

(Consolidated) corporate governance report

Erste Group Bank AG is a stock corporation established according to Austrian law and since 2003 has declared its commitment to complying with the rules of the Austrian Code of Corporate Governance (Austrian CCG – see www.corporate-governance.at) with the objective of ensuring responsible and transparent corporate governance. In addition, the management board adopted a Statement of Purpose in 2015. This statement reaffirms and states in more detail the purpose of Erste Group Bank AG to promote and secure prosperity throughout the region in which Erste Group is active. Building on this Statement of Purpose, a Code of Conduct defines binding rules for day-to-day business. Erste Group values responsibility, respect and sustainability in pursuing its business activities. The Code of Conduct therefore helps to protect the reputation of Erste Group and to strengthen stakeholder confidence.

The Corporate Governance Report has been prepared in accordance with sections 243c and 267b of the Austrian Commercial Code and Rules 60 et seq. of the Austrian CCG and combines the corporate governance report of Erste Group Bank AG, the parent, and the consolidated corporate governance report in one single report. The management board has also prepared a (consolidated) non-financial report in accordance with sections 243b and 267a of the Austrian Commercial Code for the financial year 2021, which is released as part of the annual report. Beginning with the 2020 financial year, information on the total remuneration of individual members of the management board or the supervisory board and on the principles governing the remuneration policy are no longer disclosed in this consolidated corporate governance report, but in a separate remuneration report pursuant to section 78e Austrian Stock Corporation Act.

In the 2021 financial year, Erste Group Bank AG complied with all L-Rules (Legal Requirements – mandatory legal norms) and R-Rules (Recommendations – these rules are more similar to recommendations; non-compliance does not need to be disclosed or explained) as well as – with two exceptions – all C-Rules (Comply-or-Explain – deviations are permitted but must be explained) of the Austrian CCG. The deviations are described and explained below:

- Pursuant to C-Rule 2 of the Austrian CCG, shares are to be construed in accordance with the principle of one share – one vote, i.e. investors have one vote per share and no right to nominate members to the supervisory board. Under Erste Group Bank AG's articles of association (Art. 15.1), DIE ERSTE österreichische Spar-Casse Privatstiftung is, however, granted the right to nominate up to one third of the members of the supervisory board to be elected by the shareholder meeting as long as it is liable for all present and future liabilities of Erste Group Bank AG in case of its insolvency according to section 92 para 9 of the Austrian Banking Act. The Privatstiftung has not exercised this right to date.

- Pursuant to C-Rule 52a of the Austrian CCG, the number of supervisory board members (without employees' representatives) shall be ten at most. In 2021, the supervisory board of Erste Group Bank AG comprised twelve members elected by the annual general meeting. The deviation from C-Rule 52a of the Austrian CCG is due to the size of Erste Group and its market position in seven core markets in Central and Eastern Europe as well as to the fact that the supervisory board must perform a multitude of financial-market-related and prudential review and oversight duties. Moreover, the supervisory board must meet various criteria to comply with diversity requirements.

The management board is responsible for managing the company as required for the benefit of the company taking into account the interests of the shareholders and the employees as well as public interest. The management board takes its decisions in compliance with the articles of association and its internal rules as well as the Statement of Purpose.

Selection and assessment of members of management bodies

The qualification requirements for members of the management bodies (management board and supervisory board) of Erste Group Bank AG are governed by the internal guidelines for the selection and assessment of members of the management and supervisory boards (Suitability Policy). These guidelines define, in accordance with applicable legal provisions, the internal framework for the selection and assessment of members of the management bodies. The assessment of proposed and appointed members of management bodies is based on the following criteria: personal reputation, professional qualifications and required experience as well as potential conflicts of interest, independence, time availability, overall composition of the management or supervisory board and diversity.

Training and development

To maintain an appropriate level of professional qualification of members of the management bodies, Erste Group regularly organises events and seminars for members of the management board and supervisory board and facilitates their participation in external training events. The in-house training programme in 2021 covered the following matters, for example: training about the rights and obligations of a supervisory board, specifically the supervisory board of a holding company, crypto-currencies as well as digital currencies in general, the law on banking supervision and the application of acts of law of relevance to banks, cybersecurity and other IT matters, and remuneration systems, including variable remuneration.

MANAGEMENT BOARD

In 2021, the management board consisted initially of seven then six members.

| Management board member | Year of birth | Date of initial appointment | End of current period of office |
|---------------------------|---------------|-----------------------------|---------------------------------|
| Bernhard Spalt (Chairman) | 1968 | 1 July 2019 | 30 June 2023 |
| Ingo Bleier | 1970 | 1 July 2019 | 30 June 2026 |
| Stefan Dörfler | 1971 | 1 July 2019 | 31 December 2023 |
| Alexandra Habeler-Drabek | 1970 | 1 July 2019 | 31 December 2023 |
| David O'Mahony | 1965 | 1 January 2020 | 31 December 2022 |
| Maurizio Poletto | 1973 | 1 January 2021 | 31 December 2023 |
| Thomas Schaufler | 1970 | 1 January 2021 | 31 October 2021 |

Thomas Schaufler resigned from the management board as of 31 October 2021. On 16 December 2021, the supervisory board

extended Ingo Bleier's management board mandate until 30 June 2026.

| Management board member | Areas of responsibility |
|--------------------------------------|---|
| 1 January to 31 October 2021 | |
| Bernhard Spalt (Chairman) | Group Human Resources, Human Resources, Group Secretariat, Group Audit, Brand Strategy & Communications, Group Investor Relations, Group Strategy, Group Board Support & Corporate Affairs, Group Sustainability Office, Social Banking Development |
| Ingo Bleier | Group Corporates, Group Commercial Real Estate, Group Markets, Group Product and Business Management C. and M., Group Research |
| Stefan Dörfler | Group ALM, Group Portfolio Management & Governance, Group Data Management and Reporting, Group Accounting and Group Controlling |
| Alexandra Habeler-Drabek | Group Compliance, Credit Risk Methods, Retail Risk Management, Credit Risk Portfolio, Group Legal, Corporate Risk Management, Enterprise wide Risk Management, Group Liquidity and Market Risk Management |
| David O'Mahony | CIO Group Functions, Group Architecture, Banking Services, Group Security, Governance and Steering |
| Maurizio Poletto | Innovation Hub (Erste Hub), Platform Governance |
| Thomas Schaufler | Group Retail Strategy |
| Starting with 1 November 2021 | |
| Bernhard Spalt (Chairman) | Group Human Resources, Human Resources, Group Secretariat, Group Audit, Brand Strategy & Communications, Group Investor Relations, Group Strategy, Group Board Support & Corporate Affairs, Group Sustainability Office, Social Banking Development |
| Ingo Bleier | Group Corporates, Group Commercial Real Estate, Group Markets, Group Product and Business Management C. and M., Group Research, Group Retail Strategy (temporarily) |
| Stefan Dörfler | Group ALM, Group Portfolio Management & Governance, Group Data Management and Reporting, Group Accounting and Group Controlling |
| Alexandra Habeler-Drabek | Group Compliance, Credit Risk Methods, Retail Risk Management, Credit Risk Portfolio, Group Legal, Corporate Risk Management, Enterprise wide Risk Management, Group Liquidity and Market Risk Management |
| David O'Mahony | CIO Group Functions, Group Architecture, Banking Services, Group Security, Governance and Steering |
| Maurizio Poletto | Innovation Hub (Erste Hub), Platform Governance |

Management positions in subsidiaries

Stefan Dörfler

Erste Bank der oesterreichischen Sparkassen AG, management board member (since 1 January 2022)

Alexandra Habeler-Drabek

Erste Bank der oesterreichischen Sparkassen AG, management board member

Thomas Schaufler

Erste Bank der oesterreichischen Sparkassen AG, management board member (until 31 October 2021)

Supervisory board mandates and similar functions

As of 31 December 2021, the management board members held the following supervisory board mandates or similar functions in domestic or foreign companies or material subsidiaries of Erste Group Bank AG (the latter are marked with *).

