

## Agenda Item 2

The Management Board and the Supervisory Board propose that the Annual General Meeting pass the following resolution:

### RESOLUTION

The profit available for distribution recognised in the Company's financial accounts as at 31 December 2019 and amounting to EUR 644,700,000.00 will be appropriated as follows:

For each share entitled to a dividend, a dividend of EUR 0.75 will be disbursed on the dividend payment day, adding up to a total of no more than EUR 322,350,000.00 provided that on 8 February 2021

- (i) no mandatory legal ban on dividends is in effect and
- (ii) in the Company's own reckoning no recommendation of the European Central Bank applicable to the Company opposes the payment of a dividend.

To the extent that the profit available for distribution is not to be disbursed on the dividend payment day in accordance with above calculation, it shall be carried forward to new account. The Company is not entitled to any dividend payments from own shares.

Dividend payment day is 15 February 2021.

## JUSTIFICATION

The European Central Bank published its Recommendation ECB/2020/19 on dividend distributions during the COVID-19 pandemic and repealing Recommendation ECB/2020/01 on 27 March 2020. The purpose of the Recommendation is to conserve capital so that credit institutions can continue to fulfil their role in funding households, small and medium business, and corporations amid the coronavirus disease 2019 (COVID 19)-related economic shock. Holding the opinion that the level of economic uncertainty remains elevated and credit institutions face difficulties in accurately forecasting their medium-term capital needs, the European Central Bank decided to extend this Recommendation until 1 January 2021 (ECB/2020/35) on 27 July 2020. In its view, distributions need to be postponed or cancelled in order to preserve the capital position of credit institutions. As this measure is temporary in nature and warranted only by these exceptional circumstances, the European Central Bank intends to decide in Q4 of 2020 on the approach to be followed after 1 January 2021.

The Recommendation issued by the European Central Bank is addressed to credit institutions, i.e. to significant supervised entities and significant supervised groups as defined in points (16) and (22) of Article 2 of Regulation (EU) No 468/2014 (ECB/2014/17), and to the national competent authorities with regard to less significant supervised entities and less significant supervised groups as defined in points (7) and (23) of Article 2 of Regulation (EU) No 468/2014 (ECB/2014/17), but not to shareholders who do not fall into any of the aforementioned categories.

Erste Group's dividend policy is dictated by the bank's profitability, growth expectations and capital requirements. Except for 2011 and 2014, dividend payments have been made every year since 1997. The Management Board would have proposed an unqualified disbursement of dividends this year, too, had there been no COVID-19 pandemic.

However, as the Recommendation of the European Central Bank cited above is addressed to the Company, the Management Board has resolved to defer to this recommendation. The Management Board thus proposes not to pay out the dividend until after 1 January 2021 as there is currently no recommendation for the period after 1 January 2021 that opposes disbursements.

However, in its Recommendation, the European Central Bank announced that it will 'decide' in Q4 of 2020 'on the approach to be followed after 1 January 2021' in consideration of '*the economic environment, the stability of the financial system and the level of certainty around capital planning*'. In view of how the COVID-19 pandemic is currently playing out and the ongoing economic uncertainty, the Management Board expects the European Central Bank to either extend its Recommendation of 27 July 2020 or to issue a new recommendation, possibly based on differentiated criteria. It is impossible to say from today's perspective what such a new

recommendation will look like. It is particularly unclear which criteria this recommendation will include, how compliance with the criteria will be determined and who will assess this, which company data will have to be used, how long the review of the criteria will take and what procedure will be applicable in the event of differences in opinion.

The Management Board deems it imperative in the Company's interest to comply with any future recommendations issued by the European Central Bank concerning dividend disbursements. A dividend will only be paid after 1 January 2021 if no such recommendation provides otherwise. As there is no knowing at this present point in time whether a new recommendation will follow or what such a recommendation will likely contain, the Company will need to closely consider all the facts with all due care and determine whether the conditions set forth in section (ii) of the resolution on the appropriation of profit presented to it by the Annual General Meeting have been met for the disbursement of a dividend.

Unless the Company is able to determine with reasonable assurance on 8 February 2021 (start of the day) that the payment of a dividend is compatible with the recommendation of the European Central Bank, no dividend will be paid out. This will also apply if the material criteria for a disbursement have been met but not all formal criteria have been fulfilled yet. The Company reserves the right to call an extraordinary general meeting if necessary.

