



## Non-Group Policy

# Regulation on remuneration of the members of the Supervisory Board - JSC Deutsche Bank DBU

Breaches of provisions within this document will be viewed as a violation of your terms of employment and may result in disciplinary action, up to termination of employment, in line with DB Group's [Integrated Consequence Management Framework \(iCMF\)](#), as well as local law and practice.

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## 1. General provisions

The Regulation is an internal document of the Bank, which describes the system of remuneration of the Members of the Supervisory Board of the Bank.

The Regulation was developed in accordance with the Law on Banks, the Law on Joint Stock Companies, Resolution No. 153, and Decision No. 814-рш, other legal requirements to the regulations on remuneration of members of the governing bodies, the Bank's charter and Deutsche Bank Group standards.

## 2. Objective and applicability

### 2.1. Objective

The Bank, as a joint-stock company (private joint-stock company), with an established Supervisory Board, created in line with requirements of Ukrainian laws.

Implementation of the Regulation is aimed to set out the system of remuneration of the members of the Supervisory Board.

In accordance with Resolution No. 153, this Regulation, among other things:

- 1) determines the basic grounds of the system of remuneration of the Members of the Supervisory Board of the Bank introduced at the Bank, for their activities in performing the functions of the Chairman and Members of the Supervisory Board of the Bank, components of remuneration, the structure of such remuneration;
- 2) determines the distribution of powers to make decisions on remuneration;
- 3) determines the procedure for drafting, approving and publishing the Report on Remuneration;
- 4) contains information on the Bank's policy regarding the term of agreements (contracts) with the Members of the Supervisory Board and inclusion in such agreements (contracts) of conditions on dismissal payments (if any);
- 5) contains information on the procedure and conditions of remuneration payment, forms of remuneration payment (monetary) and terms of payment;
- 6) contains an explanation of the methods used by the Bank to establish fulfilment of the criteria for assessing the effectiveness of the work of the Members of the Supervisory Board;
- 7) contains other conditions that do not contradict the principles of the remuneration system defined by Resolution No. 153; and
- 8) determines the amount of information contained in the Report on Remuneration and the amount of information on remuneration that may be disclosed.

### 2.2. Applicability

The Regulation is binding on the Members of the Supervisory Board and other employees of the Bank who are responsible for the accrual and payment of salaries and other income.

This Regulation is consistent with the Remuneration Policy.

### 3. Remuneration and compensation of the Members of the Supervisory Board of the Bank

#### 3.1. General provisions

The Members of the Supervisory Board of the Bank are entitled to full payment for work, which means the right to remuneration for work performed, which depends on the qualifications of a Member of the Supervisory Board, complexity, volume and quality of work performed, efforts, in accordance with the provisions established by the employment agreement (contract) with a Member of the Supervisory Board, approved by the decision of the Shareholder of the Bank.

The Bank's Shareholder (by way of approval of the relevant agreements (contracts) with the Members of Supervisory Board) sets the remuneration of the Members of the Supervisory Board, taking into account their functions, the Remuneration Policy of the Bank and the market conditions in order to attract and retain qualified employees.

The Shareholder of the Bank annually approves the Report on Remuneration of the Members of the Supervisory Board of the Bank, which is provided by the Supervisory Board of the Bank and the requirements for which are established by the National Bank of Ukraine and the legislation of Ukraine.

#### 3.2. Basic grounds of the system of remuneration of the Members of the Supervisory Board

The Bank's remuneration system, based on the global guidelines and methods of the Shareholder on local governance in the Bank, provides the effective corporate governance, risk management, as well as takes into account the Bank's strategic objectives and promotes the development of its corporate values.

The monetary remuneration is paid in the national currency of Ukraine – hryvnia and/or foreign currency (as may be provided by the relevant agreement (contract) between the Bank and the relevant Member of the Supervisory Board), by non-cash transfer to current, including using the electronic payment methods, accounts of the Members of the Supervisory Board opened in commercial banks of Ukraine and/or foreign bank.

When paying monetary remuneration, the Bank deducts and pays from the amount of remuneration all necessary taxes, fees, obligatory payments, in accordance with the legislation of Ukraine, which are withheld when paying income to individuals.

A fair and appropriate remuneration must be determined for each Member of the Supervisory Board of the Bank, which must be determined by the Remuneration Policy in detail and transparently.

#### 3.3. Components of monetary remuneration of the Members of the Supervisory Board

The Bank has established a system of monetary remuneration of the Supervisory Board, which provides for **a Fixed Payment only**.

For certain Members of the Supervisory Board, no Fixed Payment is provided and such Members of the Supervisory Board is performing their functions on the free of charge basis – if such terms and conditions are agreed in the relevant contracts (agreements) between the Bank and the relevant Members of the Supervisory Board.

