

Agenda Item 7

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

RESOLUTION

Unless a future General Meeting determines otherwise, the members of the Supervisory Board elected by the General Meeting shall be entitled to the following annual remuneration for the financial year 2021 and for the years beyond:

Chairperson of the Supervisory Board	EUR	180,000
1st deputy chairperson	EUR	95,000
2nd deputy chairperson	EUR	80,000
Member of the Supervisory Board	EUR	65,000
Chairperson of the Risk Committee	EUR	20,000
Chairperson of the Audit Committee	EUR	20,000
Chairperson of the IT Committee	EUR	15,000
Chairperson of the Remuneration Committee	EUR	10,000
Chairperson of the Nomination Committee	EUR	10,000

If the financial expert and the chairperson of the Audit Committee are not one and the same person, the financial expert shall receive annual remuneration in the amount of EUR 20,000. Ordinary committee members as well as committee deputy chairpersons shall receive no special remuneration for their committee work. Should the Supervisory Board decide to set up a new committee, the chairperson of this new committee shall receive annual remuneration in the amount of EUR 10,000.

In accordance with the length of the respective Supervisory Board term of office, remuneration for the financial year shall be allocated in a prorated manner (pro rata temporis) or for the entire financial year.

Additionally, every member elected to the Supervisory Board shall be entitled to an attendance fee of EUR 1,200 per meeting. The attendance fee shall only be payable if the meeting is actually attended.

The present resolution shall replace the resolution on remuneration for Supervisory Board members elected by the General Meeting adopted in the Annual General Meeting of 24 May 2018.

RATIONALE

The tasks to be completed, the qualifications required and the responsibilities to be discharged by the Supervisory Board members have increased significantly in recent years. Against the backdrop of rising regulatory standards and the dynamic business and technology environment - the former driven by health and political crises, the latter driven by disruption, digitalisation and innovation - it has become necessary to pool knowledge and experience in the Supervisory Board at a level that goes far beyond what is needed for mere control of banking and financial processes. Since the 2018 Annual General Meeting, there has been no increase in remuneration for Supervisory Board members to compensate for the related increase in labour and time requirements but also in expert knowledge and experience requirements.

This notwithstanding, the Supervisory Board proposes to the Annual General Meeting, in recognition of its responsibilities and function as a role model, only a moderate increase of the level of remuneration adopted in 2018. The Supervisory Board proposes increasing remuneration merely for the chairperson of the Supervisory Board and the committee chairpersons in a manner that duly takes into account the actual increase in workload on account of ever more exacting quantitative and qualitative standards.

Adopting this proposal will ensure that adequate remuneration is paid for the work done in the Supervisory Board in a manner that accords due recognition for the responsibilities shouldered by the Supervisory Board and the Company's financial situation and conforms with the remuneration paid out to the supervisory boards in other national and international corporations of a similar size and structure.

To gain a proper understanding of what these changes entail, please check out the side-by-side comparison showing the current level of remuneration and the proposed level of remuneration for Supervisory Board members published on the Company's website at www.erstegroup.com/hauptversammlung.