

# Qualifications Required of Members of the Supervisory Board at Erste Group Bank AG

This description of duties with applicant profile (hereinafter "**Qualifications Profile**") for members of the Supervisory Board defines (i) the underlying objectives of the composition of the Supervisory Board and (ii) provides a description of duties subject to objective criteria with an applicant profile for the respective persons<sup>1</sup> applying to become a member of the Erste Group Bank AG Supervisory Board (hereinafter "Applicant"). The aim is to ensure that persons applying for a position on the Supervisory Board of Erste Group Bank AG have the knowledge and experience needed to discharge the duties of an Erste Group Bank AG Supervisory Board member in a comprehensive and competent manner.

## **1. Objectives to consider in the composition of the Supervisory Board and its committees**

When filling the seats on the Supervisory Board, particular attention shall go to ensuring that the Supervisory Board, as collective body, has the knowledge, skills and expert experience needed to warrant the proper performance of the given tasks. In so doing, not every singly Supervisory Board member can be expected to offer the full range of the specific indispensable general knowledge and experience. Certain aspects, however, of an indispensable general knowledge and experience is nevertheless required. Therefore, members of the Supervisory Board must have the necessary knowledge and experience, both on an individual as well as on a collective level, that is appropriate for/commensurate with the type, scope and complexity of the business and the risk structure of a company operating on an international scale such as Erste Group.

One of the responsibilities of the Nomination Committee is to keep an eye on balance and variety in the knowledge, skills and experience of all members of the respective body (sec. 29 Austrian Banking Act [*Bankwesengesetz*] – hereinafter "BWG"). When selecting from the proposed applications, attention must be given to balance and variety in the educational background and expert knowledge of the collective body as a whole. Diversity must be taken into account particularly when it comes to gender representation and age structure.

Over and beyond this, the independence criteria applicable to the Erste Group Bank AG Supervisory Board in accordance with rule 53 of the Austrian Corporate Governance Code must be taken into account when it comes to the qualifications, composition and independence of the Supervisory Board.

With respect to the composition of the Supervisory Board committees, special attention must be given to ensuring that the respective committee always includes an expert in its specific subject matter (e.g. expert knowledge and practical experience in remuneration policy in the Remuneration Committee [sec. 39c (3) BWG], specific knowledge and practical experience in banking finance and accounting in the Audit Committee [sec. 63a (4) BWG], etc.).

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<sup>1</sup> Any formulation referring to a person shall be deemed and taken to include both genders.

## **2. Personal and professional requirements for Supervisory Board members**

For the personal and professional suitability of a Supervisory Board member at Erste Group Bank AG the following skills and knowledge are required in particular:

### **2a. Personal requirements**

- personal reliability and good financial standing (subject to grounds for exclusion under industrial and banking law);
- strong team spirit and critical faculties/conflict management skills;
- integrity, discretion and trustworthiness;
- loyalty vis-à-vis Erste Group Bank AG and willingness to subordinate own interests to those of the company;
- ability to represent Erste Group Bank AG and the savings banks idea in Austria and internationally;
- ability and willingness to undertake continuing education and constant personal development;
- leadership qualities and power of persuasion (particularly for the chairperson)
- willingness to attend meetings on a regular basis and actively participate in the policy-making and decision-making process;
- ability and willingness to assume responsibility;
- sufficient availability as needed for the diligent performance of the office. An express commitment with respect to availability must be made in writing and credibly demonstrated on the basis of a qualified self-assessment; reference is made to section 28a para 5 No 5 Austrian Banking Act (“BWG”, limitation of mandates),
- The provisions of the Articles of Association concerning the ending of the term of office of a member of the Supervisory Board upon conclusion of the annual shareholders’ meeting following completion of the 74th year of the member of the Supervisory Board, shall be observed.

### **2b. Professional requirements**

- ability to understand and critically evaluate the foundations of the banking business (market environment, business model, business areas, risk, customer needs, region) , run by Erste Group Bank AG and the strategic focus of Erste Group Bank AG;
- an understanding of the Erste Group structure in Austria and abroad, particularly also of the savings banks sector;
- knowledge of the relevant standards under company, stock exchange and supervisory law social;
- financial expertise (e.g. basic knowledge of business management, accounting and budgeting), which enables supervision and monitoring of the management in their efforts to operate the business of the individual bank institutions, and to understand the reports submitted by the Management Board;
- entrepreneurship and a grasp of business fundamentals;
- ability to verify the plausibility of compliance, cost effectiveness, usefulness and lawfulness of business decisions; ability to analyse and assess the financial statements (with the assistance of the bank auditor);
- Knowledge of the Statement of Purpose und of the Code of Conduct of Erste Group

## 2c. Personal and professional requirements for Supervisory Board chairpersons

The chairperson of the Supervisory Board must have the additional knowledge and experience required to exercise his/her functions. In particular, these include:

- ample knowledge in finance and accounting as needed for the operation of banks (sec. 28a [3] [3] BWG);
- knowledge in the following areas:
  - regulatory frameworks and regulatory requirements, particularly
    - ⦿ the provisions under the BWG that are key to regulatory activities and European banking supervision law;
    - ⦿ central provisions of the Savings Bank Act;
    - ⦿ the contents of FMA circulars and FMA minimum standards that are essential for supervision;
    - ⦿ the central provisions of the Stock Exchange Act (BörseG) and the Securities Supervision Act (WAG);
    - ⦿ sufficient knowledge of company, civil and administrative law and
    - ⦿ knowledge of the Articles of Association and the rules of procedure;
  - strategic planning (participation in and oversight of the business strategy);
  - risk management (participation in and oversight of risk strategy);
  - internal principles of sound business management (participation and oversight);
  - interpretation of (financial) indicators and results of the credit institution.
- management experience in order to ask questions about management decisions in a constructive manner and to monitor them effectively;
- experience in chairing meetings.