Bernhard Spalt

Česká spořitelna, a.s.*, Chair

Banca Comercială Română S.A.*, Vice Chair

Ingo Bleier

Erste Bank der oesterreichischen Sparkassen AG*, Member

Erste & Steiermärkische Bank d.d.* (Erste Bank Croatia), Member

Erste Bank a.d. Novi Sad*, Chair

Oesterreichische Kontrollbank Aktiengesellschaft, Member

Stefan Dörfler

Banca Comercială Română S.A.*, Member

Česká spořitelna, a.s.*, Member

Erste Digital GmbH*, Member

Slovenská sporiteľňa, a.s.*, Chair (until 31 December 2021)

Sparkassen-Haftungs GmbH*, Member

Wiener Börse AG, Member

Erste Bank der oesterreichischen Sparkassen AG*, Member (until 31 December 2021)

Alexandra Habeler-Drabek

Erste Bank Hungary Zrt.*, Member

David O'Mahony

Erste Digital GmbH*, Chair
 Erste Bank a.d. Novi Sad*, Member
 Slovenská sporiteľňa, a.s.*, Member (from 1 February 2021)

Maurizio Poletto

Česká spořitelna, a.s.*, Member
 Erste Bank Hungary Zrt.*, Member
 Erste Digital GmbH*, Member

SUPERVISORY BOARD

In the 2021 financial year, the following persons were members of the supervisory board:

| Position | Name | Year of birth | Occupation | Date of initial appointment | End of the current period of office |
|--|--------------------------------|---------------|---|-----------------------------|-------------------------------------|
| Chairman | Friedrich Rödler | 1950 | Auditor and tax advisor | 4 May 2004 | AGM 2022 |
| 1 st Vice Chairman | Jan Homan | 1947 | General Manager, ret. | 4 May 2004 | AGM 2022 |
| 2 nd Vice Chairman | Maximilian Hardegg | 1966 | Entrepreneur | 12 May 2015 | AGM 2025 |
| Member | Matthias Bulach | 1976 | Head of Financial Accounting, Control and Capital | 15 May 2019 | 31 December 2021 |
| Member | Henrietta Egerth-Stadlhuber | 1971 | Managing Director | 26 June 2019 | AGM 2022 |
| Member | Jordi Gual Solé | 1957 | Chairman Board of Directors | 17 May 2017 | 31 December 2021 |
| Member | Marion Khüny | 1969 | Consultant | 17 May 2017 | AGM 2022 |
| Member | Elisabeth Krainer Senger-Weiss | 1972 | Lawyer | 21 May 2014 | AGM 2024 |
| Member | Friedrich Santner | 1960 | Managing Director | 10 November 2020 | AGM 2023 |
| Member | Michael Schuster | 1980 | Managing Director | 19 May 2021 | AGM 2024 |
| Member | András Simor | 1954 | Senior Vice President, ret. | 10 November 2020 | AGM 2023 |
| Member | John James Stack | 1946 | CEO, ret. | 31 May 2007 | 19 May 2021 |
| Member | Michèle F. Sutter-Rüdisser | 1979 | Adjunct Professor | 15 May 2019 | AGM 2022 |
| Delegated by the employees' council | | | | | |
| Member | Markus Haag | 1980 | | 21 November 2011 | 11 January 2022 |
| Member | Regina Haberhauer | 1965 | | 12 May 2015 | until further notice |
| Member | Andreas Lachs | 1964 | | 9 August 2008 | until further notice |
| Member | Barbara Pichler | 1969 | | 9 August 2008 | until further notice |
| Member | Jozef Pinter | 1974 | | 25 June 2015 | until further notice |
| Member | Karin Zeisel | 1961 | | 9 August 2008 | until further notice |

In the 2021 financial year, the composition of the supervisory board changed as follows: The supervisory board mandate of John James Stack expired as of the end of the annual general meeting on 19 May 2021 and was not extended due to the age limit for supervisory board members specified in the articles of association of Erste Group Bank AG. Michael Schuster was newly

elected to the supervisory board at the annual general meeting. Matthias Bulach und Jordi Gual Solé resigned from the supervisory board as of 31 December 2021. Consequently, Markus Haag's delegation to the supervisory board was revoked pursuant to section 110 of the Labour Constitution Act (ArbVG) on 11 January 2022.

Membership in supervisory board committees

Committee memberships are as follows:

| | Executive committee | Nomination committee | Audit committee | Risk committee | Remuneration committee | IT committee |
|---------------|--------------------------------|--------------------------------|-------------------------------------|---------------------------------------|---|--------------------------------------|
| Chairman | Friedrich Rödler | Friedrich Rödler | Friedrich Rödler (financial expert) | Maximilian Hardegg | Friedrich Rödler (remuneration expert) | Maximilian Hardegg |
| Vice Chairman | Jan Homan | Jan Homan | Maximilian Hardegg | Jan Homan | Jan Homan | Friedrich Rödler |
| Member | Maximilian Hardegg | Maximilian Hardegg | Matthias Bulach (until 31 Dec 2021) | Henrietta Egerth-Stadlhuber | Jordi Gual Solé (until 31 Dec 2021) | Henrietta Egerth-Stadlhuber |
| Member | Elisabeth Krainer Senger-Weiss | Elisabeth Krainer Senger-Weiss | Jan Homan | Marion Khüny | Maximilian Hardegg | Marion Khüny |
| Member | Barbara Pichler | Barbara Pichler | Friedrich Santner | Elisabeth Krainer Senger-Weiss | András Simor | Michael Schuster (from 19 May 2021) |
| Member | Karin Zeisel | Karin Zeisel | Michèle F. Sutter-Rüdisser | Friedrich Rödler | John James Stack (until 19 May 2021) | Andreas Lachs |
| Member | | | Regina Haberhauer | Markus Haag (until 11 Jan 2022) | Michèle F. Sutter-Rüdisser (from 19 May 2021) | Barbara Pichler (from 19 May 2021) |
| Member | | | Barbara Pichler | Regina Haberhauer (from 11 Jan 2022) | Andreas Lachs | Karin Zeisel |
| Member | | | Jozef Pinter | Andreas Lachs | Barbara Pichler | |
| Member | | | | Jozef Pinter | Karin Zeisel | |
| Substitute | Andreas Lachs | Andreas Lachs | Marion Khüny | Regina Haberhauer (until 11 Jan 2022) | Friedrich Santner | Elisabeth Krainer Senger-Weiss |
| Substitute | Jozef Pinter | Jozef Pinter | Andreas Lachs | Barbara Pichler (from 11 Jan 2022) | Markus Haag (until 11 Jan 2022) | Markus Haag (until 11 Jan 2022) |
| Substitute | | | Karin Zeisel | Karin Zeisel | Regina Haberhauer (from 11 Jan 2022) | Regina Haberhauer (from 11 Jan 2022) |
| Substitute | | | | | Jozef Pinter | Jozef Pinter |

