

Disclosure of the Remuneration Policy of DZ HYP AG for the year 2024

pursuant to Section 16 of the Remuneration Regulation for Institutions

21 July 2025

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1. Legal basis of the disclosure report

As a significant institution within the meaning of Section 1 (3c) German Banking Act (Kreditwesengesetz - KWG), DZ HYP AG (DZ HYP) is obliged, pursuant to Section 16 (1), (3) and (4) of the Remuneration Regulation for Institutions (Institutsvergütungsverordnung – InstitutsVergV) to disclose certain information broken down by its business units, in particular a description of the remuneration systems including explanations on how the requirements of the InstitutsVergV regarding the structure of the remuneration systems are met (→ Chapters 2. and 3.), a description of existing differences and particular characteristics in the design of the remuneration systems (→ Chapter 3.), if applicable, information on significant changes in the remuneration strategy, information on the composition and tasks of the Remuneration Control Committee and explanations on how the requirements for cooperation with the Remuneration Control Committee are met (→ Chapter 2.6), as well as the total amount of all remuneration subdivided into fixed and variable remuneration as well as the number of beneficiaries of variable remuneration (→ Chapter 4).

This disclosure report is published on DZ HYP's homepage.

At the level of the individual institution, DZ HYP is not subject to the disclosure requirements set out in Article 450 of Regulation (EU) 575/2013 (CRR) and Article 17 of Implementing Regulation (EU) 2021/637 dated 15 March 2021 because, as a CRR credit institution within the meaning of Section 1 (3d) KWG and as a subordinated company of DZ BANK group within the meaning of Section 10a (1) KWG, it exercised the option under Section 2a (1), (5) KWG and Article 7 (1) of Regulation (EU) 575/2013 (CRR) (capital waiver) with effect from 31 December 2012. In a letter dated 22 November 2012, DZ HYP notified BaFin and Deutsche Bundesbank that it wished to make use of the capital waiver and provided evidence that the requirements for the capital waiver were met.

Due to the utilization of the capital waiver pursuant to Article 7 (1) CRR, the provisions in Part 8 CRR, i.e., Articles 431 to 455 CRR are not applicable by DZ HYP.

The Disclosure Requirements Expert Panel has clarified in no. 3 of the "Interpretative Issues on Disclosure under Part 8 of the CRR, as of 30 January 2015" that subsidiaries waived under Article 7 CRR are no longer subject to disclosure under Article 450 CRR as they are exempt from the prudential requirements on a stand-alone basis; the circumstances of the use of the waiver must be explained.¹ The preceding paragraph serves this explanation.

As the (EU) parent institution, DZ BANK AG is required to make disclosures at the consolidated level in accordance with Article 450 CRR and Article 17 of Implementing Regulation (EU) 2021/637. DZ BANK AG's Remuneration Policy Disclosure Report 2024 also includes information on DZ HYP's remuneration policy and can be found on DZ BANK's website in the Investor Relations section under Reports.

¹ Pillar 3 Expert Panel, Interpretative Issues on Disclosures under Part 8 of the CRR, as of 30 January 2015, no. 3, www.bundesbank.de (Banking Supervision/Working Group on Banking Supervision).

2. Qualitative disclosures on DZ HYP's remuneration policy

2.1 Remuneration strategy of the DZ BANK Group

Section 27 InstitutsVergV requires the definition of a group-wide remuneration strategy by the management of the parent company. Both for DZ BANK and for the companies of the DZ BANK Group, a remuneration strategy must be defined by the Board of Directors of DZ BANK that implements the requirements of the InstitutsVergV for the institutions in the DZ BANK Group.

With the DZ BANK Group's remuneration strategy, the remuneration systems of the DZ BANK Group companies are subject to standardized guidelines for group-wide remuneration management. Based on the framework set, each subordinate company is required to document compliance with the agreed principles in its subgroup and to submit this documentation to DZ BANK for review.

The balanced management approach of the DZ BANK Group also includes decentralized decision-making powers. This requires planned coordination of all companies in the DZ BANK Group regarding compliance with the InstitutsVergV and other regulatory requirements for remuneration. Corporate law and local regulations, in particular the independence of the subsidiaries, are taken into account.