Unlike previous years, the disbursement of dividends will be subject to withholding tax in accordance with the tax regulations.

## Agenda Item 3

The Management Board and the Supervisory Board propose that the Annual General Meeting pass the following resolution:

### RESOLUTION

The Management Board members of Erste Group Bank AG are granted discharge for the financial year 2019.

## Agenda Item 4

The Management Board and the Supervisory Board propose that the Annual General Meeting pass the following resolution:

### RESOLUTION

The Supervisory Board members of Erste Group Bank AG are granted discharge for the financial year 2019.

## Agenda Item 5

The Supervisory Board proposes that the Annual General Meeting pass the following resolution:

### RESOLUTION

In addition to Sparkassen-Prüfungsverband in its capacity as statutory auditor, PwC Wirtschaftsprüfung GmbH will be appointed auditor of the Company's annual financial statements and management report as well as the consolidated financial statements and the group management report for the financial year 2021 in accordance with sec. 1 of the audit rules for savings banks (*Prüfungsordnung für Sparkassen*), annex to sec. 24 Savings Banks Act (ÖSpkG).

### JUSTIFICATION

In 2018, PwC Wirtschaftsprüfung GmbH was appointed additional auditor of the annual financial statements and management report as well as the consolidated financial statements and the group management report for the financial year 2019 by the Annual General Meeting of Erste Group AG.

Among other activities, the Audit Committee of the Erste Group Bank AG Supervisory Board regularly reviewed and monitored the independence of PwC Wirtschaftsprüfung GmbH, particularly in connection with the additional services provided to Erste Group (non-audit services) pursuant to sec. 63a (4) (4) Banking Act during the financial year 2019.

After consideration of the threats to the independence of PwC Wirtschaftsprüfung GmbH and submission of a statement of independence in accordance with sec. 270 Commercial Code (UGB) by PwC Wirtschaftsprüfung GmbH, the Audit Committee's recommendation to the Supervisory Board was to renew the audit mandate given to PwC Wirtschaftsprüfung GmbH as additional auditor of the annual financial statements and management report as well as the consolidated financial statements and the group management report for the financial year 2021.

The fees invoiced by the auditors of Erste Group Bank AG and their subsidiaries for the financial year 2019 can be read up in the Erste Group annual report for financial year 2019. PwC's fees indicated in this report include the services of PwC Wirtschaftsprüfung GmbH and of companies belonging to the PwC network.

## Agenda Item 6

The Supervisory Board proposes that the Annual General Meeting pass the following resolution:

### RESOLUTION

1. The number of members of the Supervisory Board appointed by the Annual General Meeting will be decreased from thirteen to twelve members.
2. Mr Maximilian Hardegg, born on 26 February 1966, is appointed to the Supervisory Board of Erste Group Bank AG effective from the end of the Annual General Meeting until the end of the Annual General Meeting due to resolve on the granting of discharge for financial year 2024.
3. Mr Friedrich Santner, born on 7 February 1960, and Mr András Simor, born on 17 May 1954, are appointed to the Supervisory Board of Erste Group Bank AG effective from the end of the Annual General Meeting until the end of the Annual General Meeting due to resolve on the granting of discharge for financial year 2022.

### JUSTIFICATION

The terms of Maximilian Hardegg, Gunter Griss and Wilhelm Rasinger will be expiring at the end of the Annual General Meeting on 10 November 2020. Brian O'Neill passed away on 20 December 2019.

Therefore, four members would need to be appointed at the forthcoming Annual General Meeting on 10 November 2020 to ensure that the number of Supervisory Board members totals thirteen again like after the election at the Annual General Meeting held on 15 May 2019.

However, the Supervisory Board proposes to reduce the number of members appointed by the Annual General Meeting to twelve, so that three members will have to be appointed at the forthcoming Annual General Meeting on 10 November 2020. The proposal endorsing a decrease in the number of members must be voted on prior to the election of members.

With the number of Supervisory Board members appointed by the Annual General Meeting holding at twelve, at least 4 positions in the Supervisory Board must be filled by women and men each in order to satisfy the minimum proportionality requirement set forth by sec 86 (7) Stock Corporation Act (AktG). If the Supervisory Board is staffed according to the election proposal below (capital representatives only), it will be composed of 4 women and 8 men, thus complying with the minimum proportionality requirement set forth by sec 86 (7) Stock Corporation Act.

