory Board may pay to a candidate an adequate compensation of his or her losses incurred due to taking on the position as a member of the Management Board of the company. Such payment will usually be made together with the requirement of an investment of all or part of this payment into the target portfolio under the share-ownership plan.

7.2. **Remuneration agreements and their term.** The remuneration of the members of the Management Board is agreed as part of their service agreements, as well as any adjustments during the term by means of supplements. In accordance with the law, the service agreements of the members of the Management Board are concluded for a certain period of time with a maximum term of five years, in case of initial appointments with a maximum term of three years, and in each case aligned with the relevant period of appointment. The service agreements can be terminated by both, the company and the member of Management Board, for good cause only (Section 626 of the German Civil Code) (for change-of-control termination rights see Section 7.3 below). It may be agreed that the remuneration terms continue to be effective if an appointment is extended or a re-appointment is made.

7.3. **Change-of-Control**. The Supervisory Board may grant a termination right to a member of the Management Board in case of a change-of-control event, if the position of such member is substantially affected by a change-of-control over the company or such substantial effect is to be expected. With respect to the change-of-control event a severance payment of up to two times the annual remuneration, but not more than the remuneration due for the remainder of the term of the service agreement can be agreed.

7.4. **No other severance payments**. Apart from continuing payments following a permanent occupational disability, the service agreements of the members of the Management Board will not include any entitlements to severance payments with respect to a premature termination.

7.5. **Restrictive covenant compensations**. The company will usually not require post-term restrictive covenants and will therefore usually also not pay any compensations under restrictive covenant provisions. If the company makes an exception to this principle in the individual case, the maximum compensation for compliance with restrictive covenants shall be a monthly payment equal to half of the latest remuneration paid. Any severance payments must be set off against such compensation.

7.6. **Vacation.** The members of the management board shall have an adequate annual entitlement for vacation during their term (up to 30 working days annually).

7.7. **Taxes.** Members of the Management Board must pay all personal income taxes due for the remuneration (including benefits).

7.8. **Terms of payment, payment dates**. All remuneration, including the TSR-performance related and therefore share based LTI-remuneration is paid by bank transfer of cash. STI-remuneration and LTI-remuneration will be paid after the group accounts have been approved (gebilligt). A sign-on-bonus due in cash will be paid out by bank transfer in accordance with an individual agreement thereto.

8. **Extraordinary Developments.** The Supervisory Board shall agree with the members of the Management Board on the following provisions governing withholdings and repayments of remuneration and for adjustments in case of extraordinary developments:

8.1. **Malus and Claw Back-Provision**. The company shall have the option, to withhold or reclaim an adequate portion of variable remuneration, if (1) a member of the Management Board has intentionally or by grossly negligent action violated essential duties of care or if such member has committed breaches of its duties, which are of such a severe nature, that they justify a termination for cause, or (2) irrespective of proof of personal negligence, if within the scope of a Management Board members' business division systematically and continuously targeted serious breaches against any laws for the protection of the public, the customers or the employees of the enterprise have occurred, which may cause an enduring damage to the company's reputation, unless such member has, immediately after becoming aware of a probable cause of such violations, initiated adequate measures to investigate and remedy such actions.

It shall be also possible to reclaim variable remuneration, if the data for its calculation has proven to be incorrect and deviations are not only marginal or the data has been provided by the member of the Management Board itself.

The right to withhold or reclaim variable remuneration must be exercised not later than one year, after the Supervisory Board has obtained knowledge of the relevant reason. The Management Board members' duties to cure damages and the relevant codified obligations under corporate law and civil law remain unaffected.

8.2. **Adjustment of board remuneration in case of systematic disruptions.** Where from time to time any developments of facts disrupt the technical functionality of STI- or LTI-criteria to set adequate incentives or to adequately reflect a member of the Management Board performance as delivered, in a fundamental and structural manner, the Supervisory Board may agree to adjust the parameters for active and retired members of the Management Board with their agreement, to ensure that the incentive goals are maintained as best as possible and the performance of the member of the Management Board continues to be adequately remunerated. Such structural systematic disruptions may be e.g. the delisting of the company or the company becoming a controlled entity (abhängiges Unternehmen), a fundamental change in the business strategy, or a merger or a liquidation of the company.