Mandates on supervisory boards or similar functions

As of 31 December 2021, supervisory board members held the following additional supervisory board mandates or similar functions in domestic or foreign companies. Material subsidiaries of Erste Group Bank AG are marked with *, listed companies are marked with **.

Friedrich Rödler

Erste Bank der oesterreichischen Sparkassen AG*, Chair
 Erste Bank Hungary Zrt.*, Member
 Sparkassen-Prüfungsverband, Chair
 Audit Oversight Body of Austria, Member

Jan Homan

Erste Bank der oesterreichischen Sparkassen AG*, Vice Chair
 FRAPAG Beteiligungsholding AG, Vice Chair
 Slovenská sporiteľňa, a.s.*, Vice Chair
 Loparex International Holding B.V., Member

Maximilian Hardegg

DIE ERSTE österreichische Spar-Casse Privatstiftung, Member
 Česká spořitelna, a.s.*, Member
 Constantia Industries AG, Member
 TIROLER SPARKASSE Bankaktiengesellschaft Innsbruck*, Member

Matthias Bulach

CaixaBank Payments & Consumer Finance E.F.C., S.A.U., Member
 BuildingCenter, S.A.U., Member

Henrietta Egerth-Stadlhuber

NÖ Kulturwirtschaft GesmbH, Member

Jordi Gual Solé

VidaCaixa S.A.U. de Seguros y Reaseguros, Chair
 Telefónica S.A.***, Member

Marion Khüny

KA Finanz AG, Member

Elisabeth Krainer Senger-Weiss

Gebrüder Weiss Holding AG, Vice Chair
 Gebrüder Weiss Gesellschaft m.b.H., Vice Chair
 Banca Comercială Română S.A.*, Member

Friedrich Santner

Steiermärkische Bank und Sparkassen Aktiengesellschaft*, Chair
 Styria Media Group AG, Chair
 SAG Immobilien AG, Chair

Michèle F. Sutter-Rüdisser

Spital Thurgau AG, Member
 Helsana Versicherungen AG, Member
 Graubündner Kantonalbank AG**, Member

Michael Schuster and András Simor did not hold any mandates on supervisory boards or similar functions in domestic or foreign companies as of 31 December 2021.

Member of the supervisory board retiring after the 2021 annual general meeting:

John James Stack

Ally Bank, Member

Ally Financial Inc.**, Member

Česká spořitelna, a.s.*, Chair (until 26 April 2021)

Mutual of America Capital Management, Member

Members delegated by the employees' council:

Regina Haberhauer

Erste Asset Management GmbH*, Member

Andreas Lachs

VBV-Pensionskasse Aktiengesellschaft, Member

Barbara Pichler

DIE ERSTE österreichische Spar-Casse Privatstiftung, Member

Markus Haag (until 11 January 2021), Jozef Pinter and Karin Zeisel did not hold any mandates on supervisory boards or similar functions in domestic or foreign companies.

Mechanism for shareholders and employees to provide recommendations and direction to the supervisory board

In accordance with the law and the articles of association, the employees' council has the right to delegate one member from among its ranks for every two members appointed by the annual general meeting (statutory one-third parity rule). If the number of shareholder representatives is an odd number, then one more member is appointed as an employee representative.

Measures to avoid conflicts of interest

Every year, the members of the supervisory board are obligated to consider the regulations of the Austrian CCG regarding conflicts of interest. Furthermore, new members of the supervisory board receive comprehensive information regarding the avoidance of conflicts of interest when taking up their supervisory board functions.

Independence of the supervisory board

Pursuant to C-Rule 53 of the Austrian CCG, the majority of the members of the supervisory board elected by the annual general meeting or delegated by shareholders in accordance with the articles of association shall be independent of the company and its management board. A member of the supervisory board is deemed to be independent if such person does not have any business or personal relations with the company or its management that would constitute a material conflict of interest and, therefore, might influence the member's conduct. The supervisory board adheres to the independence criteria guidelines as set out in Annex I of the Austrian CCG.

- The supervisory board member shall not have been a member of the management board or a managing employee of the company or of a subsidiary of the company in the past five years.
- The supervisory board member shall not have or not have had in the past year any business relations with the company or a subsidiary of the company to an extent of significance for the supervisory board member. This shall also apply to business relations with companies in which the supervisory board member has a significant economic interest but not to positions held in the Group's managing bodies. The approval of individual transactions by the supervisory board pursuant to L-Rule 48 does not automatically qualify the respective supervisory board member as not being independent.
- The supervisory board member shall not have served as auditor for the company or been involved in an audit or worked as an employee of the audit firm that audited the company in the past three years.
- The supervisory board member shall not serve as a management board member at another company in which a member of the company's management board is a supervisory board member.
- The supervisory board member shall not serve on the supervisory board for more than 15 years. This shall not apply to members of the supervisory board that hold investments with a business interest or that represent the interests of such a shareholder.
- The supervisory board member shall not be a close family member (child, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the management board or of persons holding one of the positions described in the points above.

Based on the above criteria, all supervisory board members have declared their independence with the exception of Friedrich Rödler and Jan Homan. Friedrich Rödler and Jan Homan have been serving on the supervisory board for more than 15 years.

No member of the supervisory board holds directly or indirectly more than 10% of the shares of Erste Group Bank AG. In 2021, two members of the supervisory board (Maximilian Hardegg and Barbara Pichler) served on a management body of DIE ERSTE österreichische Spar-Casse Privatstiftung, which holds more than 10% of the shares of Erste Group Bank AG.

Self-evaluation of the supervisory board

At its meetings of 20 January 2021 and 23 March 2021, the nomination committee performed an evaluation of the activities of the supervisory board and its committees for 2020. It discussed, for example, the supervisory board members' attendance at supervisory board and committee meetings in 2020, assessed the efficiency of the supervisory board's activities, organisation and working practice and undertook a critical review of the composition of committees. Potential conflicts of interest of management board and supervisory board members as well as the requirements of section 29 no 6 and no 7 of the Austrian Banking Act were considered, and the number of mandates and secondary activities of management and supervisory board members were reviewed. Taking into account the reports from the meetings of the nomina-

tion committee, the supervisory board announced at its meeting on 25 March 2021 that an external consultant would be called in to support its self-evaluation pursuant to C-Rule 36 of the Austrian CCG. The findings reported by this external consultant were subsequently discussed and the evaluation for 2020 was concluded with a positive assessment on 25 June 2021 in the course of the supervisory board's strategy retreat. At its meeting of 16 February 2022, the nomination committee considered, among other things, potential conflicts of interest of supervisory board members and evaluated the supervisory board's attendance at supervisory board and committee meetings in 2021. The supervisory board's self-evaluation for 2021 will be continued and completed in the course of the year.