No objection pursuant to sec 86 (9) Stock Corporation Act was raised neither by the majority of capital representatives nor by the majority of employee representatives, so that the full Supervisory Board's compliance with the minimum proportionality requirement generally suffices. At present, employee representatives in the Supervisory Board number 3 women and 3 men.

It is hereby proposed to re-elect Supervisory Board member Maximilian Hardegg. Maximilian Hardegg has been a member of the Erste Group Bank AG Supervisory Board since 2015. He has accepted to stand for re-election. Gunter Griss will no longer be available so that compliance with the age limit specified in subsection 12.1 of the Articles of Association of Erste Group Bank AG is ensured. It is further proposed to elect Friedrich Santner and András Simor into the Supervisory Board as new members.

**Maximilian Hardegg** studied agricultural sciences at the Weihenstephan Campus of Technische Universität München in Freising, Germany. After working for the Vienna AWT Trade and Finance Corporation, Maximilian Hardegg devoted himself to managing his family's estate. Maximilian Hardegg has been a member of the Supervisory Board of DIE ERSTE österreichische Spar-Casse Privatstiftung and the Supervisory Board of Česká spořitelna, a.s. since 2005, member of the advisory board of Erste Mitarbeiterbeteiligung Privatstiftung since 2018 and member of the Supervisory Board of Tiroler Sparkasse Bankaktiengesellschaft Innsbruck since 2019. For information about Maximilian Hardegg's work in the Erste Group Bank AG Supervisory Board, his membership in the Supervisory Board committees and his attendance in meetings please refer to the previously published Corporate Governance Report.

**Friedrich Santner** studied psychology and educational science. He has been managing director of Anton Paar GmbH, an Austrian company domiciled in Graz that develops, produces and distributes analytical instruments for laboratories and process analytical technology and has also been providing custom-tailored automation and Robotics solutions since 1997. The company does business around the globe in density and concentration measurement, rheometry and CO<sub>2</sub> measurement. Friedrich Santner has been chair of the Supervisory Board of Steiermärkische Bank und Sparkassen Aktiengesellschaft since 2017. As managing director of a company operating on an international scale and as Supervisory Board member with many years of experience in various companies, Friedrich Santner will contribute greatly to the work of the Erste Group Bank AG Supervisor Board not only because of his background as a businessman but also based on his experience in and knowledge of the Austrian savings banks sector.

**András Simor** has a degree in international finances from Budapest Business School. From 1989 to 1997 he served as CEO of Creditanstalt Securities, Budapest, and from 1997 to 1998 he acted as CEO of Creditanstalt Investment Bank in Vienna. As managing partner, András Simor was appointed CEO of Deloitte Hungary in 1999. From 2007 to 2013, András Simor served as governor of the Hungarian National Bank. In July 2013, András Simor moved to the European Bank for Reconstruction and Development in London where he served as Vice President and CFO from 2014 to 2016 and as Senior Vice President, CFO and COO from 2016 to 2019. From 1998 to 2002, András Simor also chaired the supervisory board of the Budapest Stock Exchange and sat on the Board of Directors of Deloitte Central Europe from 2002 to



2006. His CV clearly reflects the in-depth knowledge he has of the banking and credit sector.

In determining the candidates for the Supervisory Board in compliance with the EBA Guidelines for the assessment of the suitability of members of the management body and holders of key functions ("EBA Guidelines") and the internal policy of Erste Group Bank AG for the selection and aptitude assessment of Supervisory Board members ("Suitability policy of Erste Group Bank AG"), the Nomination Committee is obliged to carry out suitability assessments of the proposed candidates.

In performing these suitability assessments, the Nomination Committee has established compliance with the reliability criteria, the presence of sufficient theoretical and practical experience, sufficient time availability as well as the demonstration of sufficient independence, the lack of any conflicts of interest and conformity with the diversity criterion. Furthermore, a review was carried out to determine whether all the candidates contribute to the collective suitability of the full Supervisory Board.