The financial parameters for variable remuneration, underlying the agreements of financial or non-financial targets may be corrected or replaced, if they cease to exist or are fundamentally changed during a performance period, such correction or replacement to be made with a view to achieve results most closely to the original result aimed for by using the original parameter (e.g. amendments of the EPRA/NTA calculation methods or the composition or management of stock indices or the scientific/technical methods to measure carbon emissions).

The Supervisory Board makes such amendments fully transparent in the remuneration report.

8.3. **Temporary deviations from the remuneration system**. The Supervisory Board may deviate from the remuneration system for a limited period in time, if this is necessary in the interest of the long-term welfare for the company. A deviation from the remuneration system due to extraordinary developments requires a Supervisory Board resolution, which states the necessity and the reasons for a deviation to serve the long-term welfare of the company as well as the goals of such deviation and their envisaged effect to preserve the welfare of the company.

Extraordinary developments refer to only such circumstances, which were not apparent or foreseeable when the parameters for variable remuneration had been agreed, and which are likely to have had substantial effects on the remuneration, and, if known at the point in time such parameters were agreed or set, had resulted in different remuneration agreements under bona fide negotiations between prudent managers and the company. By means of example, these extraordinary developments may be subject to such terms: Fundamental changes of the legal or taxation framework for the business of the group, a severe general financial or economic crisis, pandemics, natural disasters or similar circumstances.

Extraordinary positive or negative market developments, in particular developments of the real estate and capital markets for reasons other than for severe and exceptional crises are expressly excluded from being treated as extraordinary developments.

In relevant cases the Supervisory Board may make agreements with the members of the Management Board for an adequate amendment of their variable remuneration or it may hire new members at amended terms. An agreement relating to extraordinary developments may provide to amend the amount of remuneration components, the targets, the target remuneration and the material criteria or time periods relevant for variable remuneration with reference to service periods of active members of the Management Board not yet completed at such point in time, but in each case only if and to the extend necessary by virtue of the extraordinary developments - in terms of time and essence- to maintain the incentive effects and the adequacy of the remuneration for the services of active members of the Management Board in the interest of the group, as far as these are subject to the effects of such extraordinary developments. New members of the Management Board may be offered an adequate remuneration in extraordinary circumstances as well. If shareholders or employees of the group are subject to the extraordinary developments also, this must be taken into account for a deviation from the remuneration system.

The components of the remuneration system, which are subject to amendments, are the performance targets of the STI and the LTI and the ranges of the individual components. In this context, the company may also grant success based payments for exceptional services made to maintain the long-term welfare of the company.

The Supervisory Board will make any amendments from the remuneration system fully transparent it the remuneration report.

9. Miscellaneous

9.1. **Provisions to implement the system.** The board must set the remuneration of the members of the Management Board in accordance with the remuneration system presented in accordance with Section 120a (1) AktG to the general assembly (Section 87a (2) Sentence 1 AktG). In order to further execute this remuneration system, the Supervisory Board will, each in the service agreements with the members of the Management Board or any supplements thereto, agree any details to govern and to calculate remuneration and any payment details not determined by the remuneration system and in will make amendments due to extraordinary developments, if any.

9.2. **Amendment of current service agreements.** The Supervisory Board intends to amend the service agreements of the members of the Management Board currently active, which have been agreed prior to this remuneration system becoming effective, to reflect this remuneration system, also as far as such agreements are not affected by the second EU-shareholder directive as set out in Section 26j EGAktG.

9.3. **Mandatory laws and severability.** The laws of Germany(as they may be amended from time to time), in particular, directly or indirectly Sections 611 subs. BGB, 84, 87 and 87a (2) AktG as well as the participation rights of the general assembly under Section 120a AktG apply to the remuneration of the members of the Management Board, their terms of services and termination rights as well as the extension or the termination of agreements relating to remuneration, in particular the members' of the Management Board service agreements. Service agreements with members of the Management Board, including the provisions governing the remuneration, are also subject to the principles of good faith (Section 242 BGB) and the Supervisory Board will agree severability provisions to derogate Section 139 BGB in full and to provide that an invalid provision, including an invalid provision on remuneration, shall not affect the validity and enforceability of the remaining provisions of the contract but shall by agreement be substituted by a valid provision. The priority of this remuneration system (Section 87a (2) Sentence1 AktG) remains unaffected.