



Non-Group policy

Corporate Governance Fundamentals - JSC Deutsche Bank DBU

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0. Key Data

Summary

This Policy sets forth Corporate Governance Fundamentals applicable for JSC Deutsche Bank DBU based on corporate governance principles applicable for DB Group.

Document category

Group Policy Non-Group Policy
Group Procedure Non-Group Procedure

Applicability

DB Group Restricted to JSC Deutsche Bank DBU

Issuing unit COO, Management

Risk type Corporate Governance

Risk type authorization

- (i) Risk type control function, as per DB Group’s risk type taxonomy; and / or
- (ii) Approval by the relevant risk type controller / RTC contact / issuing unit
- (iii) Management Board resolution
- (iv) Business allocation plan of DB AG

Addressees

All units

Management Board approval Date of approval

Implementation date 18.12.2020

1. General Provisions

The Corporate Governance Fundamentals of JSC Deutsche Bank DBU (hereinafter the Bank) are the basis for daily activities and essential for amendment of corporate culture of Deutsche Bank AG. These Fundamentals regulate the Bank's governing bodies and other persons empowered to take decisions in order to achieve the Bank's general objectives. In addition, the Corporate Governance Fundamentals provide establishment and distribution of roles, competences and responsibilities within the regulatory framework regulating the Bank's activity and promote accurate determination of responsibilities and duties.

The Bank's corporate governance also covers the observance of the corporate governance policies of Deutsche Bank AG. Employees shall review from time to time, improve and maintain the observance of the Corporate Governance Policies of Deutsche Bank AG and the Corporate Governance Fundamentals of the Bank.

The set of the Corporate Governance Fundamentals concerns precise delegation of powers, ensures accountability of decision-makers, and monitoring implementation. Implementation of the Corporate Governance Fundamentals ensures balance of risks and obligations.

2. System of the Corporate Governance Fundamentals

The System of the Corporate Governance Fundamentals involves trust and cooperation-based relations between the management of the Bank, Supervisory Board, Shareholder and supervisory structures as to implementation of local legislation as well as delegation of powers and responsibility.

In its activities, the management of the Bank shall follow the below fundamentals:

- Duty to act legally,
- Adhere to business decision rule,
- Observe values and share views of Deutsche Bank AG.

Internal management systems of the Bank are involved in organizational structure which corresponds to the Bank's activity distribution plan. Complete transparency of the Bank's structure is applied in all areas of its activity and complies with changes in the legislation, prevents the conflicts of interests (including separation of concerns), ensures the organization of the Bank's efficient operation.

The Bank's Managing Board adheres to the set of the Corporate Governance Fundamentals in terms of delegation of powers and duties within the Bank based on the corresponding Corporate Governance Fundamentals of Deutsche Bank AG Group as well as to the applicable statutory requirements.

Individual delegation (as well as authority delegation to the Managing Board Committees) of powers and responsibilities shall base on the accountability scheme:

- Clarity of subordination lines and definition of signatory rights/powers of representatives;
- Organizational Structure/Structure of the relevant Committee with due account to the rigid control principles.

3. Scope of Application

The Corporate Governance Fundamentals of Deutsche Bank AG Group shall be applicable across the Bank including appropriate governing bodies (Managing Board, Supervisory Board, etc.).

The Corporate Governance Fundamentals shall be relied upon and followed by each representative and employee of the Bank to the extent they directly or indirectly influence relevant scope of duties.

Principles	Key persons responsible for implementation
Fundamentals	All employees / representatives of the Bank
Internal management	Managing Board
Key functions	Managing Board members/persons appointed by performers of the key functions
Organizational functions	Managers/Directors of the Bank

4. Corporate Governance Fundamentals

The Corporate Governance Fundamentals provides a structure based on which Bank's objectives and means of their achievement are determined as well as performance control methods. Appropriate Corporate Governance shall encourage the Bank's managers to achieve the goals that meet the Bank's business strategy, Shareholder's interests and promote effective monitoring.

The Bank adheres to global structure of the Corporate Governance Fundamentals established by Deutsche Bank AG Group, specified below.