The remuneration strategy is reviewed and, if necessary, adjusted at least once a year. The following material changes to the remuneration strategy were made during the year under review:

- Remuneration system for the Board of Managing Directors: new version of the bonus agreement template based on the FAQs regarding InstitutsVergV.
- Expansion of the descriptions that embed sustainability in the remuneration systems and, where applicable, in the targets.
- Scope of application of the remuneration strategy: total of 12 subordinated entities in 2025 that apply InstitutsVergV (2024: 15) – sale of 3 long-term equity investments of BSH.

2.2 DZ HYP's remuneration strategy

As part of the DZ BANK Group's group-wide remuneration strategy, DZ HYP's Management Board has defined a remuneration strategy for DZ HYP that is geared towards achieving the objectives set out in the bank's business and risk strategies. Corporate culture is also taken into account.

DZ HYP's remuneration strategy applies to all the bank's locations and business units in Germany. DZ HYP has no subsidiaries or branches in third countries.

The remuneration strategy is reviewed and, if necessary, adjusted at least once a year. The following changes to the remuneration strategy were made during the year under review:

- Expansion of the descriptions that embed sustainability in the remuneration systems and in the targets.

DZ HYP's remuneration systems are designed to be coherent with the achievement of DZ HYP's objectives and in line with the bank's risk appetite. DZ HYP's main risks lie in credit risk and market price risk. Other material risks include operational risk, liquidity risk, investment risk, business risk, reputational risk and underwriting risk. As DZ HYP is subject to the capital waiver pursuant to Section 2a (5) (1) KWG, DZ HYP is integrated into the DZ BANK Group's methods and models for measuring and managing risks. There is no stand-alone consideration of DZ HYP's risk-bearing capacity. Instead, the contributions to earnings are included in the consolidated result and change the risk capacity of the DZ BANK Group.

DZ HYP's direction is solid, value-oriented and sustainable. The remuneration systems take these values into account by ensuring that there are no incentives to take disproportionately high risks. Behavior in line with DZ HYP's value system is encouraged. In this sense, the remuneration models are beneficial for strengthening a sound, value-oriented and sustainable risk culture.

2.3 Dovetailing of business and risk strategies with the remuneration strategy

The dovetailing of the business and risk strategies with the remuneration strategy is ensured by deriving corporate objectives from strategic planning. Strategic planning comprises the preparation, assessment, confirmation and / or adjustment of the strategic direction, strategic financial and capital planning and dovetailing with risk strategies and other strategies for a planning horizon of four years. All components are updated annually.

As part of the annual target agreement process, targets based on the strategic planning of DZ BANK Group and DZ HYP are agreed with the members of the Board of directors. In the target agreements at the lower levels of the bank's hierarchy, the target cascading initiated at the Management Board level is continued to support the achievement of the strategic objectives of DZ BANK Group and DZ HYP.

2.4 Linking the remuneration strategy with corporate culture and sustainability

The remuneration strategy is closely interlinked with DZ HYP's corporate culture and the corporate culture of the DZ BANK Group. The DZ BANK Group has set high ethical and professional standards that are formulated in its written regulations. The cooperative values form the basis for its actions. These values are considered when deriving the strategic guidelines in DZ HYP's business strategy and remuneration strategy. The DZ BANK Group's code of conduct and risk culture policy provide the framework for day-to-day dealings with each other, with customers, and with risks.

Sustainability is integrated into the strategy of the DZ BANK Group at various levels: As a focus topic in the strategic planning process, as a Group-wide potential field, as a stand-alone implementation package within the scope of DZ BANK's "Verbund First 4.0" initiative and in DZ HYP's sustainability strategy. DZ HYP incorporates sustainability risks into its remuneration policy, and DZ HYP's remuneration systems are in line with its ESG objectives. The remuneration systems are linked to the respective business, risk and sustainability strategy and should not contradict the content of these strategies.

The Volksbanken Raiffeisenbanken Cooperative Financial Network's sustainability mission statement, which was developed in 2020, provides the framework for all sustainability activities in the Group. According to this, the strength of the Cooperative Financial Network is based on shared cooperative roots and values as well as solidarity, partnership and trust and on a culture of openness and transparency.

The more than 170-year-old idea of forming cooperatives to jointly hedge against risks and combine economic success with social well-being is more relevant today than ever before. Cooperatives operate sustainably and responsibly. They enable the implementation of new ideas, support their members and are firmly anchored in the region. The Cooperative Financial Network's sustainability mission statement emphasizes these positive effects of cooperative action on society with regard to the current challenges of sustainable development and complements the respective existing set of values in the group companies. This includes the group-wide code of conduct, which obliges all managers and employees of the DZ BANK Group to act in a legally compliant and ethical manner.

