

Commerzbank Aktiengesellschaft

Frankfurt/Main

Publication pursuant to Art. 120a (2) Stock Corporation Act (AktG)

(Vote on the remuneration system for the Board of Managing Directors)

Die regular general shareholders' meeting of Commerzbank Aktiengesellschaft on 11 May 2022, in accordance with the proposal of the Supervisory Board, resolved to approve the system for remuneration of the members of the Board of Managing Directors set out in the invitation to this shareholders' meeting.

The full text of the resolution and the remuneration system can be found in item 6 of the agenda for the regular general shareholders' meeting of Commerzbank Aktiengesellschaft on 11 May 2022 which was published in the Federal Gazette of 1 April 2022.

The resolution and remuneration system are reproduced again below:

6. Resolution approving the remuneration system for the members of the Board of Managing Directors

The remuneration system for the members of the Board of Managing Directors approved by the general shareholders' meeting on 13 May 2020 pursuant to Art. 120a (1) AktG shall be adjusted. As a result of these changes, the remuneration system for the members of the Board of Managing Directors shall be again submitted to the general shareholders' meeting for approval.

The remuneration system takes into account the regulatory requirements in Art 87a AktG as well as the Regulation on Institution Compensation dated 16 December 2013 (Institutsvergütungsverordnung, BGBl. I p. 4270), which was most recently amended by Art. 1 of the Regulation of 20 September 2021 (BGBl. I p. 4308) amending the Regulation on Institution Compensation dated 15 April 2019 (BGBl. I p. 486) as well as the recommendations of the German Corporate Governance Code (GCGC 2020).

The remuneration system for the members of the Board of Managing Directors is described in the section "Explanations for Agenda Item 6". The changes that have been made are initially explained in more detail there.

The Supervisory Board proposes to approve the remuneration system for the members of the Board of Managing Directors described in the invitation to this general shareholders' meeting.



COMMERZBANK

Remuneration System for the Board of Managing Directors

Publication in accordance with Art. 120a (2) of the German Stock Corporation Act (AktG)



The bank at your side

Remuneration system for the Board of Managing Directors

A. REMUNERATION SYSTEM FOR MEMBERS OF THE COMMERZBANK AKTIENGESELLSCHAFT BOARD OF MANAGING DIRECTORS

The Supervisory Board ratified the remuneration system for the members of the Board of Managing Directors in December 2014; it has been in force since 1 January 2015. On 7 November 2018, the Supervisory Board passed a resolution to amend the remuneration system to bring it into line with the revised version of the Remuneration Regulation for Institutions of August 2017. Upon consultation with the Compensation Control Committee, the Supervisory Board further amended the remuneration system in March 2020 to bring it into line with the new requirements of the German Stock Corporation Act following the implementation of the Second Shareholders' Rights Directive (SRD II). This amendment also took into account the new version of the German Corporate Governance Code dated 16 December 2019.

1. FURTHER DEVELOPMENT OF THE VARIABLE REMUNERATION AS OF THE 2023 FINANCIAL YEAR

The remuneration system was subjected to a comprehensive review from the middle of the 2021 financial year and fundamental aspects of it were further developed. Upon consultation with the Compensation Control Committee, the Supervisory Board approved the revised remuneration system at its meeting on 16 February 2022. The new remuneration system is to take effect on 1 January 2023 and will apply from this point on to all incumbent members of the Board of Managing Directors with previously adjusted employment contracts and to new appointments and reappointments. The amount of remuneration for the new position of Deputy Chairperson of the Board (see section B "Details of the remuneration system", particularly the table that sets out the remuneration components) and the omission of transitional pay under the employment and pension contract are to take effect in the remuneration system immediately after the system has been submitted for endorsement at the Annual General Meeting. In the course of 2022, incumbent members of the Board of Managing Directors will receive an offer to conclude new contracts, so that there is an opportunity to introduce the new remuneration system to all members of the Board of Managing Directors on this basis with effect from 1 January 2023. The key changes are based on the following guiding principles and comprise the following core elements.

1.1. EMPHASIS ON THE PERFORMANCE-ORIENTED MINDSET ("DELIVERY PROMISE")

With the current strategy, Commerzbank is laying the foundations for a sustainably profitable and efficient bank. The aim is to combine the benefits of a fully digitalised bank with personal advisory services, an unwavering customer focus and sustainability. In this way, Commerzbank wants to shape its own future as an independent force in the German banking market, get itself back on the road to success and create sustainable prospects for its customers and employees.

The new remuneration system for the Board of Managing Directors provides tangible incentives to focus the actions of Group management on sustainable profitability in accordance with the strategy.

Conversion of annual targets and key financial figures

An essential element is the conversion of annual targets and key financial figures. While the economic value added (EVA) after tax for the Group target was previously focused on achieving a medium-term target level for the cost of capital, the goal from the 2023 financial year onward is to achieve the multi-year plan (MYP) in the respective financial year. The EVA as a key figure for financial targets will be replaced by a combination of operating result and NetRoTE. Within the Group target, achievement of the targeted operating result accounts for 50% and achievement of the targeted NetRoTE represents 30%.

In this way, the achievement of targets is directly linked to the success of the multi-year plan and strengthens the link between variable remuneration and long-term, forward-looking business objectives.