4.1. Fundamental 1: Duty to act legally

The duty to work lawfully sets the conduct for all representatives and employees of the Bank and classified as one of the most important obligations of the Bank's Managing Board. It includes three elements:

- Know your rules: Form and maintain awareness of the Rules and Provisions at the Managing Board level.
- Organizational duty: This involves transparency within the organization through determination, distribution and evaluation of duties at the employee or Committee level, definition of communications and interfaces and elimination of gaps or overlap of responsibility and duties. Also, this includes risk prevention and mitigation mechanisms in order to avoid or minimise violation of the Rules and Regulations.
- Monitoring duty: Monitoring of power delegation and issue escalation chain as well as authorization and ensuring regular and urgent information sharing to timely identify critical issues and take necessary corrective actions.

In fulfilment of fundamental 1 the managers shall be skilled and experienced enough to perform the assigned function and capable to allocate sufficient time and effort to perform their duties, as well as to ensure that decisions are taken based on sufficient knowledge and with due account to all respective consequences.

4.2. Fundamental 2: Execution of Business Decision Rule

Business decisions (where free discretion can be applied unlike fundamental 1) shall be taken for the Bank's benefit based on relevant information and not be influenced by conflict of interests as well as private interests.

4.3. Fundamental 3: Observance of Values and Views

The bank adheres to corporate culture, attracts and develops talented employees, promotes team work and partnership, maintains independent thinking, respect for other ideas and own opinion.

In accordance with the global approach of Deutsche Bank AG Group, the Bank's adherence to these standards is reflected in six core values:

- Honesty
 - We observe the highest standards of honesty in everything we speak out and do.
 - We will do what is right, not only what is permitted.
 - We communicate openly; we welcome, we make and we respect opposite points of view.
- Continued efficiency
 - We ensure value for shareholders, appreciating long-term success over short-term benefit.
 - We maintain the spirit of business which balances risks and profits.
 - We reach long-term productivity through development, training and investment into the best talents as well as thanks to personnel management taking into account personal achievements.

- Focus on customer needs
 - We earn the trust of our customers which is in the heart of our activity.
 - We ensure true value through understanding and meeting the needs of our customers in the best possible way.
 - We seek to develop mutually beneficial and appreciated relations with our customers.
- Innovations
 - We support innovations, appreciating intellectual curiosity of our employees.
 - We provide our customers with opportunity to reach success by constantly looking for suitable solutions of their tasks.
 - We improve our processes and platforms on a regular basis by implementing new and more effective means of operation.
- Discipline
 - We stand for corporate resources, always thinking and acting as owners.
 - We live by rules and we are responsible for fulfilment of our promises without any justifications.
 - We reach operational excellence, seeking “to do everything right from the very beginning”.
- Partnership
 - We form different teams in order to create the best ideas and take more balanced solutions.
 - We place common corporate objectives over “separate” loyalty, based on trust, respect and cooperation.
 - We act as responsible partners when working with any and all concerned parties and regulatory bodies as well as when meeting wider interests of society.

4.4. Interaction between the Managing and Supervisory Boards

The interaction between the Managing and Supervisory Boards (hereinafter the Corporate Bodies) is driven by cooperation based on trust and for the sake of ensuring the best interests of the Bank, its employees and other interested parties taking into account their corresponding tasks and duties. The tasks and duties of the Managing and Supervisory Boards complement each other when creating a strong corporate management system:

- Performance of own tasks and duties: Each Corporate Body steadily adheres to own tasks and duties.
- Prohibition against abuse of authority: Each Corporate Body shall not exceed the limits of its authority and interfere with internal affairs and obligations of other Corporate Body.
- Mutual trust: Cooperation between the Corporate Bodies and their members is based on mutual trust. The Managing Board members shall act honestly for the Bank’s benefit.
- Duty to act honestly: Duty of the Managing Board members to act reasonably in regard to the Bank.
- Open discussion with respect for confidentiality: Both Corporate Bodies shall hold open discussion, however steady adherence to the confidentiality shall be of primary concern.
- Sufficiency of information: The Managing Board shall be responsible for communicating sufficient, adequate, accurate and timely information. The Managing Board shall inform the Supervisory Board on a regular basis and without delays on all essential issues as to strategy, planning, business development, risk levels and management, observance of the established requirements, structural mechanisms and culture. The Managing Board highlights deviations from the set plans and goals stating the reasons for that. The Supervisory Board shall ensure its appropriate awareness.
- Interaction efficiency: All members of the Corporate Bodies shall have enough time to fulfil their duties to the full extent.