In 2019, DZ BANK AG defined eight so-called attitudes that serve as orientation for the further development of the corporate culture. In addition to innovation, consistency, performance, courage, partnership, security and open-mindedness, these also include sustainability as a characteristic of long-term thinking and responsible action. This means that decisions must always take into account the consequences for the bank and its environment.

The remuneration systems of DZ BANK Group are designed to support the sustainable culture and strategy of DZ BANK Group. The remuneration does not create incentives to take disproportionately high risks.

In its sustainability strategy, DZ HYP is committed to the Sustainable Development Goals (SDGs) of the United Nations, the Paris Climate Agreement and the sustainability strategy of the German government. DZ HYP is committed to sustainability with the aim of maintaining its prime status in the ISS-ESG rating, which it has held since 2014, and developing sustainable products, such as the "Green Bond", which was successfully issued in early 2022 for the first time. To meet this, various targets have been developed along the key action areas of sustainable banking, operational environmental protection, employees and social commitment. Corresponding ambition levels have been derived for implementation. In addition, KPIs relating to the composition and to climate and environmental risks of the portfolio are determined for the portfolio, which will also be combined with ambitions in the future.

The sustainability targets for the members of DZ HYP's Board of Managing Directors are described in section 3.6.

2.5 Fair Pay

DZ HYP ensures fair remuneration and implements the requirements of the German Remuneration Transparency Act. DZ HYP's remuneration systems are gender-neutral, thereby excluding any disadvantage in terms of remuneration on the grounds of gender for the same work or for equivalent work.

2.6 Risk takers at DZ HYP

As 1 March 2024, DZ HYP conducted an analysis to identify risk takers within the meaning of Section 25a (5b) sentence 2 KWG based on the criteria set out in Sections 1 (21), 25a (5b) sentence 1 nos. 1 to 3 KWG and Articles 5 and 6 of Delegated Regulation (EU) 2021/923. In addition to the members of the Supervisory Board and the members of the Management Board, all business unit managers at DZ HYP were identified as risk takers. Below the level of business unit management, further employees were identified as risk takers based on the qualitative criteria set out in Article 5 of Delegated Regulation (EU) 2021/923. As a result, the bank has identified a total of 114 risk takers as of 1 March 2024.

2.7 Remuneration decision-making processes

Many committees and functions at DZ HYP are involved in designing and monitoring the remuneration systems.

The **Supervisory Board** decides on the structure of the remuneration system for the members of DZ HYP's Management Board, sets the total amount of variable remuneration for the members of the Management Board and monitors the appropriate structure of the remuneration systems for employees who are not members of the Management Board as well as the process for identifying the bank's risk takers.

The **Remuneration Control Committee** supports the Supervisory Board in its tasks, particularly regarding the appropriate design and monitoring of the remuneration systems and their compliance with DZ HYP's business and risk strategies, remuneration strategy and corporate culture.

DZ HYP's **Management Board** decides on the design and implementation of the remuneration systems for DZ HYP's employees who are not members of the Management Board, informs the Supervisory Board once a year of the design of these remuneration systems, and sets the total amount of variable remuneration for this group of employees.

DZ HYP's **Remuneration Officer** supports the Remuneration Control Committee and the Supervisory Board in their monitoring function and is regularly involved in the application of the remuneration systems as well as in new and further developments, if necessary.

DZ HYP's **Human Resources unit** prepares and implements the design of the remuneration systems and the decisions of the Management Board at the specialist level. **Managers** apply the performance management and remuneration tools provided as part of their leadership and management roles.

The **control units** within the meaning of Section 2 (11) InstitutsVergV are regularly involved in designing and monitoring the remuneration systems. DZ HYP's control units within the meaning of Section 2 (11) InstitutsVergV are the back-office business units Corporate Clients (MFK), Treasury and Public Clients (MTK), as well as the Risk Controlling (RIC), Compliance (CP), Internal Audit (IR) and Finance (FI) units.

Since April 2019, the **Remuneration Working Group** has been in place at DZ HYP. Its purpose is to facilitate regular (at least semi-annual) and ad hoc exchanges between the Remuneration Officer, Human Resources, and DZ HYP's control units on the design and monitoring of the remuneration systems.