Contracts subject to approval (C-Rule 49 Austrian CCG)

No contracts have been entered into that would require approval pursuant to section 95 para 5 no 12 of the Austrian Stock Corporation Act.

SUPERVISORY BOARD COMMITTEES AND THEIR DECISION-MAKING POWERS

The supervisory board has set up six committees: the risk committee, the executive committee, the audit committee, the nomination committee, the remuneration committee and the IT committee. Some of these committees are required by law and support the supervisory board in preparing and stating its position on all matters that the supervisory board is required to deal with. The supervisory board moreover has the right, within its statutory remit, to transfer decision-making powers to committees or to withdraw powers from the committees.

Risk committee

The risk committee advises the management board with regard to the bank's current and future risk appetite and risk strategy and monitors the implementation of this risk strategy. The committee also reviews whether the services and products offered are adequately priced in accordance with the bank's business model and risk strategy. Without prejudice to the duties of the remuneration committee, the risk committee is also responsible for reviewing whether the incentives offered by the internal remuneration system adequately take into account risk, capital, liquidity and the probability and timing of profit realisation. The risk committee is responsible for granting approval in all those cases in which loans and exposures or large exposures reach an amount exceeding the approval authority of the management board defined in the approval authority regulation. The approval of the risk committee is required for large loans as defined in section 28b of the Austrian Banking Act. In addition, it may grant advance approvals to the extent permitted by law. The risk committee is responsible for monitoring the risk management of Erste Group Bank AG. The supervisory board has delegated to the risk committee the right to approve the establishment and closure of branches and to grant special statutory power of attorney (Prokura) or commercial power (Handlungsvollmacht) for all business operations. The committee

is responsible for monitoring the Group's portfolio of participations except in cases where this is the responsibility of the audit committee. The tasks of the risk committee include the acknowledgement of reports on legal disputes as well as on important audits of subsidiaries conducted by regulatory authorities. In addition, the risk committee is responsible for reviewing potential stress scenarios in order to assess how the bank's risk profile reacts to external and internal events. Furthermore, the risk committee assesses recommendations of internal and external auditors and monitors the appropriate implementation of measures taken that are not covered by reports of other committees. It also advises and supports the supervisory board in monitoring current and future risk appetite and the risk strategy and submits recommendations on required adjustments to the risk strategy to the supervisory board. Pursuant to the non-legally binding *Expectations for Banks* document published by the Single Resolution Board (SRB) on 1 April 2020, the risk committee is also tasked with taking note of regular reports on activities relating to Erste Group's resolution planning and resolvability.

Executive committee

The executive committee meets on an ad hoc basis at the supervisory board's request for the purpose of preparing specific topics for meetings or for circular resolutions. The committee may also be assigned the power to take final decisions. In case of imminent danger and to prevent significant damage, the executive committee may be convened by its chairperson in order to take action in the interest of the company even without a specific mandate from the supervisory board.

Audit committee

The audit committee is responsible for overseeing the accounting process; monitoring the implementation of accounting policies; monitoring the effectiveness of the company's internal control system, internal audit system and risk management system; overseeing the annual audit of single-entity and consolidated financial statements; reviewing and supervising the independence of the auditor (Group auditor), in particular with respect to the additional services rendered to the audited company and the group companies; submitting a report on the results of the annual audit to the supervisory board and explaining how the annual audit has affected the reliability of financial reporting and the role of the audit committee in doing so; reviewing the annual financial statements and preparing their approval; reviewing the proposal for the allocation of profits, the management report and the (consolidated) corporate governance report as well as the (consolidated) non-financial report and submitting a report on the results of the review to the supervisory board; reviewing the consolidated financial statements of the group and the group management report and submitting the report on the results of the review to the supervisory board; selecting, if required, an external auditor for auditing the (consolidated) corporate governance report and the (consolidated) non-financial report; carrying out the procedure for the selection of the auditor (group auditor), taking into account the appropriateness of the fees and recommending the appointment of the auditor

(group auditor) to the supervisory board; recommending the renewal of the auditor's (group auditor's) mandate to the supervisory board; acknowledging the additional report of the auditor and discussing this report; acknowledging timely information on the focal points of the audit and submitting proposals for additional focal points of the audit; taking note of the annual financial statements of material subsidiaries and of the participations report; acknowledging the audit plan of the company's internal audit function; acknowledging information on current matters relevant to the internal audit of the Group and on the efficiency and effectiveness of the internal audit; acknowledging the internal auditors' report on the audit areas and material audit findings and the activity report pursuant to Article 25 (3) in conjunction with Article 24 of the Delegated Regulation (EU) 2017/565; in the case of on-site inspection conducted by supervisory authorities acknowledging the inspection report, the report on the contents of the plan to address identified findings and/or the result of administrative proceedings initiated on the basis of the identified findings; acknowledging immediate information on material findings of the auditor, the internal audit function or an audit conducted by a regulatory authority; acknowledging immediate information on loss events that could exceed 5% of consolidated equity or 10% of the budgeted net result; acknowledging reports of the management board on current developments and compliance regarding corporate governance and anti-money laundering rules; acknowledging the compliance activity report pursuant to Article 25 (3) in conjunction with Article 22 of the Delegated Regulation (EU) 2017/565. The audit committee is also responsible for preparing supervisory board decisions concerning the approval of the conclusion of a material transaction pursuant to section 95a of the Austrian Stock Corporation Act (AktG) and overseeing its execution as well as overseeing and periodically (re-)assessing this material transaction; taking note of cases of damage or loss at Erste Group that are reported to the audit committee by internal audit as part of significant audit findings provided they exceed thresholds previously defined by the audit committee; pre-consenting to the removal of the head of internal audit from their position and involvement in the process of filling the position of head of internal audit. Pursuant to the – non-legally binding – *Expectations for Banks* document published by the Single Resolution Board (SRB) on 1 April 2020, the audit committee is tasked with monitoring the effectiveness of Erste Group Bank AG's internal quality control with regard to resolution-relevant information, including rules ensuring the completeness and accuracy of data, by regularly receiving, reviewing and taking into account audit reports on this theme. Pursuant to section 92 para 4a no 3 Austrian Stock Corporation Act and section 30g para 4a no 3 Austrian Limited Liability Companies Act, the audit committee may also take on the tasks and other duties of the audit committee for subsidiaries in which Erste Group Bank AG directly or indirectly holds an interest of at least 75%.