4.5. Relations with the Supervisory Authorities

The Bank seeks to ensure cooperation with the appropriate Supervisory Authorities based on the following Fundamentals:

- Trust-based relations: The Managing Board seeks to form and maintain relations with the Supervisory Authorities based on trust and communicate with them openly.
- Current experience: The Managing Board includes experienced experts in interaction with the appropriate Supervisory Authorities.
- Supervision over the relations between the managers and the Supervisory Authorities: The Managing Board monitors the relations between the Bank and the Supervisory Authorities and maintains the exchange of knowledge between all managers.
- Realization duty: The board seeks to be ensured that all relevant regulations are observed properly.
- Active interaction with the Supervisory Authorities: The Managing Board ensures active interaction with the Supervisory Authorities instead of just replying to their requests.

4.6. Know your structure / Know your business

The Bank admits fundamental importance of the maximum transparency and understanding of organizational and operational structure, business activity and the corresponding risks for the management activity. It is necessary to ensure correlation between the Bank's structure and activity and approved business strategy with due account to the following:

- Avoidance of undue complexity or non-transparency: The Bank's structure shall be reasonable. The structure shall not include non-transparent elements or be excessively complicated (for example, improper delegation of powers to the Committees) with no economic substance or business objective.

4.7. Group Management, including Legal Entity Management

The Bank is a member of Deutsche Bank AG Group that carries out control over correlation between the management system and the global structure, business and risks, and is aware of the Obligation of Honesty as to Deutsche Bank AG Group.

The Bank focuses on maintaining effective control system with well-defined roles and duties, reasonable policy, processes and means of control across the entire business, providing reliable and thoughtful management.

- Matrix structure;
- Mandate of the Regional Management as to supervision;
- Consideration for interests of the Group;
- Conflict of interests in Deutsche Bank AG Group
- Reporting duty:

4.8. Conflict of interests

The conflict of interests may occur as (i) contradiction between internal professional interests, for example, due to membership in different committees or (ii) conflict between private and internal professional interests.

In regard to professional interests the Bank shall take all possible measures to form correct internal

organization in order to avoid or eliminate contradiction between internal professional interests and to ensure appropriate and timely disclosure of information thereof.

In regard to private interests the Bank shall ensure proper definition and consideration of such conflicts based on determination of risks and escalation of appropriate issues to the higher level.

The Bank has determined the following Fundamental aimed to prevent the conflict of interests:

- Approach based on “business need”: Internal processes and information flows shall be as transparent as possible as well as meet the “business need” fundamental in order to prevent (or early identify) any possible conflicts of interests.
- Evaluation of functions and duties concentration: Concentration of functions and duties in the Managing Board or the relevant Committee shall be constantly evaluated and amended, if needed.
- Assignment performance: Assignments shall be fulfilled in a professional manner and honestly for the Bank’s benefit. Conflicts of interests shall be resolved to satisfy all parties concerned, for example through abstaining from voting or even from participation in discussion on a certain issue in case of individual conflict or refusal from external assignment in case of ongoing conflict or other incompatibility.
- Delegation of powers: In case powers are delegated to lower levels the scope and limits for such delegation shall be precisely defined.
- Clarity of job descriptions.
- Staff turnover: Staff turnover within the Bank is deliberately inspected. Relevant measures shall be in place to prevent conflict of interests resulting from the staff turnover.
- Applicability of such regulations to the Committees: The tasks and structure of the Committees shall reflect the purpose of prevention and mitigation of interests collision.
- Private interests: Employees shall duly disclose all private interests which may conflict with their professional interests.