The Nomination Committee has come to a positive decision for all the candidates and has recommended that the Supervisory Board propose the election and re-election of the proposed candidates at the Annual General Meeting. The Supervisory Board has endorsed this assessment.

Candidates who have already served a 5-year term of office as Supervisory Board member are to be appointed for the maximum term provided by law. For candidates who are to be appointed to the Supervisory Board of Erste Group Bank AG for the first time, a 3-year term of office is provided.

The candidates proposed by the Supervisory Board were selected on the basis of the criteria set forth in the Stock Corporation Act and the Federal Banking Act, including the diversity provision under sec 86 (7) Stock Corporation Act. The candidates proposed by the Supervisory Board have submitted the declaration required under sec. 87 (2) Stock Corporation Act, and this declaration is available on the Company's website referenced in the Company Register.

Under this agenda item, only the candidate proposals made by shareholders whose interests make up at least 1% of the share capital will be taken into account, provided these proposals, along with the declarations required in acc. with sec. 87 (2) Stock Corporation Act and sec. 28a Federal Banking Act, have been received by the Company in text form by no later than 30 October 2020 for each proposed person and are published on the Company's website by no later than 3 November 2020. Failure to comply with these requirements will result in the respective person not being included in the vote. As regards the specifics and requirements for consideration of such proposals, reference is made to the letter of convocation, particularly to the section "Information on shareholders' rights pursuant to sections 109, 110, 118 and 119 Stock Corporation Act (AktG)".

## Agenda Item 7

The Supervisory Board proposes that the Annual General Meeting pass the following resolution:

### RESOLUTION

Adoption of the remuneration policy setting out the principles for emoluments payable to Management Board members and Supervisory Board members. This remuneration policy has been attached to the draft resolution as Annex ./1 and will be made available on the Erste Group Bank AG website referenced in the Company Register at [www.erstegroup.com/hauptversammlung](http://www.erstegroup.com/hauptversammlung) by no later than 20 October 2020 (21st day prior to the Annual General Meeting).

### JUSTIFICATION

According to sections 78a ff in conjunction with sec. 98a Stock Corporation Act, the Supervisory Board shall draw up the principles for remuneration of Management Board and Supervisory Board members (remuneration policy) and put them to the vote of the Annual General Meeting (at least once every four years). In accordance with sec. 78b (1) Stock Corporation Act, the vote shall be recommendatory in nature; the resolution is not contestable.

The remuneration policy put to the vote of the Annual General Meeting was prepared by the Remuneration Committee to be finalised for adoption and was discussed in depth and unanimously adopted by the Supervisory Board.

Annex ./1: Remuneration Policy

## Agenda Item 8

The Management Board and the Supervisory Board propose that the Annual General Meeting pass the following resolution:

### RESOLUTION

Section 19 of the Articles of Association will be amended to read as follows

19.	Hauptversammlung	Shareholders' meeting
19.10	<del>Die Gesellschaft ist berechtigt, die Hauptversammlung in Ton und Bild aufzuzeichnen und öffentlich zu übertragen</del>	<del>The Company is entitled to record the shareholders' meeting in sound and vision and to broadcast it publicly.</del>
19.10	Der Vorstand ist mit Zustimmung des Aufsichtsrats ermächtigt vorzusehen, dass die Aktionäre an der Hauptversammlung während ihrer gesamten Dauer von jedem Ort aus mittels einer akustischen und allenfalls auch optischen Zweiweg-Verbindung in Echtzeit teilnehmen können, die es den Aktionären ermöglicht, den Verlauf der Verhandlungen zu folgen, und sich, sofern ihnen der Vorsitzende das Wort erteilt, selbst an die Hauptversammlung zu wenden (Fernteilnahme gemäß § 102 Abs 3 Z 2 Aktiengesetz).	On approval of the Supervisory Board, the Management Board shall be authorised to ensure that the shareholders are able to participate in the shareholders' meeting in real time for its entire duration from any venue using an acoustic or, if need be, optical two-way connection that allows the shareholders to follow the proceedings of the consultations and, when given the floor by the chair, to address the shareholders' meeting themselves (remote participation in acc. with sec. 102 [3] [2] Stock Corporation Act).
19.11	Der Vorstand ist mit Zustimmung des Aufsichtsrats ermächtigt vorzusehen, dass die Aktionäre ihre Stimme während der Hauptversammlung auf elektronischem Weg von jedem Ort aus abgeben können (Fernabstimmung gemäß § 126 Aktiengesetz). In diesem Fall hat der Vorstand zu regeln, auf welche Weise die Aktionäre Widerspruch erheben können.	Once the Supervisory Board has given its approval, the Management Board shall be authorised to make such arrangements as are necessary to allow all shareholders to cast their vote by electronic means from any location during the shareholders' meeting (remote vote in accordance with sec. 126 Stock Corporation Act). Should this case arise, the Management Board will define the manner in which shareholders can raise an objection.
19.12	Der Vorstand ist mit Zustimmung des Aufsichtsrats ermächtigt vorzusehen, dass die Hauptversammlung für die nicht anwesenden Aktionäre ganz oder teilweise akustisch und allenfalls auch optisch in Echtzeit übertragen wird (Übertragung der Hauptversammlung gemäß § 102 Abs 4 Satz 1 Aktiengesetz).	Once the Supervisory Board has given its approval, the Management Board shall be authorised to make such arrangements as are necessary to acoustically or, if need be, optically transmit the shareholders' meeting in part or in whole for non-attending shareholders (transmission of the Annual