### 3.4. The structure of monetary remuneration of the Members of the Supervisory Board

The monetary remuneration of the members of the Supervisory Board consists of the **Fixed Payment only** - includes accruals for work performed, as the amount of such Fixed Payment is set out in the relevant agreements (contracts) between the Bank and the relevant Members of the Supervisory Board.

### 3.5. Criteria for determination of the amount and procedure for calculation of the amount of monetary remuneration of the Members of the Supervisory Board, the procedure for assessing the fulfilment of these criteria

The amount of the Fixed Payment, which is the only element of compensation to the Members of the Supervisory Board and reflects the importance of each individual position and function of the respective Member of the Supervisory Board, as mentioned above, is stipulated in the relevant agreements (contracts) with the Members of the Supervisory Board, the terms and conditions of which are approved by the Shareholder.

The Bank pays a Member of the Supervisory Board a fixed basic remuneration (if such remuneration is provided in the relevant contacts (agreements)), which is specified in the contract of the respective Member of the Supervisory Board, and which is calculated in proportion to the time worked by this Member of the Supervisory Board for the reporting period. Unless otherwise is provided in the relevant contracts (agreement), the fixed remuneration of a Member of the Supervisory Board is calculated on the basis of the reporting period, which is defined as a calendar quarter and paid on the quarterly basis.

The key criterion of sufficiency of the Fixed Payment is its compliance with professional experience, defined functional responsibilities of the person and the level of their responsibility.

The Fixed Payment is a reward for such criteria as qualifications, skills and experience that a Member of the Supervisory Board brings to the Bank.

## 4. Information on the incentive and other programs for the Members of the Supervisory Board

Apart from the Fixed Payment, no incentives or other additional remunerations or compensations are provided for the Members of the Supervisory Board of the Bank.

## 5. Powers to decide on remuneration

The Shareholder of the Bank approves this Regulation on the remuneration of the Members of the Supervisory Board of the Bank and the report on the remuneration of the Members of the Supervisory Board of the Bank.

The Shareholder of the Bank sets the remuneration of the Members of the Supervisory Board taking into account their functions and market conditions in order to attract and retain qualified employees.

As mentioned above, for certain Members of the Supervisory Board, such as, for example, the Members of the Supervisory Board who are representatives of the Shareholder, no Fixed Payment may be provided in the relevant agreements (contracts) and in such cases, the relevant Members of the Supervisory Board would be performing their duties and functions free of charge.

The purpose of evaluating the work of the Members of the Supervisory Board of the Bank is to determine the effectiveness of ensuring the results of work in accordance with the division of

their functional responsibilities within the powers defined by the Charter, the Regulation on the Supervisory Board and the Regulation on Valuation.

The Fixed Payment of remuneration is calculated:

- for the Members of the Supervisory Board who have worked in this position for a full calendar year - based on payments for 12 months of work;
- for the Members of the Supervisory Board who have worked in this position for less than a year - based on payments for the actual working time, starting from the first day of the month after taking office until the end of the year.

## 6. Report on remuneration of the Members of the Supervisory Board

The report on the remuneration of the Members of the Supervisory Board is prepared and approved by the Shareholder based on the results of each financial year, and submitted for approval by the Shareholder of the Bank, no later than April 30.

Requirements to the content of the report on the remuneration of the Members of the Supervisory Board of the Bank should meet the minimum criteria and contain all information determined by regulations of the NBU, namely Regulation No. 153, and other legislation of Ukraine.

The report on the remuneration of the Members of the Supervisory Board is compiled, and the Shareholder of the Bank approves and publishes the report on the remuneration of the Members of the Supervisory Board in accordance with the requirements and provisions of Resolution №153.

The Bank publishes reports on the remuneration paid to the Members of the Supervisory Board during the reporting financial year on its own website on the Internet within 15 working days from the date of their approval by the Shareholder of the Bank with the possibility to review them.

Information on the policy and amount of the remuneration of the Members of the Supervisory Board of the Bank (information on remuneration policy, the amount of the remuneration of all Members of the Supervisory Board of the Bank, etc.) belongs to the material information regularly disclosed by the Bank in public annual reports.

### 6.1. The amount of information contained in the report on the remuneration of the Members of the Supervisory Board

The scope of information contained in the report on the remuneration must meet the minimum requirements established for the reports on the remuneration of the Members of the Supervisory Board established by Resolution №153, Decision №814-рш and other applicable regulations.

### 6.2. The amount of information to be made public

The amount of information on the remuneration that can be made public must meet the minimum requirements established by Resolution №153, Decision №814-рш and other applicable regulations.

## 7. Agreements (contracts) with the Members of the Supervisory Board

Regarding the term of agreements (contracts) with the Members of the Supervisory Board, the maximum term of such agreements (contracts) is unlimited, unless the maximum term of such agreements (contracts) is set/limited by the applicable legislation of Ukraine.

