

Dear ISS Team,

we appreciate the opportunity to comment on the proposed changes to the ISS 2025 benchmark policy in respect of virtual AGMs. We understand the importance of maintaining robust governance standards and ensuring protection of shareholder interests. However, we have some concerns regarding the proposed ISS policy update on virtual-only shareholder meetings. While we understand that the new policy proposal aims to ensure shareholder rights and transparency, we do not believe that a one-size-fits-all approach is suitable for all companies across continental Europe.

From our perspective, the policy would not sufficiently cater for the differences between countries and the variety of companies. Even within indices, we believe a high degree of diversity may need to be considered. Also, given that the 2024 ISS policy survey revealed a mixed sentiment amongst stakeholders vis-à-vis virtual meetings, with almost 70% having either no issue at all, or stated having only mixed feelings depending on company practices, we believe this may warrant a more nuanced approach that considers each company's specific context to maintain shareholder rights and to provide transparency effectively.

Over the last three years the average quorum across the DAX40 companies has risen to 71%, surpassing pre-pandemic levels; while physical meetings have seen a decline in people attending over the past few years. Deutsche Bank's capital presence also rose to 48% this year. In our view it suggests that virtual AGMs are a viable alternative to physical meetings with higher quorums across the index and broad acceptance of the format.

In its current form, we sense caution that the policy update may not account for the unique circumstances and practices of individual companies. More specifically at Deutsche Bank, we truly believe that virtual AGMs offer significant benefits for us and more broadly, especially in terms of accessibility and inclusivity for shareholders who may not be able to attend in person. The flexibility of virtual AGMs can enhance shareholder engagement and participation, which aligns with the broader goals of good corporate governance.

We would like to highlight the following points for your consideration:

1. **Accessibility and Inclusivity:** Virtual AGMs have significantly enhanced accessibility and inclusivity by allowing shareholders from diverse geographical locations to participate without the need for travel. For instance, in 2024, Deutsche Bank had a capital presence of 48% with up to 4,400 shareholders accessing the AGM virtually. This inclusivity ensures that all shareholders have an equal opportunity to get access to the company's AGM. Deutsche Bank strongly believes that virtual AGMs provide a good foundation to activate further shareholder groups, for example the younger generation to exercise their shareholder rights, which Deutsche Bank endeavors.
2. **Technological Advancements:** The advancements in technology have made virtual AGMs more secure and interactive. While we initially saw technical issues in individual cases, virtual AGMs have proven to be technically stable, also in the event of large audiences. Features such as live speeches, ability to put forward motions, Q&A sessions

and real-time voting ensure that the virtual format provides the same shareholder rights like in a physical meeting.

- 3. Positive Feedback and Successful Outcomes:** While we acknowledge some shareholder concerns regarding the virtual format, we have also received complementary feedback from shareholders who have participated in previous virtual AGMs appreciating the ability to attend and vote remotely. As outlined above, we believe this has led to increased participation at Deutsche Bank. Companies that have successfully conducted virtual AGMs in the past, ensuring all shareholder rights were respected and actively worked on developing the digital alternative further, would not benefit from their contribution and positive experiences under the new stricter policy. This oversight may not provide the opportunity to recognize and reward companies that have demonstrated their capability to manage virtual AGMs effectively, potentially discouraging best practices and innovation in this area.
- 4. Extraordinary Circumstances:** We believe virtual AGMs should not be limited to “extraordinary circumstances that necessitate restrictions on physical attendance”. In our view it may not consider country, sector, or index specifics. The virtual format offers opportunities particularly for large companies in Germany, where it is existing market practice among the DAX40 companies to convene AGMs virtually. Limiting virtual AGMs to exceptional situations would invert the relationship between the rule and the exception. While extraordinary circumstances may necessitate virtual-only meetings, the benefits of virtual AGMs clearly extend beyond such situations. By ensuring that virtual AGMs are an option under normal circumstances, companies can maintain high levels of shareholder engagement and participation, which are fundamental to good corporate governance today and in the future. However, only having an authorization to host virtual AGMs provides flexibility and enables companies to respond swiftly to unforeseen circumstances, such as pandemics or natural disasters. This adaptability is crucial in today's fast-paced and unpredictable environment.
- 5. German law:** In 2022, the German legislator established a permanent legal basis for holding virtual general meetings by introducing § 118a Stock Corporation Act providing an equal alternative to physical meetings. Subject to the required authorization in the respective companies' articles and provided that the relevant statutory requirements are met, the German legislator envisaged companies to be able to equally choose a virtual set-up for their AGMs. Both virtual and physical formats are legally equal under German law, providing flexibility to choose either format without any legal disadvantage. We would like to emphasize and outline that the German law is likely the most stringent regime for corporates with very far-reaching rights for shareholders. Unlike other jurisdictions, German companies need to answer all questions at the AGM at the latest and can't follow-up as it is possible in other countries. Furthermore, AGMs of German companies are subject to a fairly strong regime on defects in resolutions (Beschlussmängelrecht), which is one of the major reasons why German AGMs are rather formalistic compared to other European countries. Despite the relatively new regime on virtual AGMs in Germany and irrespective of the legal uncertainties associated therewith,

a strong majority of DAX40 companies have chosen the virtual format in recent years, evidencing broad adoption of the virtual format.

6. **Sustainability:** We also want to highlight that hosting virtual AGMs significantly reduces environmental pollution by eliminating the necessity for shareholders to travel. We believe this aligns well with Deutsche Bank's sustainability and global objectives. By adopting a virtual format, the need for long-distance journeys is eradicated, resulting in an approximate 80% reduction in CO₂ emissions compared to 2019 when Deutsche Bank hosted its last physical AGM.
7. **Cost Efficiency:** Hosting virtual AGMs can be more cost-effective for both the company and its shareholders. The reduced need for physical venues and travel can result in significant savings at least for large caps like Deutsche Bank, which can be redirected towards initiatives that benefit shareholders. For example, it was noted that physical AGMs can be approximately twice as expensive as virtual AGMs.
8. **Hybrid AGMs:** Firstly, the legal requirements for AGMs in Germany are extensive and complex, making them vulnerable to legal challenges anyhow. In contrast to the ability to hold virtual AGMs in Germany after the pandemic (which was introduced in July 2022), the ability to hold hybrid meetings exists since 2009 but companies barely made use of it due to the legal risks associated therewith. In fact, a hybrid meeting under German law would require the company to plan and run a full physical AGM and have additional virtual elements. This would not only result in the more than insignificant efforts required for a physical meeting but would add additional cost and complexity in respect of technology and legal risks. In contrast, the (legal) frameworks in France and the UK are much more flexible and supportive of hybrid meetings, and companies in these countries have quickly adapted to this format. In a nutshell, hybrid AGMs in Europe vary significantly across different countries due to diverse legal frameworks.

Since we acknowledge that the policy update aims to address some investor concerns, we would appreciate if it allowed for more flexibility and differentiation to better accommodate the diverse landscape of companies in continental Europe.

We respectfully request that ISS consider these points and would take the view that virtual AGMs should not be limited to extraordinary circumstances. We suggest virtual AGMs to be considered a viable and beneficial option for regular use. We believe that with appropriate safeguards and transparency, virtual AGMs can continue to serve the best interests of shareholders.

Thank you for considering our feedback.

Deutsche Bank AG