Nomination committee

Meetings of the nomination committee are held as needed (at least once a year) or when a member of the committee or of the manage-

ment board requests a meeting. The nomination committee submits proposals to the supervisory board for filling management board mandates that become vacant and deals with issues of succession planning. The committee decides on the employment contracts for members of the management board. It deals with and decides on relationships between the company and the members of the management board except for resolutions to appoint members to the management board or revoke such appointments and on the granting of company stock options. Furthermore, the nomination committee supports the supervisory board in making proposals to the annual general meeting for filling supervisory board mandates that have become vacant. In filling vacant management board and supervisory board mandates, the focus is in particular on the members' personal and professional qualifications, but also a well-balanced board composition in terms of expertise, a well-balanced and broad range of knowledge, skills and experience of the members on each body (collective suitability) and on aspects of diversity. The nomination committee also defines a target quota for the underrepresented gender and develops a strategy to achieve this target. The nomination committee furthermore adopts the internal policy for dealing with conflicts of interest for the management board and the supervisory board, monitors compliance with it and regularly reports to the supervisory board on existing conflicts of interest and the measures taken to control them. The nomination committee must ensure that the management board's and the supervisory board's decision-making processes are not dominated by one single person or a small group of persons. The nomination committee periodically assesses the management board's and the supervisory board's structure, size, composition and performance and submits proposals for changes to the supervisory board, if necessary. In addition, the nomination committee must conduct periodic assessments of the expertise, skills and experience of both the management board members and the individual members of the supervisory board as well as of each body in its entirety and report its findings to the supervisory board. As regards the selection for senior management positions, the nomination committee must review actions taken by the management board and supports the supervisory board in making recommendations to the management board.

Remuneration committee

The remuneration committee prepares resolutions on remuneration matters, including resolutions that have an impact on the bank's risk and risk management and must be passed by the supervisory board. The remuneration committee approves the general principles of remuneration policy, reviews them regularly and is also responsible for their implementation. The committee monitors remuneration policy, remuneration practices and remuneration-linked incentive programmes in relation to the control, monitoring and containment of risks, the capital base and liquidity, with due regard to the long-term interests of the bank's shareholders, investors and employees as well as the national interest in a well-functioning banking system and financial market stability. The committee approves exceptions from the application of the remuneration policy to individual staff members of the company and monitors the payment of variable remuneration to members of the

management board and to the company's second management level as well as to management board members of major subsidiaries. It furthermore reviews the (variable) remuneration of senior managers of the company performing independent control functions such as risk management and compliance and of staff members having a significant impact on the company's risk profile. In addition, it approves the identification of employees having a significant impact on the company's risk profile and reviews the criteria on which the management board's decision is based as well as the procedure used in taking such decisions. The committee also ensures that information on the remuneration policy and practices provided to shareholders is appropriate. Once a year, the committee is presented with a comprehensive report on the remuneration system including key performance indicators as well as a report on the situation regarding personnel and management in the Group. The remuneration committee also prepared the principles for the remuneration of management and supervisory board members pursuant to sections 78a and 98a of the Austrian Stock Corporation Act (Remuneration Policy according to Austrian Stock Corporation Act). In addition, it is responsible for preparing the report on the remuneration of management and supervisory board pursuant to sections 78a and 98a of the Austrian Stock Corporation Act (Remuneration Report according to Austrian Stock Corporation Act), reviewing it and, subsequently, reporting the audit findings to the supervisory board and, if required, selecting the external auditor for the audit of the remuneration report.

IT committee

The IT committee monitors and supervises IT-related issues and IT strategy in general. In addition, the IT committee is also responsible for taking note of IT reports, of reports on the IT outsourcing strategy and on the outsourcing of IT-related functions; taking note of the Group IT budget; of reports on the status of the IT support function and on the development of key IT initiatives and projects; monitoring the capacity and performance of systems, operating continuity and crisis management, data security, computer and network security and taking note of critical changes in the organisational structure and responsibilities of the IT department.

MEETINGS OF THE SUPERVISORY BOARD AND REPORT ON PRINCIPAL ACTIVITIES

Seven meetings of the supervisory board were held in the 2021 financial year.

At the ordinary meetings of the supervisory board, the respective monthly developments of the balance sheet and the income statement were presented and reports were given on individual risk types and the bank's total risk exposure; the status of individual bank subsidiaries in Central and Eastern Europe was discussed, and quarterly reports were delivered on the areas audited and on the internal audit department's material audit findings pursuant to section 42 para 3 of the Austrian Banking Act. The chairpersons of the committees reported on the main topics dealt with by the

committees since the last supervisory board meeting. Recurring topics at supervisory board meetings in 2021 were reports on Erste Group's view of the current Covid-19 situation as well as of current regulatory developments in the banking environment and their impact on Erste Group. The management board regularly presented proposals to the supervisory board that required its approval under the law, the articles of association and internal rules.

At the meeting of 25 March 2021, the 2020 financial statements and management report, the 2020 consolidated financial statements and management report, the 2020 (consolidated) corporate governance report as well as the 2020 (consolidated) non-financial report were extensively discussed and reviewed; the auditors' reports and the audit committee's report pursuant to section 63a para 4 no 5 Austrian Banking Act were discussed and the 2020 financial statements were adopted in accordance with the recommendation of the audit committee. It was also decided to propose PwC Wirtschaftsprüfung GmbH to the annual general meeting in 2021 as an additional auditor of the (consolidated) financial statements for the 2022 financial year. The supervisory board's report pursuant to section 96 Austrian Stock Exchange Act was discussed at length and approved. The report on the assessment of the effectiveness of risk management was submitted to the supervisory board by the chairman of the audit committee, and the list prepared pursuant to C-Rule 82a of the Austrian CCG was taken note of. The annual report of the supervisory board on loans to board members pursuant to section 28 para 4 of the Austrian Banking Act was discussed and approved. In addition, the supervisory board performed a self-evaluation pursuant to C-Rule 36 of the Austrian CCG, took note of the report on the evaluation of the supervisory board by the nomination committee pursuant to section 29 of the Austrian Banking Act and decided to call in an external consultant to continue the evaluation. The rules of procedure of the risk committee were amended.

At the meeting of 14 April 2021, which was also attended by members of the supervisory authorities' Joint Supervisory Team, who gave presentations and answered questions raised by supervisory board members, note was taken of the annual report of Group Compliance, the report on the collective suitability of the supervisory board and the annual report on conflicts of interest. In addition, the group-wide diversity policy and the goals specified for it were defined and approved, reports of management board members on their respective areas of responsibility were taken note of and resolution proposals for the annual general meeting in May 2021 were discussed and approved. The management board's variable remuneration and the remuneration report prepared for the 2020 financial year pursuant to the Austrian Stock Corporation Act as well as the remuneration policy pursuant to the Austrian Stock Corporation Act were adopted.

At the constituent meeting of 19 May 2021 held after the annual general meeting, the members of the supervisory board's remuneration committee and the IT committee were newly elected.

The composition of the other committees of the supervisory board remained unchanged.