Threshold

As an additional tool to reinforce the performance-oriented mindset and the principle of “We deliver what we promise”, the new remuneration system as of 2023 stipulates a threshold as a prerequisite for Group target achievement, according to which at least 60% of the planned operating result must be achieved. If this threshold is not reached, the two sub-targets, operating result and NetRoTE, which together make up 80% of the Group target, are given a uniform rating of 0% target achievement. The ESG (ecological, social and governance) target, which at 20% makes up the third sub-element of the Group target, is not subject to the threshold. This is intended to reward the long-term and sustained positive development of the bank, while the failure to meet targets reduces the remuneration accordingly.

1.2. SIMPLIFICATION AND THE CREATION OF TRANSPARENCY

With the introduction of the new remuneration system, the Supervisory Board is also placing a deliberate emphasis on reducing the previous complexity and creating clarity and transparency in line with the expectations of shareholders, the public and regulators.

Elimination of the factor for individual target achievement

A key aspect here is the elimination of the previous factor for individual target achievement. Previously, individual target achievement has been incorporated into target achievement using a factor in a range of between 0.7 and 1.3. The percentage of target achievement after the three-year measurement period was multiplied by this factor, thereby enabling it to increase or decrease target achievement. Replacing this complex calculation logic, individual target achievement is now included directly alongside the Group target and target achievement in the department/segments in a straightforward formula for determining target achievement for a financial year:

GROUP TARGET 60% (INSTEAD OF 70% PREVIOUSLY) + DEPARTMENTAL TARGETS 30% (UNCHANGED) + INDIVIDUAL TARGETS 10% (NEW)

Standardisation of maximum target achievement

The maximum target achievement in the specific target areas (meaning Group, department/segment and individual targets) and in the overall target achievement was also standardised and set at 150% for both components (instead of the previous 200% in the specific target areas). This further increases transparency and reduces complexity. At the same time, it counteracts disproportionate over-achievement in the specific target areas.

Finally, the presentation of targets and target achievement in the remuneration report will enhance transparency.

1.3. IMPLEMENTATION OF BINDING ESG TARGETS AND PROMOTION OF A SUSTAINABLE CORPORATE STRATEGY

Good corporate governance and customer and employee satisfaction have been an integral component of the Board of Managing Directors' goals for many years. Ecological, social and ethical criteria are playing an increasingly important role in corporate management. With its core business, Commerzbank wants to influence sustainable development, provide fair and competent advice to customers, consistently shrink its environmental footprint, be an attractive employer for staff and show its commitment to society. Sustainability is one of the four cornerstones of the “Strategy 2024” programme and is therefore already closely linked to the remuneration system.

Inclusion of an ESG target

Against this backdrop and as part of the further development of the remuneration system, Commerzbank's sustainability strategy will be firmly linked to the variable remuneration of the Board of Managing Directors, thereby placing a special focus on Commerzbank's sustainability strategy. From the 2023 financial year onward, targets relating to environmental, social and corporate governance (ESG) factors will therefore be an explicit part of variable remuneration. The Group target, which at 60% accounts for the main share of variable remuneration for members of the Board of Managing Directors, will be expanded to include not only the key figures of operating result and NetRoTE but also an explicit ESG sub-target, which will make up 20% of the Group target and thus account for 12% of the overall target achievement for a financial year. In order to underscore the significance of the ESG target, it was deliberately excluded from the threshold.

At Group level, ESG targets are selected based on the Bank's strategy and commitment to achieve net zero by 2050 at the latest. To this end, Commerzbank has set itself the following targets in particular:

- The carbon emissions of the loan and investment portfolio are to be reduced to net zero by 2050 at the latest.
- The volume of sustainable financial products is to be increased to €300bn by the end of 2025.
- Commerzbank's own banking operations are to be net zero by 2040, including a climate-neutral supplier portfolio.

As has already been the case in recent years, further ESG targets can also be included in departmental and/or individual targets. This allows the growing importance of ESG targets to be incorporated flexibly into the revised remuneration system for the Board of Managing Directors.

1.4. MORE DIRECT INCENTIVES

A fourth key element in the realignment of the remuneration system is, alongside the emphasis on the delivery promise, the creation of more direct incentives for the members of the Board of Managing Directors.

Change in the payout method for the long-term incentive (LTI)

This will be achieved in particular by changing the payout method for the long-term incentive (LTI). From the 2023 financial year onward, the LTI will no longer be paid out as it was previously in its entirety as a lump sum after the end of the five-year deferral period (share element plus a one-year retention period). Instead, it will be paid out in five annual tranches during the deferral period (i.e. 1/5 per year over the standard period of five years) starting from the second year following the determination of multi-year target achievement. The share element remains subject to an additional retention period of one year. The expiry conditions and the clawback rules remain unaffected by the change. The aim of this change is to tie the success of a performance year more closely to the payout.

1.5. CONSIDERATION OF INVESTOR INTERESTS

In further developing the remuneration system, the Supervisory Board also focused more on the interests of investors and decided on the following adjustments:

Increase in the share element to 60%

A significant change in this context is the new weighting of share-based variable remuneration. The short-term incentive (STI) and the long-term incentive (LTI) were previously designed to be 50% cash and 50% share-based, whereas the proportion of share-based remuneration will now be increased to 60% for both the STI and the LTI as of the 2023 financial year. With a majority of the variable remuneration being measured based on movements in Commerzbank's share price, the new remuneration system takes a key step towards linking the interests of the Board of Managing Directors with the interests of shareholders and other stakeholders.