2.8 Remuneration Control Committee

Section 25d KWG requires the supervisory bodies of major institutions to appoint a remuneration control committee. The Remuneration Control Committee (RCC) of DZ HYP's Supervisory Board comprises four members of the Supervisory Board and consists of a chairman and three further members, with one member being an employee representative.

In 2024, the RCC at DZ HYP held three meetings and the Supervisory Board received reports on these meetings.

RCC monitors the appropriate design of the remuneration systems for the members of the Management Board and DZ HYP's employees, in particular the appropriate design of remuneration for the management of the Risk Controlling function and the Compliance function, as well as for such employees who have a material impact on the institution's risk profile and supports the Supervisory Board in monitoring the appropriate design of the remuneration systems for the bank's employees. RCC also supports the Supervisory Board in monitoring the process of identifying risk takers.

With regard to DZ HYP's employees, RCC regularly, and at least annually, reviews whether the total amount of variable remuneration has been determined according to Section 7 InstitutsVergV, and whether the principles established for measuring remuneration parameters, performance contributions and performance and retention periods, including the conditions for a complete loss or partial reduction of variable remuneration, are appropriate, and whether the remuneration systems for employees in the control units comply with the requirements of the InstitutsVergV.

RCC also supports the Supervisory Board in ensuring that the remuneration systems for the members of the Management Board are appropriately structured. RCC prepares the Supervisory Board's resolutions on the remuneration of the members of the Management Board, taking account of the impact of the resolutions on DZ HYP's risks and risk management. In doing so, the long-term interests of shareholders, investors, other stakeholders and the public interest are considered. This includes, in particular, preparing the resolutions of the Supervisory Board to determine the total amount of variable remuneration for the members of the Management Board according to Section 7 InstitutsVergV, as well as to determine appropriate remuneration parameters, performance contributions, the performance and retention periods, and the conditions for a complete loss or partial reduction of retained variable remuneration, or for a clawback of variable remuneration already paid out, as well as the regular, but at least annual, review of whether the determinations made by the Supervisory Board on the aforementioned points are still appropriate. In the event of any deficiencies identified, RCC shall draw up a plan of action in a timely manner.

In addition, RCC supports the Supervisory Board in monitoring the proper involvement of the internal control functions and all other relevant areas in the design of the remuneration systems.

RCC cooperates with the Risk Committee and obtains internal advice from Risk Controlling. As part of its duties, RCC assesses the effects of the remuneration systems on the risk, capital and liquidity situation and ensures that the remuneration systems are in line with the requirements pursuant to Section 4 InstitutsVergV.

The appropriateness of the remuneration systems is monitored by RCC in conjunction with DZ HYP's Remuneration Officer.

2.9 Remuneration Officer

Pursuant to Section 23 (1) InstitutsVergV, DZ HYP as a significant institution, is obliged to ensure appropriate, permanent and effective control of employee remuneration. After consulting the Supervisory Board, the Management Board has appointed a Remuneration Officer and a Deputy Remuneration Officer. The Remuneration Officer and his deputy report directly to the Chairman of the Management Board.

The main activities of the Remuneration Officer include supporting the Supervisory Board and RCC in their monitoring and design tasks with regard to all remuneration systems, regular and close coordination with the Chairman of the RCC, the annual preparation of the Remuneration Control Report, ongoing monitoring of the appropriateness of the remuneration systems of employees who are not members of the Management Board, and also ongoing monitoring of the identification of risk takers pursuant to Section 25a (5b) KWG and the disclosure pursuant to Section 16 InstitutsVergV. The Remuneration Officer and his deputy work closely with the other control and monitoring functions.

2.10 Significant stakeholders

The owners, the general works council and the works councils in Hamburg and Münster are the main stakeholders in determining the remuneration policy. The owners are represented on the Supervisory Board by the shareholders elected at the Annual General Meeting. This ensures that the owners are involved in the design of the remuneration systems and receive information on the remuneration systems on an annual basis. As part of the co-determination rights under works council constitution law, the general works council and the works councils in Hamburg and Münster are involved in the structuring of the remuneration systems.

2.11 External consulting

In 2024, DZ HYP's Supervisory Board engaged external consultants to assist with the definition of the remuneration policy for members of the Board of Managing Directors.