4.9. Outsourcing

It is of utmost importance to estimate influence, maintain transparency and estimate risks of outsourcing. The effective structure of management shall determine standards governing the outsourcing process. This involves (i) identification and mitigation of outsourcing risks; (ii) appropriate management and control of such risks and (iii) respective reporting duties.

The following Fundamentals form the structure that ensures compliance with such standards:

- Complex written policy corresponding to the Bank’s strategy: The Managing Board shall regularly analyse and estimate efficiency of the supplier strategy, which defines management models and approach as to ensuring management of outsourcing risks.
- Activity not subject to outsourcing: The Bank’s managers shall be responsible / accountable for implementation of main managerial functions that are not subject to outsourcing.
- Clear reporting system.
- Risk management: It is important to evaluate and provide effective management of risks related to outsourcing. The essence of outsourcing is determined based on risk evaluation results in accordance with policy, applicable laws and provisions. Risk analysis shall cover, in particular, risks of outsourcing concentration, competence of service providers and relevant subcontractors as well as situations of potential termination or withdrawal from a treaty.
- Control and supervision: The Bank’s managers are responsible for implementation of reliable management model for services provision in order to control and monitor the activity to be outsourced as well as for appointing employee(s) responsible for monitoring and management of outsourcing and

appropriate examination of service providers.

- Outsourcing agreements are registered in written form: The minimum contractual standards involving obligatory written and complex reports signed before provision of any services shall apply to all outsourcing agreements. Outsourcing contracts shall contain accurate description of outsourcing activity, quality parameters, instructions, the Bank's right to access and audit in order to monitor and manage the activity carried out in the exercise of outsourcing, obligations as to ensuring the rights of audit by regulatory bodies, sufficient volume of powers to cancel the contract, terms, standards of obligations transfer to subcontract, protection of confidential information as well as reporting and informing about any changes which may affect the services.

4.10. Risk management and the Internal Control System

The Bank ensures the Risk Management and applies the Internal Control System which gives complete information about all financial and non-financial risks and ways to manage them:

- Independent risk management function: The risk management function is separated from Business Divisions and other Infrastructure Functions.
- The person responsible for risk management exercises supervision over development and implementation of the Bank's risk management function, including systems, policies, processes, quantitative models and reports necessary for sufficient reliability and efficiency of the Bank's risk management mechanisms as well as their capability to maintain the Bank's strategic objectives to the full extent.
- The complex structure of the assignment to the risk management and control of them is guided by the complex and formulated ambush of the design control to the risk control.
- Risk management and control: Risk identification, monitoring and control are exercised within the Bank on a constant basis. Improvement of the Bank's risk management system and internal control infrastructure shall be in line with the changes in the Bank's risks profile, structure of external risks and industrial practice.
- Reliable communication: Risk management shall be reliably communicated within the Bank. In addition, the Managing and Supervisory Boards shall communicate and consult with the performer of risk management.
- Violation reporting: The Managing Board shall ensure the mechanism of implementation of the violation reporting policy and protect employees that reported about violation from prejudice.

In addition, the Bank applies the Internal Control System involving three lines of defence, that has risks, control mechanisms and reporting duties at the first, second and third lines of defence, accurately defined:

- First line of defence
 - **Mandate:** The first line includes all infrastructure facilities that render services and are fully responsible for all risks thereof, including the end process, and exercise control of these risks through active identification, evaluation, reduction, monitoring and reporting.
- Second line of defence
 - **Mandate:** Control functions of the second line are responsible for ensuring effective risk management structure within the corresponding type of risks, including establishment and monitoring over the minimum control and policy definition standards.

– Third line of defence

- **Mandate:** The third line provides independent and reliable data about efficiency of the management system, internal control and management processes (internal audit).

4.11. Remuneration

The Bank shall ensure a remuneration scheme that promotes long-term and normal operation of the organization, supports risk taking and corresponds to appropriate risk management principles, evaluation of risk exposure, agrees with the values and long-term interests of the Bank.