New introduction of a share ownership guideline

Another core element of the revision is the new requirement, which will apply as of the 2023 financial year, that members of the Board of Managing Directors must purchase Commerzbank shares in the amount of their basic annual salary and hold them for the entire term of their appointment. The introduction of the share ownership guidelines strengthens the extent to which members of the Board of Managing Directors identify with Commerzbank and its shareholders and supports a sustained commitment to its performance.

2. GENERAL PRINCIPLES OF REMUNERATION

In addition to the changes explained above, the new remuneration system at Commerzbank Aktiengesellschaft is also based on other general principles of remuneration. These form the basis for the remuneration of the Board of Managing Directors and how it is measured and are used by the Supervisory Board as a basis for all resolutions on the remuneration system.

2.1. CONTRIBUTION TOWARDS THE PROMOTION OF THE CORPORATE STRATEGY AND THE LONG-TERM PERFORMANCE OF THE COMPANY

The remuneration system supports the long-term development of Commerzbank's Group strategies. It is aligned with the requirements of the strategic agenda and the overall risk strategy and is consistent with the Bank's risk, capital and liquidity structure.

Indeed, the structure of variable remuneration supports the sustainable development of Commerzbank. 60% of the variable remuneration is designed as a long-term incentive and is therefore subject to a deferral period of five years. This period is extended to seven years for members who are appointed to the Board of Managing Directors for the first time, and to six years in the second year of their appointment. The payment in tranches of usually 1/5 each, which was newly introduced for the 2023 financial year, does not conflict with

this. Following the prorated deferral period, each tranche is subject to a subsequent performance evaluation, in the course of which the Supervisory Board examines whether the originally determined target achievement is still applicable in retrospect, such as whether risks were underestimated or not identified or unexpected losses occurred. If it is determined that the success rewarded by the variable remuneration has not proved to be sustainable, the Supervisory Board has the option of amending its original evaluation of target achievement. This can lead to a reduction or even elimination of the entire LTI (not just the respective tranche).

Furthermore, the Supervisory Board is obliged, in particular in the event of serious misconduct on the part of a member of the Board of Managing Directors, to reclaim variable remuneration from the Board member in question that has already been paid out (STI and LTI) and/or to cancel variable remuneration components that have not yet been paid out. Further details of this clawback rule are set out in the section outlining the remuneration system. These malus and clawback provisions with regard to variable remuneration strengthen and incentivise the sustainability of actions taken by the Board of Managing Directors.

In addition, from the 2023 financial year onward, 60% of variable remuneration will be predominantly share-based in accordance with the German Corporate Governance Code. The applicable amount of variable remuneration is converted into virtual shares on the basis of the Commerzbank share price and, after the retention period of one year (STI) or the deferral period for the respective tranche of the LTI (plus an additional retention period of one year), it is then converted back into cash based on the Commerzbank share price at that time. Further details on this can be found in the section outlining the remuneration system. This share-based grant and the consideration of share price performance until shortly before the payment promotes sustainable corporate development and helps members of the Board of Managing Directors identify more strongly with the company.

Finally, the targets for variable remuneration set by the Supervisory Board are based on Group strategies and thus support Commerzbank's strategic objectives.

2.2. APPROPRIATENESS AND CONSIDERATION OF THE REMUNERATION STRUCTURE FOR EMPLOYEES

The aim of the Supervisory Board is to be able to offer members of the Board of Managing Directors a remuneration package within the regulatory framework that is in line with the market and competitive.

Under these premises, the Supervisory Board conducts regular reviews to ensure that the fixed basic annual salary and the variable remuneration of members of the Board of Managing Directors are appropriate and therefore standard for the market. The target total remuneration is determined in reasonable proportion to the duties and performance of the members of the Board of Managing Directors and the company's situation. In addition, the appropriateness of the remuneration in relation to other, comparable companies (horizontal comparison) as well as the proportionality of the remuneration of managers to the entire workforce (vertical comparison) are also taken into account.

At the horizontal level, a comparison is made with the remuneration paid to members of the Board of Managing Directors of other banks and companies based on relevant peer groups, the composition of which is disclosed in the remuneration report. The peer group can include both domestic and foreign banks that are comparable in size to Commerzbank. With this comparison, the Supervisory Board checks that the amount of total remuneration is standard when compared to the market.

At the vertical level, the relationship between the Board of Managing Directors' remuneration and the remuneration of managers and the workforce as a whole is compared and it is checked whether the resulting differences in remuneration – also across time – indicate inappropriate remuneration for the Board of Managing Directors. The requirements of the German Corporate Governance Code are taken into account in this process.

To carry out the appropriateness analyses, the Supervisory Board regularly consults external compensation consultants and ensures that they are independent from the Board of Managing Directors and Group companies.

The results of the appropriateness analysis are used to determine the remuneration for the members of the Board of Managing Directors and are taken into account by the Supervisory Board when making its decision.

In addition, Commerzbank ensures that the remuneration system for members of the Board of Managing Directors is compatible with the remuneration structure for employees. The pension commitments for members of the Board of Managing Directors are also aligned with those for non-pay-scale employees.

Finally, as part of a review in accordance with Art. 7 of the Remuneration Regulation for Institutions, the sustainability of the total amount of annual variable remuneration is determined, in particular on the basis of profitability, capital, risk and liquidity ratios.

