Deutsche Bank

General Meeting 2018

Counterproposals

As of April 09, 2018

Counterproposals received by us are classified into two groups:

We designate with capital letters those counterproposals for which, if you wish to vote for them, you can place a tick directly under the appropriate capital letter on the reply form. In this case, please also tick the appropriate box under the respective item on the Agenda to indicate how you would like to vote in order to make sure that your vote is counted even if the counterproposal is not made, is retracted or, for some other reason, is not voted on at the General Meeting.

The other counterproposals, which merely reject proposals made by the management, are not designated with capital letters. If you wish to vote for these counterproposals, you must vote “No” to the respective item on the Agenda.

For our Ordinary General Meeting taking place on Thursday, May 24, 2018, in Frankfurt am Main, we have received the following counterproposals to date. The proposals and reasons are the authors’ views as notified to us. We have also placed assertions of fact in the Internet without changing or verifying them.

Counterproposals

Shareholder Ralf Kugelstadt, Frankfurt re. Agenda Item 4

By way of derogation from the Resolution Proposals put forward by the Management, I would like to propose to the General Meeting that the ratification of the acts of management of the Supervisory Board be refused.

Reasons

One of the key responsibilities of the Supervisory Board is to coordinate the bank's strategy with the Management Board and appoint members of the Management Board who can ensure that the agreed strategy is actually put into practice. The Supervisory Board is also responsible for monitoring the management and urging it to adjust the strategy if it is evidently no longer suitable in light of changing circumstances. In my opinion, the Supervisory Board of Deutsche Bank is not taking sufficient measures to ensure that the strategy is adjusted in a timely manner. I propose that the ratification of the acts of management of the Supervisory Board in the last fiscal year be refused.

It is obvious that the bank's shareholders, and also, incidentally, its employees, have lost confidence in Deutsche Bank's ability to achieve successful restructuring under its own steam. The problem lies not only in insufficient restructuring success stories. Most importantly, there is also a lack of any real vision regarding what the bank wants to achieve, where it could gain market share and how and where it intends to grow in the future.

The bank's Management Board says that the implementation of its strategy will require more time and patience. But why should the bank's employees and investors be patient? The economic cycle is moving into a more mature phase. Risks in the lending business are likely to continue to mount. And the bank is not watertight enough to navigate in rougher seas. So how is the bank supposed to survive the next economic downturn if it is not even capable of generating sufficient revenues during a boom phase?

It is no longer just a question of whether Deutsche Bank might be beyond repair. If monetary policy doesn't start to turn around soon and the economy starts to falter, this will soon be an undeniable fact. The question is whether the Supervisory Board will take timely measures to counteract this potential risk. I'm having more and more doubts now that we seem to be spending our time debating who the best person for the job of the bank's CEO is, as opposed to forging ahead with the necessary strategic decisions.

Deutsche Bank needs trust. The problem is not that Mr. Cryan is the wrong doctor to have on board of our ship. The disease that we're treating, however, is proving to be more serious and unrelenting, and the environment in which we're treating it is also less favorable than expected. So it is not realistic to expect the necessary trust to come from within the bank alone. The way to secure this trust, however, is not for the bank's Supervisory Board to appoint a new captain who isn't familiar with the ship in the midst of stormy seas either.

Please guide the bank out of its paradox of thrift. If Deutsche Bank and other European players want to compete with their major US peers, then the way to go about this is not to systematically slash the range of services on offer. Deutsche Bank will not be able to pull itself out of the revenue trough by downsizing itself into irrelevance. It has to generate revenue synergies with partners and by sharing infrastructure and platform costs. Look for one or several strategic partners. This would also provide opportunities for Deutsche Bank's employees and shareholders. While this sort of move would mean less autonomy, it would also translate into higher profitability and a future hand-in-hand with partners.

What Deutsche Bank needs now is the right course to guide it into calmer waters. It needs partners or a strategic investor that can help the bank make progress in terms of its market positioning. As Mr. Cryan is familiar with all of the bank's strengths and weaknesses, he is, in principle, the right captain to lead the negotiations that now have to be conducted.

A major French bank, for example, could be an ideal partner for Deutsche Bank to grow with in the CIB division as part of a European integration move. A number of Swiss banks have strengths that would complement Deutsche Bank's. These ideal scenarios might well be difficult to turn into a reality, because Deutsche Bank is not making progress with its own restructuring measures quickly enough, meaning that the only peers that it is on an equal footing with are probably in equally bad shape.

As a result, the Supervisory Board and the Management Board should also get used to the fact that the bank might have to give up its independence to avoid being pushed into a forced marriage based on very unfavorable terms and in bleak conditions. You might well still have a chance to offer other strong players an attractive point of entry into the German (and EU) market in light of Brexit.

For years now, Deutsche Bank has been keeping its head above water with capital increases. In this sort of monetary policy environment and faced with the current regulatory pressure, however, it no longer has a sufficient revenue basis to compete with major US investment banks on its own. This is something that our policymakers have to answer for as well. Nevertheless, it is time for all of this fiddling around without a vision to stop. Lead Deutsche Bank into the future and not into irrelevance.

Shareholder Ralf Kugelstadt, Frankfurt re. Agenda Item 8 a)

I propose that Mr. Schütz not be elected to the Supervisory Board as a representative of HNA.

Reasons

According to the relevant articles in the press, HNA is in distress and is trying to use extensive hedging strategies to reduce the price risk associated with its investment in Deutsche Bank. This strategy is completely legal and cannot be criticized in principle.

The extensive put sales, however, have made Deutsche Bank shares a target for hedge fund attacks. This means that, while the hedging strategy is in HNA's interests, it is not in the interests of the bank's other shareholders.

If HNA is unable to bear the financial risk associated with its equity exposure to Deutsche Bank, it should consider selling its shares in an orderly manner, for example to a strategic investor.

I do not believe that giving a shareholder that is extremely active on the market with its hedging strategies access to inside information via a Supervisory Board mandate offers any advantage for the bank's other shareholders. Nor do I see any need to offer representation on the Supervisory Board to a shareholder that might be forced to sell its shares in Deutsche Bank.