	Auch die öffentliche Übertragung der Hauptversammlung kann vorgesehen werden (§ 102 Abs 4 Satz 2 Aktiengesetz). Die Gesellschaft ist berechtigt, die Hauptversammlung in Ton und Bild aufzuzeichnen.	General Meeting pursuant to the first sentence of sec. 102 [4] Stock Corporation Act). A public broadcast of the shareholders' meeting may also be arranged (second sentence of sec. 102 [4] Stock Corporation Act). The Company is authorised to make both sound and image recordings of the shareholders' meeting.
<b>19.13</b>	Für die Fernteilnahme (Abs 19.10) und Fernabstimmung (Abs 19.11) kann eine gesonderte Anmeldung verlangt und für das Ende der Anmeldefrist auch ein von § 111 Abs 2 AktG abweichender, früherer Zeitpunkt festgelegt werden.	Separate registration for remote participation (section 19.10) and remote voting (section 19.11) can be required, and an earlier and different expiration date than the date provided for in sec. 111(2) Stock Corporation Act may be stipulated as registration deadline.
<b>19.14</b>	Im Zuge der Fernabstimmung (Abs 19.11) abgegebene Stimmen sind nichtig, wenn der Beschluss in der Hauptversammlung mit einem anderen Inhalt gefasst wird als im Formular oder in der Eingabemaske vorgesehen.	Any votes cast in a remote vote (item 19.11) shall be deemed void if the content of the resolution carried in the shareholders' meeting is different from the content indicated in the form or in the entry screen.
<b>19.15</b>	Beschlussvorschläge von Aktionären gemäß § 110 AktG werden nur dann zur Abstimmung gebracht, wenn der Antrag in der Versammlung wiederholt wird. Bei Beschlussvorschlägen von Aktionären, die an der Hauptversammlung im Wege der Fernabstimmung (Abs 19.11) teilnehmen, tritt an die Stelle des Erfordernisses nach Satz 1 die Stimmabgabe auf elektronischem Weg vor der Hauptversammlung oder die Herstellung der Verbindung zur Stimmabgabe auf elektronischem Weg während der Hauptversammlung durch den Aktionär, der den Beschlussvorschlag erstattet hat.	Draft resolutions submitted by shareholders in accordance with sec. 110 Stock Corporation Act will be put to the vote if the request is re-submitted during the Meeting. In the event of draft resolutions submitted by shareholders participating remotely in the shareholders' meeting (item 19.11), the requirement set forth in the 1st sentence shall be replaced by electronic voting ahead of the shareholders' meeting or establishment of the link for voting purposes by electronic means during the shareholders' meeting by the shareholder submitting the draft resolution.

From this point forward, original section 19.11 of the Articles of Association will be section 19.16.

## JUSTIFICATION

The COVID-19 pandemic has shown that it may become necessary to hold the Annual General Meeting without the physical attendance, or only limited physical attendance, of shareholders so as to protect the health of everyone. These amendments to the Articles of Association are being put forward so that all the options for electronic participation in an Annual General Meeting provided for by the Stock Corporation Act can be used.