2.12 Appropriateness of the remuneration system

Pursuant to Section 12 InstitutsVergV, DZ HYP must review the appropriateness of the remuneration systems at least once a year. The relevant reports of the Internal Audit department, the audit report of the auditor of the annual financial statements, and the Remuneration Control Report of the Remuneration Officer are to be used for this purpose.

In June 2024, the appropriateness of the remuneration systems was determined by DZ HYP's Management Board in accordance with the requirements of the InstitutsVergV. The Remuneration Control Report prepared by DZ HYP's Remuneration Officer for the Reporting year also concluded that the structure of the remuneration systems is appropriate. In June 2024, DZ HYP's RCC reviewed DZ HYP's remuneration policy and determined that the remuneration systems for DZ HYP's employees, in particular senior executives, the head of the risk controlling function, the compliance function and the risk takers, are appropriately structured, also taking into account the impact on the bank's risk management, capital management and liquidity management. In this context, RCC also addressed the remuneration of the employees of the control units and determined that it is in line with the requirements of the InstitutsVergV. The most recent audit report by the auditors of the annual financial statements concluded that DZ HYP's remuneration systems are appropriate and transparent.

3. Remuneration systems at DZ HYP

The remuneration of DZ HYP's employees consists of fixed remuneration and, as a rule, variable remuneration that is also dependent on the bank's performance.

The amount of the fixed remuneration is determined by collective bargaining agreement or by the employee's position, market conditions and qualifications.

The amount of the variable remuneration depends in principle on the performance of the employees or, depending on the remuneration system, exclusively or also on the success of the bank and, in some cases, on the success of the respective business unit.

There is no remuneration in shares or options at DZ HYP. No variable remuneration is guaranteed either.

Severance payments are granted in compliance with the requirements of Section 5 (6) InstitutsVergV and DZ HYP's framework concept for severance payments. The framework concept for severance payments defines gross monthly salary, length of service, and age as basic criteria. In individual cases, further criteria may be included in accordance with the framework concept.

In accordance with the requirements of the InstitutsVergV, the remuneration system includes a ban on hedging transactions with regard to variable remuneration.

The variable remuneration is subject to the requirements of the InstitutsVergV for significant institutions pursuant to Section 1 (3c) KWG. Pursuant to Section 18 (1) sentence 3 InstitutsVergV and Article 94 (3) (b) of Directive 2013/36/EU, variable remuneration of risk takers, which does not exceed EUR 50,000 and does not exceed one third of the risk taker's total annual remuneration, is exempt from the special requirements of Sections 20 and 22 InstitutsVergV for risk takers, which transpose Article 94 (1) (l), (m) and (o) (2) of Directive 2013/36/EU into German law.

The differences and particularities in the design of the remuneration systems of DZ HYP's different staff groups are described below.

The remuneration system for salaried employees (→ Chapter 3.1) is described first. The following chapters deal with the remuneration systems for non-payscale staff. There are differences between the regular non-payscale remuneration (→ Chapter 3.2), the remuneration of risk takers below business unit level (→ Chapter 3.4) and the remuneration system for business unit managers (→ Chapter 3.5). Chapter 3.3 describes the particularities of the remuneration for employees in control units. Chapter 3.6 describes the remuneration system for members of the Management Board and Chapter 3.7 the remuneration system for members of the Supervisory Board.

3.1 Remuneration system for salaried employees

The fixed remuneration of salaried employees is based on the collective bargaining agreements for the private banking industry and consists of 12 monthly salaries and a special payment amounting to one month's gross salary (13th monthly salary). Based on an overall commitment, all salaried employees who are not eligible for bonus also receive an annual special payment in the amount of half a gross monthly salary in December each year.

In addition to the collectively agreed fixed remuneration, salaried employees receive variable remuneration based on the works agreement on the principles of variable performance-based remuneration, which applies in both sites with identical content. In principle, salaried employees receive variable remuneration in the form of a profit-sharing bonus, which depends exclusively on the achievement of company-related targets. The profit-sharing bonus is calculated on the basis of the return on equity (ROE), cost-income ratio (CIR) and risk-weighted assets (RWA). It amounts to a maximum of 0.8 x a gross monthly salary if the bank's performance exceeds 130 percent. If the bank's performance is between 90 percent and 110 percent, the variable profit-sharing bonus amounts to half a gross monthly salary. If the bank's performance is less than 50 percent, the variable profit-sharing bonus does not apply.

