

Declaration of compliance

with the German Corporate Governance Code pursuant to Art. 161 of the German Stock Corporation Act

The recommendations of the German Corporate Governance Code Commission set up by the German government which were announced by the German Federal Ministry of Justice in the official section of the Federal Gazette (*Bundesanzeiger*), in the version of September 30, 2014, were and will be complied with, except for the following recommendations:

Number 4.2.1 of the Code recommends that rules of procedure govern the work of the Board of Managing Directors, including the allocation of duties among the individual board members. With the approval of the Supervisory Board, the Board of Managing Directors has issued rules of procedure. However, the Board of Managing Directors determines the allocation of duties among the individual board members itself, outside the rules of procedure. This provides it with the requisite flexibility if changes are needed, thus ensuring an efficient division of responsibilities. The Supervisory Board shall be informed of all changes, thus being included in the process. The rules of procedure applicable to the Board of Managing Directors, and the areas of responsibility of the individual board members, have been published on Commerzbank's Internet page.

According to **number 4.2.3 paragraph 2 sentence 6** of the Code, total compensation and the variable compensation components of the members of the Board of Managing Directors shall be limited to a maximum amount. The Bank's new compensation system for Board members that shall be implemented with effect from January 1, 2015, provides firstly for a fixed annual basic salary. On expiry of a business year, the Supervisory Board determines an overall target achievement amount for variable compensation, based on targets agreed upon beforehand. For this overall target achievement amount, an upper limit has been set that is equivalent to the fixed compensation calculated according to the requirements of the German Remuneration Ordinance for Institutions ("Instituts-Vergütungsverordnung"). 50% of the overall target achievement amount are paid out in the form of Commerzbank phantom shares that are generally

subject to a deferral period of 3 years, plus another waiting period of 6 months. At the end of the waiting period, the equivalent of the Commerzbank phantom shares is paid out in cash. Fluctuations in the share price during this period do not affect the number of the phantom shares to be granted, but rather change the disbursement amount. This amount has no upper limit. The concept of the new compensation system intends for the members of the Board of Managing Directors to bear the risk regarding the volatility of the phantom shares as an element of sustainable compensation, as from determination of the overall target achievement amount. A limitation of the opportunity to benefit from a positive price trend would not be adequate, especially as no limit has been set to price losses either.

According to **number 4.2.3 paragraph 2 sentence 8** of the Code, a retroactive change to the performance targets or the comparison parameters in relation to the variable compensation of the Board of Managing Directors shall be excluded. According to the German Stock Corporation Act and the Remuneration Ordinance for Institutions, the Supervisory Board shall agree on the possibility of limiting variable compensation components for the Board of Managing Directors in case of extraordinary developments. Commerzbank's Supervisory Board is thus entitled to adjust the performance targets and other parameters of the variable compensation components in case of extraordinary developments, in order to neutralise both positive and negative effects on the achievability of the targets in an appropriate manner. Upon confirmation of the attainment of the performance target at Commerzbank it is not possible to implement a limitation in the sense of legal prerequisites because the largely mathematical linkage broadly excludes such a limitation. As in addition the period of measurement of the variable compensation of the Board of Managing Directors amounts to up to four years and the performance targets for this period are to be fixed in advance, the envisaged adjustment possibility for the performance targets by the Supervisory Board is appropriate.

The Code recommends in **number 4.2.3 paragraph 3** that, for pension schemes in favour of the Board of Managing Directors, the Supervisory Board shall establish the level of provision aimed for in each case – also considering the length of time for which the individual has been a member of the Board of Managing Directors – and take into account the resulting annual and long-term expense for the company. In 2011 the system of pension provisions was changed to a system of contribution-oriented benefit promises at Commerzbank. A specific level of provision is thus no longer defined. Instead, each board member is entitled to an annual pension component, the amount of which is measured according to a fixed percentage of the annual basic salary of the individual board member. After definition of this percentage – and not considering other actuarial influences – the ultimate amount of the entitlement to pension provisions attained by a board member thus depends solely on the length of time for which he has been a member of the Board. Through the contribution of a fixed percentage of the respective annual basic salary the Supervisory Board is given as precise a view as possible of the annual and long-term expense for the company. The actual annual expense for the company due to reserve-building depends on actuarial influences. The waiver of the definition of a targeted level of provision in connection with the change to a contribution-oriented benefit promise complies with the regulation which is increasingly prevailing in corporate practice.

According to **number 5.3.3** of the Code, the Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives. On the basis of Art. 25d paragraph 11 sentence 2 number 1, which has been newly added to

the German Banking Act, the nomination committee shall support the Supervisory Board in identifying applicants to fill positions in management at credit institutions. At Commerzbank this task has hitherto been performed by the Presiding Committee, the members of which include employee representatives. In order to maintain Commerzbank's present practice of the participation of employee and shareholder representatives in selecting applicants for the Board of Managing Directors, two members of the Nominating Committee of the Supervisory Board of Commerzbank are employee representatives.

According to **number 5.4.6 paragraph 2 sentence 2** of the Code, if members of the Supervisory Board are promised performance-related compensation, it shall be oriented toward sustainable growth of the enterprise. In addition to fixed compensation, the members of the Supervisory Board of Commerzbank receive variable compensation of EUR 3,000.00 per EUR 0.05 dividend which is distributed to the shareholders above a dividend of EUR 0.10 per no-par-value share for the past financial year. For the financial years 2008 to 2013 inclusive no dividend was paid to the shareholders, and consequently no performance-related compensation to the members of the Supervisory Board. In the context of the resumption of dividend payments Commerzbank will attend to the reorganisation of the compensation of the members of the Supervisory Board.

Frankfurt am Main, November 5, 2014

The Board of Managing Directors

The Supervisory Board