The Bank's remuneration scheme involves such objectives:

- To support the Bank's implementation of customer-focused strategy, through attraction and hiring of talented employees for various business models and divisions.
- To support the Bank's long-term efficiency, sustainable development of its organization and risk management strategy.
- To support long-term efficiency, anticipated based on expenses discipline and effectiveness.
- To introduce safe remuneration by the Bank, business units and support units that will reflect performance results and corresponding risks, prevention of inexpedient risks, compliance with planned parameters as to the capital and liquidity and observance of the relevant laws.
- Organize a remuneration policy for risk management, compliance and audit units, taking into account the principle of independence from the performance of business units and ensuring the promotion of effective risk management without encouraging excessive risk taking.
- To support the values stated by the Bank — honesty, constant efficiency, focus on customer needs, innovation, discipline and partnership.

4.12. Regional Management

The Regional Management is the general managerial function to arrange appropriate control of all Business Divisions and Infrastructure Functions within different regions where Deutsche Bank is present.

- Responsibility for conducting business and infrastructure support function: The Business Divisions and Infrastructure Support Functions are responsible for supporting units that ensure observance of the following principles at all levels, with due regard to local requirements.
- Mandate of the Regional Management in respect of control: The Regional Management applies the general supervision mandate as to all three lines of defence at the regional and country level, and is represented by the Chairman of the Bank's Managing Board. The Regional Management does not assume risk of the Business Divisions and Infrastructure Support Functions and will ensure and adhere to the third line of defence mechanisms.
- The rights and obligations of the Regional Management related to control: In order to consolidate the general supervision mandate, the Regional Management has certain rights related to control and obligations related to protection of the Bank and its transactions. Such rights and obligations are not influenced by control functions and provide for distribution of duties within the structure of the Regional Management in appropriate cases.
- Committees and processes: In order to implement its mandate in respect of general supervision and control, the Regional Management exercises the rights to vote, adoption or veto in own Committees at the regional and country level, within separate divisions or at the level of functional processes / Committees.
- Management information: In order to implement its general supervision and management mandate, the Regional Management has the right to receive comprehensive management information concerning

commercial and other related risks covering the whole range of its activities.

4.13. Structure, competency and education

The Bank seeks to adhere to precise standards to ensure that the managers and key function performers observe their duties. The Supervisory Board ensures appropriate structure of the Managing Board taking into account the relevant proposals and remarks.

- Competency: Each Managing Board member and key functions performer shall have a good reputation, work honestly, in a professional manner, have sufficient knowledge, skills and experience to perform his/her duties. To act in a manner promoting communication, cooperation and critical debates when taking a decision and be able to promote effective interaction between the members.
- Sufficient time: Each Managing Board member and key functions performer shall allocate enough time to perform his/her functions.
- Key role: The Managing Board's key role is to outline and implement corresponding objects strategy with accurate risk level to support of this strategy, outline organizational structure to perform its duties and promote effective decision-making and management.
- Composition and diversity of the Managing Board: In order to ensure performance of the role, the Managing Board members shall have vast knowledge and experience in the respective fields. The corresponding competences may include (without limitation) capital markets, financial analysis, financial stability, financial statements, information technologies, strategic planning, risk management, compensations, regulations, corporate management as well as management and leadership skills.
- Trainings: The Managing Board members shall deepen, maintain and enhance their knowledge and skills in order to perform their duties, for example, by participating in introductory programs.

4.14. Delegation of powers to ensure accurate accountability and responsibility

Precise and transparent delegation of powers is important for any organization. The Managing Board delegates powers in precise and complex manner, with definition of responsibility, duties and tasks which can also be delegated or transferred within the organization, promoting the effective operation. Achievement of such objective is promoted by the special power delegation and accountability principles.

- Prohibition to delegate Duties that are not subject to delegation: Some Duties are assigned to individuals / structures under the binding laws and are not subject to delegation.
- One duty — one delegation: One duty can be delegated only to one person, an individual or the Committee.
- Delegation of powers to the Committees in cases of reasonable resources/performers diversification: If a duty can be fulfilled by an individual, this duty shall be delegated to such person, not to the Committee. This shall not prevent the person consulting with others.
- Delegation within one vertical: The person delegating powers can delegate a duty only to its subordinate, under a clear line of subordination.
- Prohibition against delegation of powers to other Legal entities: Delegation of duties to legal entities is possible only to the extent set forth by contractual obligations (for example, outsourcing) which allows the main responsible party to control the service provider.
- Delegation of basic organizational duties: The heads of Business Divisions and Infrastructure Functions support within the scope of their duties, the Managing Board and its members in performance of their basic (main) duties.