The works agreements on the principles of variable performance-based remuneration alternatively provide for variable remuneration in the form of a target bonus, which depends on the achievement of individual and company-related targets. In principle, the target bonus may not exceed three gross monthly salaries. This form of variable remuneration is generally reserved for non-payscale employees. In this respect, reference is made to the explanations on variable remuneration for non-payscale employees.

3.2 Remuneration system for non-payscale employees

Non-payscale employees of the Hamburg office receive twelve monthly salaries. Based on an overall commitment, all non-payscale employees of the Hamburg office who are not eligible for bonus receive an additional annual special payment in the amount of half a gross monthly salary in December each year. The non-payscale employees in Hamburg who are eligible for target bonuses also receive an annual special payment amounting to half a gross monthly salary based on individual contracts, so that as a result all non-payscale employees in Hamburg receive 12.5 monthly salaries as fixed remuneration.

For non-payscale employees in Münster, the fixed salary consists of 12 monthly salaries and, in some cases, an individual contractual fixed special payment in December amounting to an average of two monthly salaries. Since August 2018, new employment contracts with non-

payscale employees in Münster no longer include a fixed special payment.

The works agreements on the principles of variable performance-based remuneration for Hamburg and Münster also apply to non-payscale employees who are not executive staff and distinguish between employees "with" and "without" target bonuses. Target bonus-eligible employees are managers, employees with quantitative sales targets and employees who are risk takers but do not belong to the aforementioned groups. Annual target agreements are concluded with employees eligible for target bonuses. These agreements contain qualitative and quantitative targets as well as divisional and individual targets. For employees eligible for target bonuses, the amount of the variable remuneration depends on individual performance, on the success of their business unit and on the company's performance as measured by the return on equity (ROE), cost-income ratio (CIR) and risk-weighted assets (RWA). The target bonus may not exceed three gross monthly salaries. Employees with a target bonus may receive a maximum of 1.5 times the contractually agreed target bonus or a maximum of around 27 percent of their total annual remuneration as variable remuneration.

The variable remuneration for non-payscale employees without target bonus entitlement follows the same guidelines as the variable remuneration for salaried employees who are not eligible for bonus, to which reference is made in this respect.

The variable remuneration is paid with the payroll in April of the year following the financial year.

3.3 Remuneration systems for employees in control units

For employees in control units as defined in Section 2 (11) InstitutsVergV, it is ensured by employment contract agreements or - within their scope of application - by the works agreements on the principles of variable performance-based remuneration that the variable remuneration cannot exceed one third of their total remuneration, so that the focus is on fixed remuneration (Section 9 (2) InstitutsVergV).

In addition, it is ensured for employees in control units that they are remunerated independently of the business units they control (Section 5 (4) InstitutsVergV). With regard to target agreements for employees in control units with target bonuses, works agreements on the principles of variable performance-based remuneration stipulate that there must be no overriding synchronization of targets with the targets of the organizational units they control and that a conflict of interest must be avoided.

3.4 Remuneration system for risk takers below the level of business unit management

With regard to the remuneration systems for risk takers who are not members of the Supervisory Board or the Management Board, a distinction is made between the business unit management level and risk takers below this level.

All employees below business unit management level identified as risk takers are subject to the remuneration system for non-payscale employees with target bonus in terms of structure and in particular bonus determination. They receive twelve or, at the Hamburg site, twelve-and-a-half fixed monthly salaries plus variable remuneration granted on the basis of the works agreement on the principles of variable performance-based remuneration.

The variable remuneration for risk takers below the business unit management level is determined by the Management Board on the basis of a proposal by the respective business unit manager and is measured by a contractually agreed target bonus. The amount of the contractually agreed target bonus is limited to a maximum of three months' gross salary.

To determine the actual bonus amount, quantitative and qualitative targets are derived from the corporate strategy in the form of overall bank targets, divisional and individual targets. The achievement of targets, and therefore the variable remuneration, depends on the success of the company, which is derived from the key figures ROE, CIR and RWA (target/actual comparison = bank success), on the contribution of the business unit and on the individual target achievement of the individual risk takers. Corresponding divisional and individual targets are agreed and set annually as part of a target agreement meeting between the risk taker and the business unit manager. In the case of risk takers entitled to a target bonus, the maximum variable remuneration to be paid out can amount to 1.5 times the contractually agreed target bonus, so that the variable remuneration can amount to a maximum of around 27 percent of their total annual remuneration.