B. DETAILS OF THE REMUNERATION SYSTEM

The remuneration of the Board of Managing Directors of Commerzbank Aktiengesellschaft consists of fixed and variable remuneration components. The fixed remuneration components include the basic annual salary as well as non-monetary elements and pension commitments.

Performance-related variable remuneration consists of a short-term incentive (STI) and a long-term incentive (LTI). Moreover, the remuneration system provides for commitments customary in the market with regard to the termination of Board membership. The remuneration components are described below. Their relative share of the remuneration and their amount are described taking the year 2021 as an example, although the remuneration conditions for the position of Deputy Chairperson of the Board of Managing Directors will not take effect until the remuneration system is submitted to the Annual General Meeting for endorsement in May 2022.

Example:

Remuneration components (amounts in €1,000)	Ordinary member of the Board of Managing Directors	Relative share of remuneration	Chairman of the Board of Managing Directors	Relative share of remuneration	Deputy Chairperson of the Board of Managing Directors	Relative share of remuneration
Fixed annual salary	990	46%	1,674	47%	1,332	47%
Non-monetary elements of remuneration	136 ¹	6%	136 ¹	4%	136 ¹	4%
Pension commitments	389 ²	18%	600 ³	17%	504 ⁴	18%
Short-term and long-term variable remuneration (short-term incentive, "STI", and long-term incentive, "LTI")	660	30%	1,116	32%	888	31%
Target amount at 100% target achievement, of which:						
STI (40% in cash, 60% share-based)	(264)	(12%)	(446)	(11%)	(355)	(12%)
LTI (40% in cash, 60% share-based)	(396)	(18%)	(670)	(16%)	(533)	(19%)
Remuneration	2,175		3,526		2,860	

¹ Average for members of the Board of Managing Directors (BOMD) for the 2021 financial year including contributions to health and nursing care insurance and pension insurance (BOMD employment contracts concluded during the year are not taken into account).

² Average of the service cost pursuant to IAS 19 for all regular BOMD members for the 2021 financial year (BOMD employment contracts concluded during the year are not taken into account).

³ Estimated service cost pursuant to IAS 19 for the Chairman of the Board of Managing Directors, as no real values are available due to the temporary deviation from the remuneration system for the incumbent Chairman.

⁴ Estimated service cost pursuant to IAS 19 for the Deputy Chairperson of the Board of Managing Directors, since no real values are available for this newly created position.

Furthermore, in order to recruit new members of the Board of Managing Directors, the Supervisory Board may, in individual cases (and insofar as this is permissible pursuant to regulatory requirements), arrange with a new member of the Board of Managing Directors for payments to compensate for lost remuneration claims from a previous employment relationship. Agreements to reimburse new members of the Board of Managing Directors for the costs of a change of residence are also possible.

1. FIXED REMUNERATION COMPONENTS (BASIC ANNUAL SALARY AND NON-MONETARY ELEMENTS)

The fixed remuneration components include the basic annual salary and non-monetary elements.

Fixed basic annual salary (gross)	
Chairman of the Board of Managing Directors	€1,674,247
Deputy Chairperson of the Board of Managing Directors	€1,332,000
Ordinary members of the Board of Managing Directors	€990,000

This is payable in 12 equal monthly instalments.

The position of Deputy Chairperson of the Board of Managing Directors was newly created in June 2021; the corresponding annual salary for this position will take effect upon submission of the new remuneration system for approval at the Annual General Meeting in May 2022. The basic annual salaries of the members of the Board of Managing Directors have otherwise remained the same, i.e. they will not increase as a result of the new remuneration system.

The non-monetary elements essentially consist of

- the use of a company car with driver,
- security measures,
- insurance contributions (accident insurance),
- contributions to health and nursing care, pension insurance as well as
- payment of the applicable tax thereon.

Members of the Board of Managing Directors are also entitled to company pension arrangements, which are set down in pension agreements and described in a separate section below.

2. PERFORMANCE-RELATED REMUNERATION COMPONENTS (VARIABLE REMUNERATION)

The remuneration system provides for variable remuneration that is linked to the achievement of specific quantitative and qualitative targets set by the Supervisory Board at the start of each financial year.

The variable remuneration is calculated based on

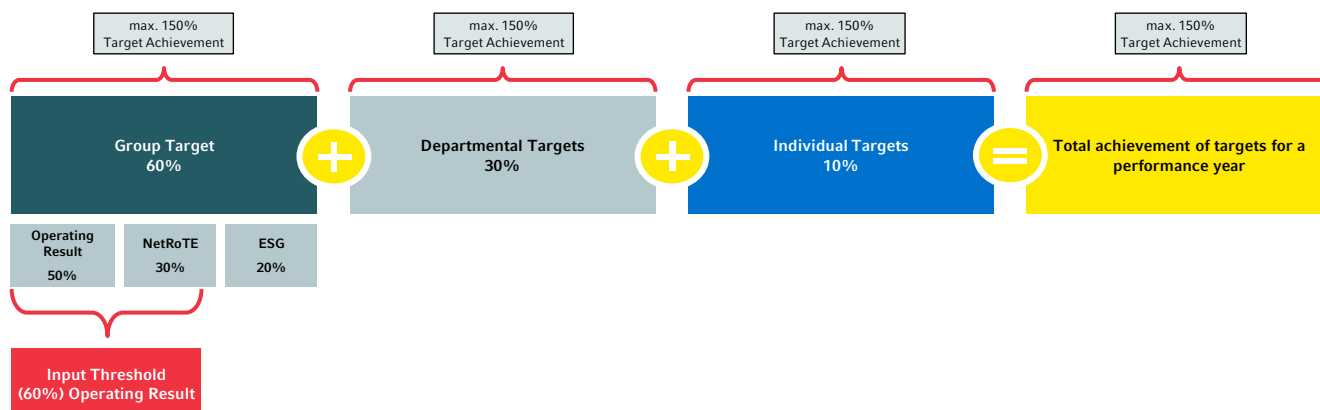
- target achievement by the Commerzbank Group, which also includes the achievement of specific sustainability targets (ESG),
- target achievement by the departments (segments and/or shared functions) for which the member of the Board of Managing Directors in question is responsible, and
- achievement of individual targets.