At the meeting of 24 June 2021, note was taken of reports delivered by the management board of Erste Group Bank AG. In addition, a report on Erste Group's capital market activities was discussed. The group-wide diversity policy and framework plans for the issuance of certificates and warrants were adopted.

At the meeting of 16 September 2021, the supervisory board took note of the reports of the management board. Erste Group's strategy and a number of key matters were discussed with the management board in great depth. An update on the situation in the capital market and the Group Recovery Plan were taken note of. A bid to be made for the acquisition of a bank was approved and comments were made on an extraordinary general meeting of Erste Group Bank AG to be held in 2021. Resolutions were passed on the procedure to be followed with regard to the external audit of the (consolidated) non-financial report and the remuneration report pursuant to the Austrian Stock Corporation Act. The resignation of Thomas Schaufler from the management board of Erste Group Bank AG as of 31 October 2021 was taken note of.

At the meeting of 19 October 2021, the supervisory board adopted the recommendation to the 2021 general meeting on the appropriation of profit after extensive debate and agreed to convene the general meeting. Reports of the management board, including a strategy update, were taken note of. Succession planning for Retail was discussed. The rules of procedure of the audit committee and the remuneration committee were amended and resolutions were passed on management board remuneration.

At the meeting of 16 December 2021, reports of the management board and on cyber risk were taken note of. Erste Group's strategy was discussed and the status report on a subsidiary bank was taken note of. Ingo Bleier's management board mandate was extended as recommended by the nomination committee. In addition, the supervisory board changed the remuneration policy pursuant to the Austrian Stock Corporation Act and adopted Erste Group's capital plan for the 2022 to 2026 financial years as well as the budget, the investment plan and the capital plan of Erste Group Bank AG for 2022 to 2026, an update of the participation guidelines and general resolutions on the implementation of a new employee share programme. An anticipatory resolution was made pursuant to section 95 para 5 no 12 of the Austrian Stock Corporation Act and a resolution was adopted on long-term funding activities in the 2022 financial year. At the end of December 2021, the rules of procedure of the audit committee were approved by circular resolution.

At a strategy retreat held on 24 and 25 June 2021, the supervisory board considered strategies for Erste Group comprehensively and in great depth. The management board and other experts were invited to join in more detailed debates. In addition, the supervi-

sory board completed its evaluation pursuant to C-Rule 36 Austrian CCG, taking into account the recommendations and findings of the external consultant.

MEETINGS OF THE COMMITTEES AND REPORT ON ACTIVITIES

The risk committee held sixteen meetings in 2021, at which it regularly took decisions on exposures and loans exceeding the powers of the management board, was briefed on loans granted within the scope of authorisation of the management board and approved the granting of statutory powers of attorney (Prokura). The committee was regularly informed on the risk strategy, risk appetite, the monitoring required to comply with these limits, individual risk types, risk-bearing capacity and large exposures. Furthermore, reports were given on current regulatory risk topics, on compliance matters at single-entity and group levels, cyber risk management, the impact on non-financial standards on lending and the situation of specific sectors and industries, including the real estate and automotive industries and the resulting impact on the risk strategy. Further items on the agenda were audits by supervisory authorities, internal risk models, an update on the Graben project and various legal disputes. Reports were regularly delivered on risk development in individual countries and subsidiaries. Without prejudice to the duties of the remuneration committee, the risk committee members were also informed on whether the incentives offered by the internal remuneration system adequately account for risk, capital, liquidity and the probability and timing of profit realisation. Also on the agenda were reports on stress tests. In addition, the members of the risk committee were informed about developments in the corporate workout portfolio in general and major workout cases in particular. A strong focus was also on the economic fallout of the Covid-19 pandemic and its implications for Erste Group.

The executive committee held two meetings in 2021 to consider the fulfilment of conditions for the payout of the dividend for the 2019 financial year as agreed by the annual general meeting on 10 November 2020 and to discuss the potential acquisition of a bank in depth.

The audit committee met seven times in 2021 and, in addition, held one informal meeting to prepare the meeting on the review of the (consolidated) financial statements. The external auditors were present at all meetings. Among other things, the auditors reported on the audit of the single-entity and consolidated financial statements for 2020 and the audit committee subsequently conducted the final discussion. The financial statements and the management report, the consolidated financial statements and the management report as well as the (consolidated) corporate governance report and the (consolidated) non-financial report were reviewed and the financial statements recommended for approval by the supervisory board. The additional report of the auditors pursuant to Article 11 of Regulation (EU) No 537/2014 was taken note of. The head of the internal audit department reported on the

audit subjects and material audit findings for the year 2020 and, on an ongoing basis, about audit-relevant matters in the group and explained the audit plan for 2021. The internal audit department presented its reports pursuant to section 42 para 3 of the Austrian Banking Act, on the quality assurance programme and on resolution-related audit findings as well as the compliance department pursuant to Article 25 para 3 in conjunction with Article 24 of the Delegated Regulation (EU) No 565/2017. In addition, a report was delivered on the assessment of the functionality of the risk management system pursuant to Rule 83 of the Austrian CCG and on the effectiveness of the internal control system. Based on these reports, the audit committee monitored the effectiveness of the internal control system, the internal audit system and the risk management system pursuant to section 63a para 4 no 2 of the Austrian Banking Act. The audit committee also discussed its work plan for 2022 and defined agenda topics for the meetings. It was decided to recommend the renewal of the audit mandate of PwC Wirtschaftsprüfung GmbH as additional auditor of the (consolidated) financial statements for the 2023 financial year to the supervisory board. The auditors provided information about the preliminary audit of the single-entity and consolidated financial statements for 2021. In addition, discussions were held on the reports on the development of participations, the half-year report as of 30 June 2021 and the 2020 management letter. Audit reports on on-site inspections conducted by supervisory authorities were taken note of, as were reports on the contents of the plan to address the findings made. The audit committee continuously reviewed and monitored the independence of the auditors of the (consolidated) financial statements with a particular focus on non-audit services rendered for Erste Group pursuant to section 63a para 4 no 4 of the Austrian Banking Act. Among other things, the audit committee gave pre-approval to permissible non-audit services rendered by the (group) auditor and received reports on their current status. The audit committee's report on activities included in the 2020 annual report was discussed and approved. The exchange of views between the audit committee and the auditors in the absence of the management board pursuant to C-Rule 81a of the Austrian CCG was conducted in December 2021. The head of internal audit was also evaluated by the audit committee. The annual report of Group Regulatory Compliance was taken note of. The impact of the Covid-19 pandemic on Erste Group was discussed regularly, particularly from an accounting perspective.

The nomination committee held five meetings in 2021. One of the meetings reviewed whether the requirements for the extension of the contract and early re-appointment of Ingo Bleier had been met. As the result was positive, a recommendation to this effect was made to the supervisory board. In addition, the resignation of Thomas Schaufler as of 31 October 2021 was discussed and the required resolutions were passed. Succession planning for Retail was discussed by the nomination committee at great length. The nomination committee furthermore conducted a fit and proper assessment of Michael Schuster for the elections to the supervisory board at the annual general meeting of Erste Group Bank AG

on 19 May 2021. In addition, the nomination committee reviewed the evaluation of the supervisory board and the management board pursuant to C-Rule 36 of the Austrian CCG and section 29 nos 6 and 7 of the Austrian Banking Act and considered, in particular, the possible conflicts of interest and the attendance at meetings by supervisory board members. The collective suitability of the management board was likewise established, and the report on the collective suitability of the management board and the supervisory board was discussed in general, with a special focus on members' time availability. The report on the selection of senior management pursuant to section 28 of the Austrian Banking Act was taken note of.