In addition to the overall bank targets, divisional and individual targets already mentioned, group targets are agreed with DZ HYP's risk takers, who are also group risk takers.

The variable remuneration is paid in April of the following fiscal year.

If the variable remuneration for a fiscal year reaches or exceeds an amount of EUR 50,000 or one-third of the total annual remuneration of a risk taker, the same rules apply with regard to retention, entitlement and payment requirements for the variable remuneration as for business unit managers.

3.5 Remuneration system for the level of business unit management

All DZ HYP's business unit managers are executive staff and have been identified as risk takers. Due to their classification as executive staff, they are not subject to the works agreements on the principles of variable performance-based remuneration. The structure of their remuneration is governed by their employment contracts. The bank has defined the following remuneration parameters for measuring the remuneration of the business unit managers:

They receive fixed remuneration of twelve monthly salaries and variable remuneration based on individual contractual agreements.

The variable remuneration for business unit managers is determined by the Management Board and is based on a contractually agreed target bonus. To determine the actual bonus amount, quantitative and qualitative targets are derived from the corporate strategy in the form of group targets, overall bank targets, divisional and individual targets and assessed as part of the annual target agreements.

Target achievement, which is determined from the key figures ROE, CIR and RWA in the case of group targets and overall bank targets, can range from 0 to 130 percent and from 0 to 150 percent in the case of divisional and individual targets. The group targets and overall bank targets are set by the Management Board and weighted at 40 percent; the divisional and individual targets are agreed by the respective member of the Management Board and the

business unit manager and weighted at 60 percent. Accordingly, the variable remuneration can amount to a maximum of 142 percent of the target bonus. The amount of variable remuneration for business unit managers may not exceed the amount of their fixed gross annual salary.

The variable remuneration is paid in April of the following fiscal year.

If the variable remuneration exceeds an amount of EUR 50,000 or one third of the total annual remuneration of a business unit manager, the variable remuneration comprises deferred components and retention components in addition to an amount to be paid out immediately:

- 20 percent of the bonus determined is paid directly as a cash amount in April of the following year.
- 20 percent of the bonus determined is subject to a one-year vesting period. The amount to be paid out after the vesting period depends on the sustained performance of DZ HYP during the vesting period.
- 30 percent of the bonus determined (risk amount) is spread over a retention period of five years after the end of the financial year. After each of the five years following the financial year, one fifth of the risk amount is paid out if there are no negative performance contributions. A malus situation may reduce or eliminate the risk amount.
- 30 percent of the bonus determined is spread over a retention period of five years after the end of the financial year and is linked to DZ HYP's sustained performance during an additional one-year vesting period.

During the above-mentioned vesting periods, the respective portion of the variable remuneration has already been earned.

The bank's sustainable performance is determined based on the change in the share value in the respective calendar year. If the share value falls by more than 25 percent, the pro-rata bonus retained is zero; if the share value falls by between 15 percent and 25 percent, the pro-rata bonus retained is 50 percent. If the share value falls by less than 15 percent, the pro rata bonus retained is 100 percent of the amount determined.

Negative performance contributions are taken into account both in the bonus determination and in the pro-rata deferral payments. These are determined according to a catalog of criteria with the following categories:

- Personal conduct
- Significant deterioration in the financial situation of DZ HYP or the DZ BANK Group during the retention period
- Failure to meet targets or conduct that result in sanctions or losses.

Negative performance contributions can lead to a reduction or even cancellation of the variable remuneration. In particularly serious cases, the variable remuneration can be reclaimed ("clawback").

3.6 Remuneration system for members of the Management Board

The remuneration of the members of the Management Board has been conclusively agreed in writing with the Supervisory Board. The members of the Management Board receive twelve fixed monthly salaries plus variable remuneration.

The variable remuneration of the members of the Management Board depends on the achievement of quantitative and qualitative targets. The degree of target achievement is measured on the average of the last three completed financial years of DZ HYP or the DZ BANK Group. The targets are derived from the corporate strategy in the form of group targets, bank targets, departmental and individual targets, and are agreed by the Supervisory Board with the members of the Management Board.