Target achievement for the Group and the departments and individual performance can each be between 0% and 150%; overall target achievement from these three components is also limited to a maximum of 150%.

Multiplying the overall target achievement by the target amount for variable remuneration purposes gives the total amount of variable remuneration based on target achievement. Thus, the total amount of variable remuneration based on target achievement is capped at a maximum of 150% of the Board member's target variable remuneration.

In addition, the variable remuneration can amount to a maximum of 140% of the fixed remuneration. The 2015 Annual General Meeting approved this cap in accordance with Art. 25a (5) of the German Banking Act.

New Compensation System



TARGET AMOUNT

The target amount of the variable remuneration (gross amount if 100% of target is achieved) is tiered based on position and is as follows:

Target amount of variable remuneration (gross)	
Chairman of the Board of Managing Directors	€1,116,165
Deputy Chairperson of the Board of Managing Directors	€888,000
Ordinary members of the Board of Managing Directors	€660,000

TARGET SETTING

At the beginning of each financial year, the Supervisory Board sets targets for the members of the Board of Managing Directors. The setting of targets is based on the corporate strategy and multi-year planning and is geared towards promoting success-oriented, sustainable corporate management. In this way, the targets support the promotion of Commerzbank's business strategy and long-term development.

COMPANY TARGETS

The Supervisory Board sets targets for the Group based on the operating result and net return on tangible equity (NetRoTE). It also sets targets for the segments for which a member of the Board of Managing Directors is responsible. Targets are set for the segments based on the planned operating result of the respective segment. In addition, the Supervisory Board has the option of setting further key financial figures and/or qualitative targets for the segments.

GROUP TARGET

Weighted at 60% of company target achievement for the financial year, the Group target remains the decisive factor for overall target achievement by the members of the Board of Managing Directors under the new remuneration system. Variable remuneration is thus largely linked to the Group's business success. Unlike in the past, the Group target will comprise three sub-targets from the 2023 financial year onward: operating result (50%), NetRoTE (30%) and an ESG target (20%) that can include both quantitative and qualitative factors. Operating result and NetRoTE replace the previously relevant EVA figures as key performance indicators; the ESG target is additionally integrated into the Group target.

The Supervisory Board sets the sub-targets of the Group target at the start of each financial year on a uniform basis for all members of the Board of Managing Directors on the recommendation of the Compensation Control Committee and determines the target amounts for target achievement of between 0% and 150%.

THRESHOLD

When the new remuneration system enters into effect in the 2023 financial year, the majority of the Group's target of 80% (sum of the individual targets for operating result and NetRoTE) will be subject to the condition that at least 60% of the operating result set in the multi-year plan (MYP) must be achieved during the financial year (threshold). If the operating result falls below the threshold of 60% of

the planned operating result, both sub-targets, i.e. operating result and NetRoTE, will be assessed as 0% with respect to target achievement. The ESG target remains unaffected by the threshold.

DEPARTMENTAL TARGETS

In addition to the Group target, departmental targets are agreed with each member of the Board of Managing Directors in accordance with the schedule of business responsibilities. A total of 30% of the departmental targets (amount unchanged) is incorporated into the achievement of the targets for a business year. The departmental targets are derived from the corporate and department strategy and the multi-year plan. One or more targets can be defined for each department (segment or shared function) to reflect the targets for the individual areas of responsibility of the respective members of the Board of Managing Directors. The Supervisory Board sets quantitative and qualitative targets and defines the basis for their measurement, relying on a recommendation of the Compensation Control Committee. Targets are also set for the segments based on the planned operating result and target amounts are set for target achievement of between 0% and 150%. In addition, the Supervisory Board has the option of setting further key financial figures and/or qualitative targets for the segments.

INDIVIDUAL TARGETS

The Supervisory Board also sets individual targets for the members of the Board of Managing Directors and defines the basis for their measurement. Here, too, target achievement may not exceed 150%. Starting in the 2023 financial year, the target achievement for individual targets will have a direct impact of 10% on the target achievement for the financial year. This replaces the previously used factor of between 0.7 and 1.3 for individual target achievement, which through multiplication increased or decreased the level of achievement of company targets for the financial years up to and including 2022.

TARGET ACHIEVEMENT

Following the end of each financial year, the Supervisory Board determines the extent to which the targets were achieved. Targets and target achievement are explained in the remuneration report.

