

## Significant Differences in Corporate Governance Practices for Purposes of Section 303A.11 of the New York Stock Exchange Listed Company Manual ("NYSE Manual")

This document summarizes the significant differences between German corporate governance practices, as Deutsche Bank AG ("Deutsche Bank") has implemented them, and those applicable to U.S. companies under NYSE listing standards. For additional information on Deutsche Bank's corporate governance, please refer to Item 6 (Directors, Senior Management and Employees) and Item 10 (Memorandum and Articles of Association) of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 26, 2008.

**The Legal Framework.** Corporate governance principles for German stock corporations (*Aktiengesellschaften*) are set forth in the German Stock Corporation Act (*Aktiengesetz*, the "Stock Corporation Act"), the German Co-Determination Act of 1976 (*Mitbestimmungsgesetz*, the "Co-Determination Act") and the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, the "Code").

**The Two-Tier Board System of a German Stock Corporation.** The Stock Corporation Act provides for a clear separation of management and oversight functions. It therefore requires German stock corporations to have both a Supervisory Board (*Aufsichtsrat*) and a Management Board (*Vorstand*). These boards are separate; no individual may be a member of both. Both the members of the Management Board and the members of the Supervisory Board must exercise the standard of care of a diligent business person to the company. In complying with this standard of care they are required to take into account a broad range of considerations, including the interests of the company and those of its shareholders, employees and creditors.

The Management Board is responsible for managing the company and representing the company in its dealings with third parties. The Management Board is also required to ensure appropriate risk management within the corporation and to establish an internal monitoring system. The members of the Management Board, including its chairperson or speaker, are regarded as peers and share a collective responsibility for all management decisions.

The Supervisory Board appoints and removes the members of the Management Board. It also may appoint a chairperson of the Management Board. Although it is not permitted to make management decisions, the Supervisory Board has comprehensive

monitoring functions, including advising the company on a regular basis and participating in decisions of fundamental importance to the company. To ensure that these monitoring functions are carried out properly, the Management Board must, among other things, regularly report to the Supervisory Board with regard to current business operations and business planning, including any deviation of actual developments from concrete and material targets previously presented to the Supervisory Board. The Supervisory Board may also request special reports from the Management Board at any time. Transactions of fundamental importance to the company, such as major strategic decisions or other actions that may have a fundamental impact on the company's assets and liabilities, financial condition or results of operations, may be subject to the consent of the Supervisory Board. Pursuant to Deutsche Bank's Articles of Association (*Satzung*), such transactions include the granting of powers of attorney without limitation to the affairs of a specific office, major acquisitions or disposals of real estate or participations in companies and granting of loans and acquiring participations if the German Banking Act (*Kreditwesengesetz*) requires approval by the Supervisory Board.

Pursuant to the Co-Determination Act, our Supervisory Board consists of representatives elected by the shareholders and representatives elected by the employees in Germany. Based on the total number of Deutsche Bank employees in Germany these employees have the right to elect one-half of the total of twenty Supervisory Board members. The chairperson of the Supervisory Board of Deutsche Bank is a shareholder representative who has the casting vote in the event of a tie.

This two-tier board system contrasts with the unitary board of directors envisaged by the relevant laws of all U.S. states and the NYSE listing standards.

The Group Executive Committee of Deutsche Bank is a body that is not based on the Stock Corporation Act. It has been created by the Management Board under its terms of reference and serves as a tool to coordinate the group divisions and regional management with the Management Board. It comprises the members of the Management Board, the heads of the two client-facing group divisions and the head of regions. It reviews the development of the businesses, discusses matters of group strategy and prepares recommendations for decision by the Management Board. Functional committees assist the Management Board in executing cross-divisional strategic management, resource allocation, control and risk management.

**The Recommendations of the Code.** The Code was released in 2002 by a commission comprised of German corporate governance experts appointed by the German Federal Ministry of Justice in 2001. The Code was last amended in June 2007 and, as a general rule, will be reviewed annually and amended if necessary to reflect international corporate governance developments. The Code describes and summarizes the basic mandatory statutory corporate governance principles found in the provisions of German law. In addition, it contains supplemental recommendations and suggestions for standards on responsible corporate governance intended to reflect generally accepted best practice.

The Code addresses six core areas of corporate governance. These are (i) shareholders and shareholders' meetings, (ii) the cooperation between the Management Board and the Supervisory Board, (iii) the Management Board, (iv) the Supervisory Board, (v) transparency and (vi) financial reporting and audits.

The Code contains three types of provisions. First, the Code describes and summarizes the existing statutory, *i.e.*, legally binding, corporate governance framework set forth in the Stock Corporation Act and in other German laws. Those laws – and not the incomplete and abbreviated summaries of them reflected in the Code – must be complied with. The second type of provisions are recommendations. While these are not legally binding, Section 161 of the Stock Corporation Act requires that any German exchange-listed company declares annually that the recommendations of the Code have been adopted by it or which recommendations have not been adopted. The third type of Code provisions comprises suggestions which companies may choose not to adopt without disclosure. The Code contains a

significant number of such suggestions, covering almost all of the core areas of corporate governance it addresses.