The remuneration committee met five times in 2021 and, in addition, held one informal meeting to prepare the resolutions on the remuneration policy and the 2020 remuneration report, each pursuant to the Austrian Stock Corporation Act. The supervisory board's resolution on the management board's variable remuneration was prepared and adopted in line with the ECB recommendation. In addition, various remuneration topics relating to Erste Group Bank AG were discussed and approved, including the structure of key performance indicators, the bonus policy, including the requirements for the payment of variable remuneration components, and remuneration rules for Material Risk Takers as well as the question of which employees are subject to these rules. Supervisory board remuneration was discussed and assessed as comprehensively as that of the management board. In addition, changes to the internal remuneration policy of Erste Group Bank AG and Erste Group and the remuneration policy pursuant to section 78a Austrian Stock Corporation Act were approved, and a report was presented on the current status of the 2021 remuneration report being drawn up pursuant to section 78e Austrian Stock Corporation Act. Reports were delivered on the remuneration of directors in countries in which Erste Group operates and on the review of the internal remuneration policy by internal audit. The remuneration committee furthermore discussed a potential new employee share programme and communicated its recommendation to the supervisory board.

The IT committee met four times in 2021. The main topics were periodic updates on IT projects of Erste Group Bank AG and within Erste Group, priorities of IT activities in 2021, the timeline set for their implementation and impacts on ongoing processes. The merger of s IT Solutions AT Spardat GmbH and Erste Group IT International GmbH creating Erste Digital GmbH was supported and its implementation reported on continuously. The IT project portfolio and IT governance for Erste Group as well as IT risk management were considered on an ongoing basis. Reports were also delivered and presented on strategic priorities for 2021 and individual projects were explained in detail. At year-end, a 2021 year-end report was provided along with an outlook on Erste Group IT activities going forward. The advisor of the IT committee presented his view of developments in the banking sector in general. A major subsidiary bank provided an update on its IT development. Reports were also delivered on IT security,

outsourcing governance, the strategy concerning use of data while handling data, digitalisation and the current status of various infrastructure projects. In addition, the IT budget and IT costs were discussed, and the impact of the Covid-19 pandemic explained from an IT perspective. The restructured COO organisation was presented.

Attendance of supervisory board meetings

In 2021, all members of the supervisory board attended more than half of the supervisory board and committee meetings that took place after their election or delegation to the supervisory board or before their resignation from their mandate or revocation of their delegation.

Furthermore, in 2021, the ordinary members of the supervisory board or their substitutes, if applicable, attended in person, by videoconferencing or teleconferencing at least half of the committee meetings held after their election or delegation to the supervisory board or before resigning from their mandate or their delegation being revoked.

The following table shows the attendance of meetings by ordinary members without accounting for the attendance of substitute members. In the exceptional circumstances caused by Covid-19 in 2021, members attending virtual meetings only via acoustic channels are still considered to be in regular attendance in all regards under an ordinance issued by the Federal Ministry of Justice.

Meeting attendance

| Name | Supervisory board (7 meetings) | Risk committee (16 meetings) | Executive-committee (2 meeting) | Audit committee (7 meetings) | Nomination committee (6 meetings) | Remuneration committee (5 meetings) | IT committee (4 meetings) |
|--------------------------------|--------------------------------|------------------------------|---------------------------------|------------------------------|-----------------------------------|-------------------------------------|---------------------------|
| Friedrich Rödler | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Jan Homan | 100% | 100% | 100% | 100% | 100% | 100% | |
| Maximilian Hardegg | 100% | 88% | 50% | 86% | 67% | 100% | 100% |
| Matthias Bulach | 100% | | | 100% | | | |
| Henrietta Egerth-Stadlhuber | 100% | 81% | | | | | 100% |
| Jordi Gual Solé | 100% | | | | | 80% | |
| Marion Khüny | 100% | 100% | | | | | 100% |
| Elisabeth Krainer Senger-Weiss | 100% | 100% | 100% | | 100% | | |
| Friedrich Santner | 100% | | | 100% | | | |
| Michael Schuster | 100% ² | | | | | | 100% ² |
| András Simor | 100% | | | | | 100% | |
| John James Stack | 100% ¹ | | | | | 100% ¹ | |
| Michèle F. Sutter-Rüdisser | 100% | | | 86% | | 100% ² | |
| Markus Haag | 100% | 88% | | | | | |
| Regina Haberhauer | 71% | | | 86% | | | |
| Andreas Lachs | 86% | 81% | | | | 60% | 100% |
| Barbara Pichler | 100% | | 50% | 86% | 100% | 60% | 100% ² |
| Jozef Pinter | 100% | 94% | | 86% | | | |
| Karin Zeisel | 100% | | 100% | | 100% | 80% | 100% |

¹ member until 19 May 2021, ² member since 19 May 2021

PROMOTING WOMEN TO MANAGEMENT BOARDS, SUPERVISORY BOARDS AND MANAGING POSITIONS

Promoting women and achieving a balanced representation of women and men in management positions has long been a priority within Erste Group. In 2021, women held 48.2% (2020: 50.4%) of all management positions in the Holding and local banking subsidiaries (i.e. the levels 1 to 4). The proportion of women in top management positions (i.e. the levels 1 and 2, board members and board minus 1 level) in the Holding and the local banking subsidiaries stood at 25.3% (2020: 26.6%). The highest shares of women in top positions were reported by Erste Bank Serbia (42.9%), Erste Bank Croatia (33.3%) and Banca Comercială Română (32.1%).

In 2021, Alexandra Habeler-Drabek served as CRO in the management board of Erste Holding, resulting in a 16.7% share of

women in the board of six people. At year-end 2021, women accounted for 38.9% of the Holding's supervisory board members (2020: 38.9%). The target of 35% female representation at supervisory board level was also reached in Erste Bank Hungary and Banca Comercială Română. Taking into account all local banking subsidiaries, 33.8% (2020: 37.5%) of all supervisory board seats were held by women.

Erste Group is committed to the target of 37% women in top management by 2025. The corridor of 40 to 60% that had been adopted for all management positions has already been reached. To increase the proportion of women in top management in a sustainable manner, a number of group-wide initiatives were adopted in 2021, including mentoring programmes, structured succession planning for top positions, continuous data monitoring as well as initiatives aiming at a better work-life balance in management positions. Another instrument was the more balanced gender and age structure in talent and succession pools.