To fulfil the requirement for a multi-year measurement basis for variable remuneration, target achievement is determined over a three-year accrual period. The effect of the multi-year measurement thus extends into subsequent years, which makes it forward-looking. The degree of target achievement in each financial year – as a percentage calculated from Group target achievement, departmental target achievement and individual target achievement – is included in overall target achievement with a weighting of 3/6 for the financial year in question (n) and also influences overall target achievement in subsequent years with weightings of 2/6 (n+1) and 1/6 (n+2).

A transitional arrangement applies to the first two years for newly appointed members of the Board of Managing Directors. For them, overall target achievement in the first year of their appointment to the Board of Managing Directors is based exclusively on the percentage that applies for the financial year. To offset this, the deferral period for the LTI of the variable remuneration has been extended by two years to seven years. In the following year, the achievement of targets is calculated as follows: 2/6 based on target achievement for the first financial year of the member's appointment and 4/6 based on target achievement in the second year, with the deferral period for the LTI extended by one year to six years.

TOTAL TARGET REMUNERATION/MAXIMUM REMUNERATION

In accordance with the requirements of the German Corporate Governance Code, the Supervisory Board defines the total target remuneration for each member of the Board of Managing Directors for the upcoming financial year. The total target remuneration is the sum of all remuneration amounts for one year (including pension arrangements and fringe benefits) based on 100% target achievement.

In addition, the Supervisory Board has set a maximum remuneration amount for the members of the Board of Managing Directors. That amount is €6m for each member of the Board of Managing Directors per financial year. This maximum remuneration limits the allocation from all remuneration components for a given financial year ("allocation cap"). The maximum remuneration does not represent the remuneration level that the Supervisory Board intends or necessarily considers appropriate. It merely defines an absolute upper limit in order to prevent the remuneration of the Board of Managing Directors from being disproportionately high. It must therefore be clearly distinguished from the total target remuneration.

In accordance with the German Banking Act, the ratio of fixed to variable remuneration at banks is generally limited to 1:1. This means the amount of variable remuneration may not exceed that of fixed remuneration. However, the law states that the ratio of fixed to variable

remuneration may be increased to up to 1:2, provided that the shareholders approve the higher ratio. The Annual General Meeting approved setting this ratio at 1:1.4 on 30 April 2015. Due to the rule under the remuneration system that maximum overall target achievement is limited to 150% and the target amount of variable remuneration for both the ordinary members of the Board of Managing Directors and the CEO and the Deputy Chairperson of the Board of Managing Directors is 66.66% of the basic annual salary, it is impossible for the fixed ratio of 1:1.4 to be exceeded.

REVIEW OF BONUS POOL FOR VARIABLE REMUNERATION/AMENDMENT CLAUSE

The Supervisory Board may reduce or cancel the variable remuneration if necessary, for example to take account of the Bank's risk-bearing capacity, multi-year capital planning or profitability or its ability to ensure that it can maintain or rebuild sufficient capital or liquidity resources or safeguard its ability to meet the capital buffer requirements of the German Banking Act over the long term. If predefined levels are not met, the Supervisory Board may be obliged to cancel the variable remuneration for all members of the Board of Managing Directors (review and amendment of bonus pool for variable remuneration).

With respect to a specific individual member of the Board of Managing Directors, the Supervisory Board may reduce or cancel the Board member's variable remuneration due to misconduct or negligence in the performance of their duties in the relevant financial year. Furthermore, the variable remuneration must be cancelled if, in the course of their activities during the financial year, the member of the Board of Managing Directors was significantly involved in or responsible for conduct that led to significant losses for the Bank, a significant regulatory sanction or a significant supervisory action or if they seriously violated relevant external or internal fit and proper regulations. In such cases, the Bank must reclaim variable remuneration that has already been paid out for up to two years after the end of the deferral period for the most recently earned LTI portion of the variable remuneration for the financial year in question (clawback).

If extraordinary circumstances arise that are beyond the Bank's control, the Supervisory Board can increase or reduce the Group's target achievement by up to 20 percentage points in order to appropriately neutralise both positive and negative effects on the Group's target achievement. In line with the Remuneration Regulation for Institutions, examples of such cases include a decline in earnings due to a loss of reputation for the entire banking industry that is triggered by a scandal at a competitor or damage caused by extreme natural disasters, or if targets have been achieved or even exceeded entirely without the Board of Managing Directors' own involvement (windfall profits).

SHORT-TERM INCENTIVE (STI)

40% of the variable remuneration takes the form of a short-term incentive (STI). Entitlement to the STI arises upon determination by the Supervisory Board of the total amount of variable remuneration based on target achievement and notification to the member of the Board of Managing Directors in question. From the 2023 financial year onward, 40% of this will be payable in cash and the other 60% as a share-based payment following a twelve-month retention period, with the payment of the share-based portion also being made in cash and linked to the performance of the Commerzbank share since the January following the end of the performance year. The increase in the share-based portion from 50% (valid up to and including 2022) to the current level of 60% is in line with the recommendation of the German Corporate Governance Code to grant variable remuneration predominantly in shares or as a share-based payment.