Agreements (contracts) with the Members of the Supervisory Board may include conditions for dismissal payments (if any).

## 8. Procedure, conditions, forms and terms of payment of the remuneration to the Members of the Supervisory Board

Information on the procedure and conditions for payment of the remuneration, forms of payment of the remuneration (monetary only) and terms of payment must be established in the relevant contracts (agreements) between the Bank and the Members of the Supervisory Board.

## 9. Criteria for evaluating the work of the Members of the Supervisory Board

An explanation of the methods used by the Bank to establish fulfilment of the criteria for evaluating the performance of the Members of the Supervisory Board is set out in the Regulation on Valuation.

## 10. Other conditions

This Regulation is in line with the risk management policy and is aimed at preventing the acceptance of risks that exceed the allowable level of risk appetite in the Bank.

The Bank does not conduct any periodic independent external evaluation of the Bank's remuneration payments.

This Regulation corresponds to the Bank's system of distribution of decision-making powers (checks and balances), corporate governance, the principles of the Bank's corporate culture and responsible business conduct in the market.

The remuneration of the Members of the Supervisory Board must be reasonably justified in relation to similar (or commensurate) market indicators of the amount and terms of the remuneration, which are assessed at the discretion of the Bank.

## 11. Final Provisions

This Regulation becomes effective upon its approval by the Shareholder of the Bank.

Any amendments to the Regulation may be made only via approval thereof by the Shareholder of the Bank.

Upon approval of a revised version of the Regulation, the previous version of the Regulation shall automatically become void.

If any part of this Regulation does not conform to the applicable Ukrainian legislation, including the NBU regulations, including in relation to adopting of the new acts or amendments to effective acts, this Regulation shall be valid only in the part which does not contradict the applicable Ukrainian legislation, including the applicable NBU regulations. Until relevant amendments are made to the Regulation, employees of the Bank shall be governed by the provisions of the applicable Ukrainian legislation in their work.

## 12. Glossary

Term	Definition
Shareholder	Sole shareholder of the Bank which owns 100% of the issued shares in the Bank
Bank	JSC Deutsche Bank DBU

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Term	Definition
Law on Banks	Law of Ukraine №2121-III "On Banks and Banking" dated 7 December 2000 (as amended)
Law on Joint Stock Companies	Law of Ukraine №514-VI "On Joint Stock Companies" dated 17 September 2008 (as amended)
Report on Remuneration	Report on remuneration of the Members of the Supervisory Board
NBU	National Bank of Ukraine
Remuneration Policy	Deutsche Bank DBU's Remuneration Policy, approved by the Bank's Supervisory Board (Minutes №70 dated 28 April 2020), as such a policy may be amended or supplemented in the future
Regulation	Regulation on remuneration of the members of the Supervisory Board - JSC Deutsche Bank DBU
Regulation on Valuation	Regulation on the procedure of selection and evaluation of candidates for members of the Supervisory Board, inspection of managers, head of the internal audit department - JSC "Deutsche Bank DBU", approved by the decision of the Supervisory Board of the Bank dated 19 November 2019
Resolution №153	Regulation on requirements for regulations and reports on remuneration of members of the Supervisory Board and the Management Board, approved by Resolution №153 of the NBU Board dated 30 November 2020
Decision №814-рш	Methodical recommendations on the organization of corporate governance in banks of Ukraine, approved by the Decision of the NBU Board №814-рш dated 3 December 2018 (as amended)
Decision of the Shareholder	Decision of the sole shareholder of the Bank
Fixed Payment	Fixed remuneration
Members of the Supervisory Board	Chairman and Members of the Supervisory Board

Other terms are used in the meanings defined by the legislation of Ukraine and regulatory acts of regulatory bodies.



**APPROVED BY**

The Decision of the Shareholder of  
JSC Deutsche Bank DBU  
(Decision № 32 dated 29 April 2021)

Document Title:	Положення про винагороду членів Наглядової ради – АТ "Дойче Банк ДБУ"
English Title:	Regulation on remuneration of the members of the Supervisory Board - JSC Deutsche Bank DBU
Document Internal Number:	R/081
Classification (Level):	Regulation (level 4)
Policy Producing Function:	Legal
Portfolio Owner:	Maria Tsabal
Author:	Maria Tsabal
Approver:	Bernd Wurth
Document Contact:	Maria Tsabal
Geographic Applicability:	Ukraine, JSC "Deutsche Bank DBU"
Functional Applicability:	All functions
Original Issue Date:	29.04.2021
Last Review Date:	-
Next Review Date:	29.04.2022
Version:	1.0
Language:	English
Translation:	Yes
Legal or Regulatory Requirement:	Yes