

# Profile of Qualification for Members of the Supervisory Board of Erste Group Bank AG

This description of duties with candidate profile (hereinafter "**Profile of Qualification**") 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 candidate profile for the respective persons<sup>1</sup> applying to become a member of the Erste Group Bank AG Supervisory Board (hereinafter "Candidate"). 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

The Supervisory Board bears collective responsibility. It effectively performs its function if it is able to make informed decisions and enable effective monitoring.

The aim is therefore to compose the Supervisory Board in such a way as to ensure qualified control and consultation by the Supervisory Board, in accordance with the Banking and Stock Corporation Act, the Austrian Corporate Governance Code and the EBA Guidelines. When appointing members of the Supervisory Board, particular care must be taken to ensure that the Supervisory Board, as a collective body in its entirety, possesses the knowledge, skills and professional experience necessary for the proper performance of its duties, in particular with regard to the most important business areas of the institution and their risks.

It cannot be expected that each and every member of the Supervisory Board will have all the required knowledge and experience to the full extent, but at least one member of the Supervisory Board should be available as a competent contact person for each aspect of the Supervisory Board's activities, so that the necessary knowledge and experience is fully provided by the entirety of the Supervisory Board members. Nevertheless, each member of the Supervisory Board must have certain indispensable general knowledge and experience. Members of the Supervisory Board must therefore have the necessary knowledge and experience both individually and collectively, which are appropriate to the type, scope and complexity of the business as well as the risk structure of an international company 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.

---

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

The international experience represented by Supervisory Board members of different nationalities or personalities with many years of international activity is to be maintained.

Furthermore, 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], the expertise and experience required in the Risk Committee for monitoring the implementation of the risk strategy of the bank [sec. 39d (3) BWG], specific knowledge and practical experience in banking finance and accounting in the Audit Committee [sec. 63a (4) BWG], etc.).

## **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;
- Awareness of avoiding conflicts of interest in the performance of the function and, if this is not possible, of disclosing them;
- 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. A 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);
    - the central provisions of the Financial Market Money Laundering Act (FM-“GwG”), the Economic Ownership Register Act (“WiEReG”), the Deposit Guarantee and Investor Compensation Act (“ESAEG”), the Consumer Payment Accounts Act (“VZKG”), the Payment Services Act 2018 (“ZaDiG 2018”) and the Restructuring and Settlement Act (“BASAG”);
    - 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.