LONG-TERM INCENTIVE (LTI)

The remaining 60% of the variable remuneration is designed as a long-term incentive (LTI) and is subject to a deferral period of five years. As part of the restructuring of the remuneration system, as of the 2023 financial year the entitlement to and payment of the LTI will no longer occur after the end of a regular five-year deferral period (referred to as "cliff vesting"). Instead, payment will be made in equal parts on a pro rata basis during the deferral period (i.e. 1/5 per year over the standard period of five years, referred to as "tranches") and in accordance with the regulatory requirements. Switching from cliff vesting to pro rata vesting links the success of a performance year more closely to the payout, in the interest of creating a more direct incentive.

As a result, the entitlement to the LTI arises on a pro rata basis and only if after the end of the prorated deferral period for a 1/5 tranche the retrospective performance evaluation was positive. The purpose of the retrospective performance evaluation is to enable the Supervisory Board to check whether the total target achievement amount determined is still appropriate in retrospect, e.g. whether risks were underestimated or not recognised or whether unexpected losses were incurred. The Supervisory Board also adjusts the LTI, if necessary, based on the follow-up review of the bonus pool.

The retrospective performance evaluation can thus result in the LTI being reduced or even cancelled completely.

40% of the individual LTI tranche resulting from the retrospective performance evaluation is payable in cash and 60% as a share-based payment, also in cash, after a further 12-month retention period (in the years up to and including the 2022 financial year, half of the tranche will still be payable in cash and half on the basis of shares). As with the share-based part of the STI, the performance of the Commerzbank share since the January following the end of the relevant performance year is taken into account for the respective LTI tranche. The share-based part of the LTI therefore reflects the performance of the Commerzbank share during the regular five-year deferral period and the subsequent retention period until shortly before the payment.

3. REMUNERATION FOR SERVING ON THE BOARDS OF CONSOLIDATED AND UNCONSOLIDATED COMPANIES

The remuneration accruing to an individual member of the Board of Managing Directors from serving on the boards of consolidated companies counts towards the total remuneration paid to the Board member in question, with the amount initially being reflected in the amount paid out as variable remuneration and, if the amount in question exceeds this, subsequently in fixed remuneration. Where a member serves on the boards of non-consolidated companies, the Supervisory Board decides on a case-by-case basis whether and to what extent any remuneration for the mandate counts towards the remuneration paid to the Board member in question.

4. PENSION SCHEME

The pension scheme for members of the Board of Managing Directors is defined according to the Commerzbank capital plan for company pension benefits for non-pay-scale employees of Commerzbank Aktiengesellschaft. Provided their employment has ended, members of the Board of Managing Directors receive a retirement benefit in the form of a capital payment

- when they reach the age of 65 (retirement capital), or
- when they have reached age 62 but not yet age 65 (early retirement capital), or
- if they become permanently unable to work before they reach age 62.

As an alternative to a lump-sum payment, the Board member in question may elect to receive a life-long pension. In this case, the lump-sum benefit is annualised according to actuarial rules.

If a member of the Board of Managing Directors leaves the Bank before the pension benefits become due, any entitlement to vested benefits is retained, as a rule. An exception to the vesting requirement (for new contracts from September 2021 or later) is only made in cases where employment is terminated by the Bank for good cause in the first three years.

For each calendar year during the employment relationship until pension benefits start to be paid out, the member of the Board of Managing Directors is credited an annual module equivalent to 40% of the pensionable fixed basic annual salary (annual contribution), multiplied by an age-dependent conversion factor. Increases in the fixed basic annual salary only increase the annual module if so resolved by the Supervisory Board. The pensionable fixed basic annual salary is the amount decided by the Supervisory Board for the measurement of the pension provision in each case.

The annual modules are managed in a pension account until the member of the Board of Managing Directors in question no longer serves on the Board. Upon reaching age 61, a premium of 2.5% of the amount in the Board member's pension account at the end of the previous year is additionally credited to the member's pension account until the pension benefits start to be paid out.

The annual contribution is invested in investment funds and placed in a virtual custody account.

The retirement capital (or early retirement capital) corresponds to the amount in the virtual custody account or the amount in the pension account, whichever is higher when the pension benefits become payable. Under these rules, the amount in the pension account represents the minimum capital sum payable, insofar as the amount in the virtual custody account is lower. The transitional pay until pension benefits start to be paid out as specified in the past, under which a member of the Board of Managing Directors receives one-twelfth of the fixed basic annual salary for the first two months after retirement, is no longer provided for in the new remuneration system.

Furthermore, the pension scheme provides for survivors' benefits. The assets backing these pension obligations will be transferred under a contractual trust arrangement to Commerzbank Pension-Trust e. V.

5. RULES APPLYING TO THE TERMINATION OF OFFICE

If a Board member's term of office ends prematurely, the employment contract will – unless otherwise agreed – also expire at the end of a period of six months, unless the agreed contract term ends earlier.

During the notice period and then until the expiry of the original term of appointment, the Board member will continue to receive a fixed basic annual salary and variable remuneration – unless good cause exists against this within the meaning of Art. 626 of the German Civil Code. Variable remuneration remains subject to the rules of the remuneration system, including retrospective performance evaluation.

Other earnings will be offset against continued remuneration in accordance with Art. 615 sentence 2 of the German Civil Code.