In Austria, initiatives such as the Erste Women's Hub employee resource group, the WoMentoring programme, financial education for women, networking events for female employees and clients were continued. The latter was very successfully converted into online formats in response to the work environment induced by Covid. Another focus area in 2021 was again encouraging more men to take advantage of parental leave options and flexible working. Česká spořitelna continued its top management mentoring programme for women in leadership positions and launched a new communication format for women returning from maternity leave. Banca Comercială Română took a multitude of measures to implement the EU Diversity Charter, which focused most notably on training and professional development as well as building employee competencies. Erste Bank Croatia successfully used diversity dashboards and pursued numerous internal and external communication initiatives.

DIVERSITY

Erste Group's diversity and inclusion principles are reflected in its Statement of Purpose and Code of Conduct, both of which emphasise that the work environment must be free of discrimination and harassment and must value the work of each and every person regardless of gender, age, marital status, sexual orientation, physical ability, nationality, skin colour, religious or political affiliation, ethnic background, nationality, citizenship or any other aspect unrelated to their employment. An independent Anti-Discrimination Officer advises and mediates in matters concerning harassment and discrimination, and works with management on awareness and prevention.

Erste Group's Diversity and Inclusion Policy provides the framework for local diversity managers to define priorities and initiatives that support the group diversity strategy. The Policy also defines the diversity concepts applicable in appointing management board and supervisory board members with regard to age, gender, education and professional career. In selecting proposed candidates for supervisory board mandates, the focus must be on a well-balanced composition of the board and diversity within the board in terms of educational background and professional expertise. Diversity must be observed in particular with regard to the representation of both genders and age structure. International experience represented on the supervisory board by supervisory board members of different nationalities or persons with a long international track record is to be maintained. In addition, in assessing the qualifications, composition and independence of the supervisory board, the independence criteria defined by Erste Group Bank AG's supervisory board pursuant to Rule 53 of the Austrian CGC must be taken into account. In setting up supervisory board committees, special care must be taken to ensure that each committee will always have adequate expertise as required for its work (e.g. the remuneration committee must have expert knowledge and practical experience in the area of remuneration policy (section 39c para 3 Austrian Banking Act), the risk committee must have the expertise and experience necessary for

monitoring the implementation of the bank's risk strategy (section 39d para 3 Austrian Banking Act), the audit committee must possess specific expertise and practical experience in banking finance and accounting (section 63a para 4 Austrian Banking Act), etc.).

In addition to setting group-wide targets for the share of women in top management and on the supervisory board, Erste Group's Diversity and Inclusion Policy also requires that all positions, including management positions, have to be advertised internally (unless candidates from a succession pool are already available for a position). Selection processes and criteria must be transparent, and job offers have to be worded in a gender-neutral manner: Talent pools and programmes must be open to suitable employees of any age group, gender or origin; when filling top management positions, at least one candidate per gender must be short-listed.

In 2021, Erste Group again pursued the following diversity priorities:

- More networking and best-practice sharing within the group as well as implementation of the group-wide diversity strategy;
- Further increasing the number of women in management positions;
- Developing and encouraging further initiatives for people with handicaps;
- Step-by-step implementation of local initiatives to promote diversity in CEE

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Erste Group Bank AG has directors' and officers' liability insurance. Unless otherwise provided by local law, the insurance policy covers former, current and future members of the management board or managing directors, of the supervisory board, of the administrative board and of the advisory board as well as senior management, holders of statutory powers of attorney (Prokuristen) and management staff of Erste Group Bank AG and the subsidiaries in which Erste Group Bank AG holds more than 50% of the shares or voting rights either directly or indirectly through one or more subsidiaries. The costs are borne by the company.

EXTERNAL EVALUATION

Erste Group Bank AG commissioned an external evaluation of compliance with the Austrian Code of Corporate Governance in accordance with C-Rule 62 of the Austrian CCG at least every three years, most recently for the 2020 fiscal year. All evaluations reached the conclusion that Erste Group Bank AG had met all requirements of the Code. The deviations from C-Rules were described and explained. Summary reports on these evaluations are available on the website of Erste Group Bank AG.

SHAREHOLDERS' RIGHTS

Erste Group Bank AG has no rights arising from its own shares. Neither a subsidiary nor a third party holding shares on behalf of Erste Group Bank AG or of a subsidiary may exercise its voting rights and its rights for subscription of these shares.

Voting rights

Each share of Erste Group Bank AG entitles its holder to one vote at the annual general meeting. In general, shareholders may pass resolutions at an annual general meeting by a simple majority of the votes cast or, in the event that the majority of the share capital present is required to approve a measure, by a simple majority of the share capital present, unless Austrian law or the articles of association require a qualified majority vote.

The articles of association differ from the statutory majority requirements in three cases: First, the appointment of supervisory board members can be revoked before the end of their respective term by a resolution of the annual general meeting that requires a majority of 75% of the votes cast and a majority of 75% of the share capital present at such meeting. Second, the articles of association may be amended by a resolution of the annual general meeting. Provided that such amendment does not concern the business purpose, this requires a simple majority of the votes cast and a simple majority of the share capital present at such meeting. Third, any provision regulating increased majority requirements can only be amended with the same increased majority.

Dividend rights

Each shareholder is entitled to receive dividends if and to the extent the distribution of dividends is resolved by the annual general meeting.

Liquidation proceeds

In case of dissolution of Erste Group Bank AG, the assets remaining after the discharge of liabilities and repayment of supplementary capital as well as additional tier 1 capital will be distributed pro rata to the shareholders. The dissolution of Erste Group Bank AG re-

quires a majority of at least 75% of the share capital present at an annual general meeting.

Subscription rights

All holders of shares have subscription rights allowing them to subscribe to any newly issued shares to maintain their existing share in the share capital of Erste Group Bank AG. Such subscription rights are in proportion to the number of shares held by such shareholders prior to the issue of the new shares. The said subscription rights do not apply if the respective shareholder does not exercise these subscription rights or subscription rights are excluded in certain cases by a resolution of the annual general meeting or by a resolution of the management board and the supervisory board.

The Austrian Stock Corporation Act contains provisions that protect the rights of individual shareholders. In particular, all shareholders must be treated equally under equal circumstances unless the shareholders affected have consented to unequal treatment. Furthermore, measures affecting shareholders' rights, such as capital increases and the exclusion of subscription rights, generally require a shareholders' resolution.

The articles of association of Erste Group Bank AG do not contain any provisions regarding a change in the share capital, the rights associated with the shares or the exercise of the shareholders' rights that differ from statutory requirements.

Stock corporations such as Erste Group Bank AG must hold at least one annual general meeting (ordinary shareholders' meeting) per year, which must be held within the first eight months of any financial year and cover at least the following items:

- _ Presentation of certain documents
- _ Appropriation of profit
- _ Discharge of the members of the management board and the supervisory board for the financial year ended.

At annual general meetings, shareholders may ask for information about the company's affairs to the extent that this is required for the proper assessment of an agenda item.

Management Board

Bernhard Spalt mp, Chairman

Stefan Dörfler mp, Member

David O'Mahony mp, Member

Ingo Bleier mp, Member

Alexandra Habeler-Drabek mp, Member

Maurizio Poletto mp, Member