According to this global structure fundamental obligations and responsibility of the Top Management can be

represented as the following scheme:

4.15. Subordination lines and signatory rights / Registration of letters of attorney

- One-line accountability to the managers: Upon observance of certain exceptions each person shall have one (disciplinary) reporting line. All other reporting lines are so-called "dotted" lines (functional reporting lines).
- Precise communication between reporting lines: The reporting line(s) shall be precisely informed to each employee who needs explanation of his/her obligation to adhere to instructions of his/her Head, in case of functional accountability, and instructions of the head in case of disciplinary accountability.
- Reporting lines in cases of conflicts of interests: The reporting lines, especially in regard to separation of functions between the front and back offices shall be precisely defined in accordance with regulatory requirements.
- Linear accountability to the Head with the main functional powers: It is necessary to define, if possible, linear accountability (the Head with disciplinary powers) of a person issuing functional directives for the employee.
- Restriction of reporting lines: In order to ensure compliance with organizational requirements, the Heads shall have an opportunity to exercise supervision over their subordinates.

In addition, the Bank shall ensure the appropriate standard regulating requirements to persons having the signatory right as to internal and external documents as well as all agreements and provide reasonable power of attorney distribution:

- Transparency of signatory rights: Signatory Rights as to relations within the company and relations with external parties as well as their dependence on internal and external resolutions shall be transparent for each employee.
- Four-eye principle: When registering and using the Signatory Rights one shall consider that such Rights can be exercised only together with other person empowered to sign documents.
- Commercial power of attorney is provided only based on the following requirement: Commercial power of attorney and respective signatory rights subject to registration are provided only in case the Power of Attorney is required for an employee to perform his/her functions. In such case the corresponding employee shall obtain transparent information on internal restrictions of the Power of Attorney.
- Prohibition against the Signatory Right as a mean of encouragement: Provision of the Signatory Right shall not be used as a mean of encouragement of the relevant employee. In particular this rule concerns the commercial Power of Attorney.

4.16. Administration of the committees

The Bank maintains precise and transparent Committees structure which is regularly reviewed and promotes effective decision-making and transfer of certain issues. The established principles of the Committees' activity determine the parameters, structure and activity of the Committees:

- Committees where they are indeed needed: The number of the Committees shall be as least as possible. There shall be as many of them as required by the law, as well as to ensure efficient management structures.
- Term "Committee" In general, the Committees shall have decision-making or policy-setting authorities which requires broad experience of several interested parties. Other forums that do not meet these criteria shall not be considered as the Committees.

- Clear and agreed performance standards of the Committees: The Committee's authorities shall be clear and agreed upon for all Committees of the Bank and shall comply with basic Corporate Management Principles.
- The Committees shall share relevant information with relevant structural divisions: All Committees shall communicate information to structural divisions whose members are represented in the Committee.
- The number of committee members shall not exceed the number of persons required to exercise the Committee powers: Individuals shall be appointed only if they have significant and constant influence on decision-making and the general powers of Committee. Individuals shall become members of the Committee if they can allocate enough time for its activity.
- The Committee members shall have the corresponding knowledge, skills and experience to exercise the Committee powers: The professional experience of the Committee members shall comply with its powers.

4.17. Basic organizational principles

The Managing Board and its members, Heads of the Bank's structural divisions shall be responsible for implementation of necessary means which may help the managers to adhere to these requirements.