The sum of the remuneration that the Board member continues to receive during the notice period and subsequently until the end of the original term of office is limited to a maximum of two years' remuneration ("cap"). The cap is calculated as follows:

$$\left. \begin{array}{l} \text{Basic annual salary} \\ + \text{Average target amount of variable remuneration} \\ + \text{Average fringe benefits} \end{array} \right\} \times 2$$

The average annual total target achievement of the last three financial years prior to the end of the term of office is used to calculate the average target amount of variable remuneration and is multiplied by the target amount for the financial year in which the term of office ends. The average of the fringe benefits is based on the average of the fringe benefits granted per year in the three financial years preceding the date of termination of the position, excluding the company car and payment of the applicable tax thereon. If the Board member had not yet sat on the Board of Managing Directors for three financial years, the average overall target achievement and fringe benefits will be based on the period since the member's appointment to the Board of Managing Directors.

Any other earnings credited in accordance with Art. 615 sentence 2 of the German Civil Code will be deducted from the remuneration.

If the member of the Board of Managing Directors resigns without the Bank having given good cause for doing so, remuneration will not continue to be paid.

If appointments are interrupted with a simultaneous assurance of reappointment within the meaning of Art. 84 (3) German Stock Corporation Act, the employment contract will be suspended until the date of reappointment. For as long as Board membership is suspended, the Board member will not receive any remuneration or fringe benefits.

The variable remuneration communicated for financial years prior to the termination of membership remains unaffected. The variable remuneration for the final year in office is reduced pro rata temporis where applicable. In this case, too, the variable remuneration remains subject to the rules of the remuneration system, which therefore also includes the retrospective performance evaluation in particular.

If the term of office is terminated because of a serious breach of duty, the variable remuneration for the year in which the term of office ended and variable remuneration for previous years will not be payable.

6. INTRODUCTION OF A SHARE OWNERSHIP GUIDELINE

With effect from the 2023 financial year onward, an obligation will be introduced for all members of the Board of Managing Directors – provided they have signed a new contract in the 2022 financial year or later – to acquire a significant quantity of Commerzbank shares and to hold those shares for their entire term of office on the Board of Managing Directors. The share ownership guideline strengthens the extent to which members of the Board of Managing Directors identify with Commerzbank and its shareholders and supports a sustained commitment to the Bank's performance.

The amount of the shareholding obligation for each Board member is equal to the respective basic annual salary (gross). The shareholding is built up gradually each year in the net amount of half of the variable remuneration received from the short-term incentive and the long-term incentive until the value of the holding is equivalent to the amount of the basic annual salary (gross). The value of Commerzbank shares is measured on the basis of an average price calculated for the Commerzbank share.

The Board members are obliged to buy additional shares if the value of the shareholding falls below the limit of one year's basic salary (gross) on a given reporting date. The obligation to purchase additional shares does not arise until the value in the amount of one year's basic salary (gross) has been reached.

The shares must be held for the entire term of office as a member of the Board of Managing Directors.

C. PROVISION REGARDING TEMPORARY DEVIATIONS FROM THE REMUNERATION SYSTEM

In exceptional cases, the Supervisory Board may, on the recommendation of the Compensation Control Committee, temporarily deviate from the components of the remuneration system for the Board of Managing Directors if this is necessary in the interests of the long-term well-being of Commerzbank. The temporary deviations may relate exclusively to the basic salary and the target amount of variable remuneration. Even in the event of a deviation, remuneration must still be geared to the long-term and sustainable performance of the Bank and must be consistent with the success of the Bank and the performance of the Board member in question.

D. PROCESSES FOR DEFINING, IMPLEMENTING AND REVIEWING THE REMUNERATION SYSTEM FOR THE BOARD OF MANAGING DIRECTORS

1. COMPENSATION CONTROL COMMITTEE

The remuneration system for the Board of Managing Directors is decided by the Supervisory Board. The Compensation Control Committee helps the Supervisory Board establish an appropriate design for the remuneration system for the Board of Managing Directors. This committee prepares the resolutions of the Supervisory Board regarding the remuneration of the Board members, which also include recommendations for resolutions on the targets and target achievement of the Board members. Commerzbank's risks and risk management are always taken into account in all resolutions.

The Compensation Control Committee reviews in particular whether the remuneration system for the Board of Managing Directors complies with regulatory requirements. Within this framework, it prepares the resolutions regarding the setting of the total amount of variable remuneration for the members of the Board of Managing Directors and the definition of appropriate remuneration parameters; it also reviews on an annual basis whether the decisions made are still appropriate. In addition, the Compensation Control Committee is responsible for reviewing the appropriateness of the fixed basic annual salary and the variable remuneration of the members of the Board of Managing Directors every two years.

The recommendations for resolutions of the Compensation Control Committee are discussed in detail by the Supervisory Board before a resolution is adopted. If necessary, the Supervisory Board may call in external consultants. If an external remuneration expert is mandated, the Supervisory Board ensures the independence of such expert.

2. PRESENTATION OF THE REMUNERATION SYSTEM TO THE ANNUAL GENERAL MEETING

In the event of significant changes to the remuneration system, but at least every four years, the remuneration system is submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the remuneration system, a revised remuneration system will be presented by no later than the following Annual General Meeting.

3. CONFLICTS OF INTEREST

The Supervisory Board's rules regarding avoidance and handling of conflicts of interest apply to the entire process of defining, implementing and reviewing the remuneration system for the Board of Managing Directors. For example, a member of the Supervisory Board of Commerzbank Aktiengesellschaft who was previously a member of the Board of Managing Directors is excluded from adopting any resolutions on remuneration components still to be paid out in his or her favour.

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Commerzbank Aktiengesellschaft



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