In their last Declaration of Conformity of October 30, 2007, the Management Board and the Supervisory Board of Deutsche Bank stated that it will act in conformity with the recommendations of the Code other than those relating to directors and officers' liability insurance (the Code recommends that such policies include an appropriate deductible, Deutsche Bank's does not). The Declaration of Conformity is available on Deutsche Bank's internet website at <http://www.deutsche-bank.com/corporate-governance>.

The Code also recommends that the Management Board and the Supervisory Board report each year on the company's corporate governance in the annual report.

**Supervisory Board Committees.** The only Supervisory Board committee required under German law is a mediation committee, which is required in companies with more than two thousand employees in Germany that are therefore subject to the principle of employee co-determination. The function of this committee is to propose candidates for the Management Board in the event that the two-thirds majority of the members of the Supervisory Board needed to appoint members of the Management Board is not met.

The Code contains the recommendation that the Supervisory Board also establishes one or more committees with sufficiently qualified members. In particular, it recommends establishing an "audit committee" to handle issues of accounting and risk management, compliance, auditor independence, the engagement and compensation of outside auditors appointed by the shareholders' meeting and the determination of auditing focal points. Since 2007 the Code also recommends establishing a "nomination committee" comprised only of shareholder elected Supervisory Board members to prepare the Supervisory Board's proposals for the election or appointment of new shareholder representatives to the Supervisory Board. The Code also includes suggestions on other subjects that may be handled by Supervisory Board committees, including corporate strategy, compensation of the members of the Management Board, investments and financing. Under the Stock Corporation Act, any Supervisory Board committee must regularly report to the Supervisory Board.

The Supervisory Board of Deutsche Bank has established a Chairman's Committee (*Präsidialausschuss*) which is responsible for deciding the terms of the service contracts and other contractual arrangements with the members of the Management Board, a Nomination Committee (*Nominierungsausschuss*), an Audit Committee (*Prüfungsausschuss*), a Credit and Market Risk Committee (*Ausschuss für Kredit- und Marktrisiken*) and the required Mediation Committee (*Vermittlungsausschuss*). The functions of a nominating / corporate governance committee and of a compensation committee required by the NYSE Manual for U.S. companies listed on the NYSE are therefore performed by the Supervisory Board or one of its committees, in particular the Chairman's Committee and the Mediation Committee.

**Independent Board Members.** The NYSE Manual requires that a majority of the members of the board of directors of a NYSE listed U.S. company and each member of its nominating / corporate governance, compensation and audit committees be "independent" according to strict criteria and that the board of directors determines that such member has no material direct or indirect relationship with the company.

As a foreign private issuer, Deutsche Bank is not subject to these requirements. However, its audit committee must meet the more lenient independence requirement of Rule 10A-3 under the Securities Exchange Act of 1934. German corporate law does not require an affirmative independence determination, meaning that the Supervisory Board need not make affirmative findings that audit committee members are independent. Nevertheless, both the Stock Corporation Act and the Code contain several rules, recommendations and suggestions to ensure the Supervisory Board's independent advice to, and supervision of, the Management Board. As noted above, no member of the Management Board may serve on the Supervisory Board (and vice versa). Supervisory Board members do not have to follow directions or instructions from third parties. Any advisory, service or similar contract between a member of the Supervisory Board and the company is subject to the Supervisory Board's approval. A similar requirement applies to loans granted by the company to a Supervisory Board member or other persons, such as certain members of a Supervisory Board member's family. In addition, the Code recommends that no more than two former members of the Management Board be members of the Supervisory Board and that

Supervisory Board members do not hold directorships or accept advisory tasks for important competitors of the company. Furthermore, the Code suggests that the chairperson of the audit committee should not be the current chair of the Supervisory Board or a former member of the Management Board of the company. Deutsche Bank complies with this recommendation and suggestion.

The Code also recommends that each member of the Supervisory Board informs the Supervisory Board of any conflicts of interest which may result from a consulting or directorship function with clients, suppliers, lenders or other business partners of the stock corporation. In the case of material conflicts of interest or ongoing conflicts, the Code recommends that the mandate of the Supervisory Board member be removed by the Shareholders' Meeting. The Code further recommends that any conflicts of interest that have occurred be reported by the Supervisory Board at the annual shareholders' meeting, together with the action taken, and that potential conflicts of interest be also taken into account in the nomination process for the election of Supervisory Board members.

**Audit Committee Procedures.** Pursuant to the NYSE Manual the audit committee of a U.S. company listed on the NYSE must have a written charter addressing its purpose, an annual performance evaluation, and the review of an auditor's report describing internal quality-control issues and procedures and all relationships between the auditor and the company. The Audit Committee of Deutsche Bank operates under written terms of reference and reviews the efficiency of its activities regularly.

**Disclosure of Corporate Governance Guidelines.** Deutsche Bank discloses its Articles of Association, the Terms of Reference of its Management Board, its Supervisory Board, the Chairman's Committee and the Audit Committee, its Declaration of Conformity under the Code and other documents pertaining to its corporate governance on its internet website at <http://www.deutsche-bank.com/corporate-governance>.

Frankfurt am Main, March 26, 2008