The list of the basic organizational principles which defines behaviour of all managers / Heads:

- Relevant personnel, technical and financial resources are elements of the outlined strategy and appropriate means of risk control
 - Each representative of the Managing Board shall estimate availability of sufficient resources taking into account strategic objectives of the Department that he / she represents.
 - Personnel resources shall have relevant knowledge, skills and experience to fulfil their tasks as well as to be duly trained; different background of the team members drives diverse ideas.
 - The estimated shortcomings shall be analysed with due regard to effective use of resources, their consequences are assessed and reported in a transparent manner.
- General awareness about the organisational structure shall be in place
 - The organisational structure shall be transparent for internal interested parties and coordinate its business strategy with the risk profile.
 - The Top Management shall promote the structure that simplifies procedure if needed.
- Appropriate documentation allows to restore the facts, if needed
 - The decision and processes shall be properly documented without excessive formalistic burden.
 - The decisions made at the Committee meetings shall allow constructive dialogue and exchange of views, shall be recorded and timely communicated to all interested members of the Committee for consideration, and then transferred to the Person who delegated the powers. In addition, all potentially interested parties internal and external shall be properly informed about the decisions made.
 - The decisions made outside the Committees shall be duly informed to interested parties ensuring their clear understanding of actions to be taken, with due regard to matrix structure.
- Ensuring relevant and effective information flow and effective reporting, in particular, for risk-related issues
 - It is of utmost importance to overcome the scattered data issue and provide the relevant information to other business sectors of the Bank who need such information to effectively respond, providing information on a need-to-know basis.
 - Decision taking procedures shall be transparent; they shall be properly and effectively reflected in

- the internal reports.
- Information management systems shall support obligations of the Managing Board and Top Management.
 - The information important in terms of risk shall be immediately reported to the Top Management and responsible functions in order to initiate relevant measures at early stages
 - In particular, risks arising within one sector/ Department shall be resolved. The information thereof shall be reported and transferred to the managers to learn useful experience across the Departments.
- Setting the tone from up the ladder
- The Managing Board and each representative of the Top Management shall 'set the tone' according to the Code of Business Conduct and ethics:
- 'Setting the tone from up the ladder' means that the managers are responsible to clearly identify the corporate strategy and risk levels, formations of culture promoting honesty and accountability for the purpose of protection of customer's and Shareholders' interests as well as being responsible for due performance while being aware of risks and functioning in accordance with the corporate values.
 - The appropriate behaviour shall be acknowledged and rewarded. As to inappropriate behaviour, it is necessary to ensure transparency and relevant counter-measures.
- Proper business engineering is the base of each organization
- The proper business engineering is based on effective and positive control and shall include clear written organizational and operational principles as well as clear definition and monitoring of processes, tasks, competences, duties and control measures.
 - The duties shall be clearly defined within the organizational and operational structure. Incompatible tasks that lead to the conflicts of interests shall not be performed by the same employees.
 - Any possible shortcomings threatening the appropriate business engineering shall be resolved as appropriate.
- Compliance and control culture is essential for all corporate activities.
- Compliance culture means that, on the one hand, rules and regulations, and, on the other hand, internal rules, policies and procedures shall be observed.
 - It is of utmost importance to each employee to promote and maintain compliance culture.
 - Relevant behaviour standards which will promote the correct behaviour and appropriate means of control shall be in place.
- IT systems shall be compliant with organizational, operational and control structures.
- Each representative of the Top Management shall be informed of IT systems that are required to support organizational, operational and control structures within the scope of their responsibility.
 - Possible shortcomings shall be analysed and estimated, consequences shall be transparently reported.

5. Final Provisions

These Corporate Governance Fundamentals shall come into force upon being approved by the Bank's Supervisory Board.

The Fundamentals may be amended or modified only upon approval of the Bank's Supervisory Board.

Where an updated version is adopted, the previous one shall be null and void.

In case any part hereof contradicts with the current laws of Ukraine, including statutes and regulations of the National Bank of Ukraine, including adoption of new acts or changes to the existing acts, the document shall remain effective only in part that does not contradict with the current laws of Ukraine, including effective statutes and regulations of the National Bank of Ukraine. Before relevant amendments are made, the Bank's employees shall be governed by the current laws and regulations of Ukraine.

APPROVED BY

Decision of the Shareholder
 Joint Stock Company Deutsche Bank DBU
 (Shareholder Decision No. 35 dated 28
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