The remuneration system for the members of the Management Board also does not run counter to the monitoring function of the Board member responsible for risk management. When agreeing targets with the Board member responsible for risk management, it is ensured that the targets of this Board member are not significantly aligned with the targets of the controlled organizational units.

15% of the variable remuneration of the Management Board members is linked to sustainability targets, i.e., ESG-targets ("Environment, Social, Governance"). The sustainability targets for all Management Board members are generally qualitative in nature but can also include quantitative targets. In addition, sustainability targets can also be agreed in the departmental/individual targets of the Management Board members if this appears appropriate. Through target cascading, corresponding sustainability targets are also included in the target agreements of several business unit managers. The sustainability targets at business unit management level are passed on to the lower levels through cascading. Managers are encouraged and trained to also agree targets with their employees that strengthen sustainable action at DZ HYP. This promotes a firm anchoring of sustainable thinking and action at DZ HYP. Accordingly, the group-wide remuneration strategy and DZ HYP's remuneration strategy are consistent with the inclusion of sustainability risks (Article 5 of Regulation (EU) 2019/2088).

There is no entitlement to a guaranteed minimum bonus. If all agreed targets are achieved in full, the contractually agreed maximum achievable bonus is set. Target achievement per individual target can range from 0 percent (target not achieved) to 150 percent (target exceeded).

The variable remuneration is retained in part and subject to a retention period:

- 20 percent of the bonus amount is paid in April of the following year.
- A further 20 percent is subject to a one-year retention period. During the retention period, this bonus installment depends on the bank's long-term performance.
- The remaining 60 percent is deferred for five years and split into five parts. After each year of the five years following the financial year in question, one fifth of the deferred amount is calculated based on the development of the bank's value, and again subject to a one-year vesting period. During the vesting period, these bonus portions are also linked to DZ HYP's sustained performance.

During the retention and vesting periods, the variable remuneration is not earned, because during these periods there is only a claim to error-free determination of the respective bonus component. The bank's sustained performance is determined on the basis of the change in DZ HYP's share value between 15 April and the respective valuation date (14 April). If the share value falls by more than 25 percent, the pro-rata retained bonus is zero; if the share value falls between 15 percent and 25 percent, the pro-rata retained bonus is 50 percent. If the share value falls by less than 15 percent, the pro rata retained bonus is 100 percent.

Negative performance contributions are taken into account when determining the bonus and the pro-rata deferral payments. This may lead to a reduction or cancellation of the variable remuneration. The catalog of criteria for determining negative performance contributions includes a catalog of personal misconduct, as well as factors that led to a significant deterioration in DZ HYP's financial situation during the deferral period. Target failures (individual or departmental targets) that are only identified retrospectively also count as negative performance contributions.

In addition, up to two years after the end of the respective retention and vesting period, bonus shares already paid out can be reclaimed and claims to payment of retained bonus shares can be withdrawn. This requires that a member of the Management Board was significantly involved in or responsible for conduct that led to significant losses or a significant regulatory sanction for the institution or seriously violated relevant external or internal regulations relating to suitability and conduct ("clawback").

3.7 Remuneration system for members of the Supervisory Board

The remuneration of the members of the Supervisory Board consists of a fixed annual remuneration per member of the Supervisory Board, differentiated according to chairmanship, deputy chairmanship and, where applicable, membership of a committee. There is no variable remuneration.

4. Quantitative disclosure for the year 2024

The following table discloses summarized quantitative information on the amount and breakdown of remuneration paid to all employees of DZ HYP pursuant to Section 16 (1) no. 3 InstitutsVergV.

31 December 2024	Supervisory Board	Board of Directors	Investment Banking	Retail Banking	Corporate Functions	Control functions	Other
Number (by heads)	18	3	-	-	-	-	-
Number of full-time equivalents	-	3	128.50	125.70	283.68	276.48	95.43
Number of beneficiaries who received variable remuneration for 2024 (by headcount)	0	3	135	142	289	300	70
Total remuneration for the year 2024 in EUR	276,461	2,959,308	17,120,214	10,569,892	24,807,799	27,765,170	5,842,882
thereof fixed remuneration	276,461	2,446,308	15,076,159	10,005,327	23,420,486	26,181,180	5,596,593
thereof variable remuneration	0	513,000	2,044,055	564,565	1,387,312	1,583,990	246,289

IMPRINT

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