

**COMMERZBANK**

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Commerzbank Aktiengesellschaft

# **Invitation to the Annual General Meeting on 13 May 2020**



## Commerzbank Aktiengesellschaft

Frankfurt am Main

German Securities Identification Number:

(Wertpapier-Kenn-Nummer, "WKN") CBK 100

ISIN: DE000CBK1001

# Invitation

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Dear Shareholders,

We hereby invite you to the **regular general shareholders' meeting** of Commerzbank Aktiengesellschaft which will take place on **Wednesday, 13 May 2020, starting at 12:00 hours (Central European Summer Time – CEST)** as a virtual general shareholders' meeting without the physical presence of the shareholders or their proxies.

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The general shareholders' meeting will be transmitted live in the internet for the shareholders of Commerzbank Aktiengesellschaft. The voting right of the shareholders can be exercised exclusively by way of absentee ballot or granting power of attorney to the voting right representative of the company. A physical participation by the shareholders and their proxies is excluded. The location of the general shareholders' meeting for purposes of the German Stock Corporations Act is Kaiserstraße 16, 60311 Frankfurt am Main.

**General shareholders meeting hotline**

**starting on 30 April 2020,**

**between 8:00 and 18:00 hours (except public holidays):**

Tel. +49 (0)89/30903-6356

# Agenda

- 1. Presentation of the adopted annual financial statements and the management report (including the explanatory report on the information under § 289a German Commercial Code (*Handelsgesetzbuch*, “HGB”) for the financial year 2019, submission of the approved consolidated financial statements and the group management report (including the explanatory report on the information under § 315a HGB) for the financial year 2019, the report by the Supervisory Board, the corporate governance and remuneration report for the financial year 2019.**

In accordance with §§ 172, 173 German Stock Corporations Act (*Aktiengesetz*, “AktG”), no resolution is required for item 1 of the agenda because the Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the Board of Managing Directors and the annual financial statements are, therefore, adopted. § 175 paragraph 1 sentence 1 AktG only provides that the Board of Managing Directors must convene the General Shareholders’ meeting in order to receive, among other items, the adopted annual financial statements and the management report as well as in order to adopt a resolution about the use of any distributable profits and, in the case of a parent company, also receiving the consolidated financial statements approved by the Supervisory Board and the group management report. The above referenced documents will be explained in more detail in the general shareholders’ meeting.

- 2. Resolution on the use of the profit shown on the balance sheet**

The Board of Managing Directors and the Supervisory Board propose to allocate the profit on the balance sheet shown in the annual financial statements for the financial year 2019 in the full amount of EUR 187,853,645.10 to the other profit reserves.

**3. Resolution on the ratification of actions by the members of the Board of Managing Directors**

The Board of Managing Directors and the Supervisory Board propose to ratify the actions (*Entlastung*) of the members of the Board of Managing Directors who were in the office in the financial year 2019.

**4. Resolution on the ratification of actions by the members of the Supervisory Board**

The Board of Managing Directors and the Supervisory Board propose to ratify the actions of the members of the Supervisory Board who were in office in the financial year 2019.

**5. Election of the auditor for the financial statements and the consolidated financial statements for the financial year 2020 as well as election of the auditor for the audit review of interim financial information for the financial year 2020 and the quarters of the financial year 2021 until the general shareholders' meeting 2021**

- a) The Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt a.M., be elected as the auditor for the annual financial statements and the consolidated financial statements for the financial year 2020 as well as the auditor for the audit review of the abridged financial statements and the interim management report pursuant to §§ 115 paragraph 5, 117 No. 2 German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") as of 30 June 2020 as well as the additional interim financial information pursuant to §§ 115 paragraph 7 WpHG, 340i paragraph 4 HGB in the financial year 2020.
- b) The Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt a.M., be elected as the auditor for the audit review of the additional interim financial information pursuant to §§ 115 paragraph 7 WpHG, 340i paragraph 4 HGB which will be prepared for periods after 31 December 2020 and before the general shareholders' meeting in the year 2021.

The proposals are based on the recommendation of the audit committee. The audit committee has stated that its recommendation is free of inappropriate influence by third parties in accordance with Art. 16 paragraph 2 sub-paragraph 3 of the

EU Regulation No. 537/2014 of 16 April 2014 and that no clause of a type set forth in Art. 16 paragraph 6 of the Regulation has been imposed on the audit committee.

## **6. New election of two members of the Supervisory Board**

Ms. Anja Mikus and Dr. Markus Kerber resigned from their mandates in the Supervisory Board on 2 April 2020 with effect as of the next general shareholders' meeting. Therefore, the proposal is made to the General Shareholders' meeting to elect Dr. Jutta Dönges as the successor for Ms. Mikus and Dr. Frank Czichowski as the successor for Dr. Kerber in the Supervisory Board.

The Supervisory Board consists of ten members each from the shareholders and the employees pursuant to §§ 96 paragraph 1, 101 paragraph 1 AktG, § 7 paragraph 1 sentence 1 no. 3 German Act on Co-Determination (*Mitbestimmungsgesetz*, "MitbestG") and § 11 paragraph 1 of the articles of association. Pursuant to § 96 para. 2 sentence 1 AktG, the Supervisory Board must consist at least of 30 percent women (i.e. at least 6) and at least of 30 percent men (i.e. at least 6). The minimum portion must be fulfilled by the Supervisory Board as a whole (aggregate compliance). After the election of the two candidates proposed by the Supervisory Board, the Supervisory Board would continue to consist of eight women and twelve men, so that the requirement for the minimum proportion would still be satisfied.

The following nominations by the Supervisory Board are based on the recommendation of its Nomination Committee and take into account the goals adopted by the Supervisory Board for its composition and aim at filling out the profile of skills and expertise developed by the Supervisory Board. The goals and profile of skills and expertise were adopted by the Supervisory Board on 6 November 2019 pursuant to C.1 of the German Corporate Governance Code and are published in the Corporate Governance Report / Declaration on Management of the Company for the Financial Year 2019, including the status of implementation of these goals. The Supervisory Board also assured itself that the proposed candidates can spend the expected amount of time for their mandates in the Supervisory Board.

The Supervisory Board proposes the following resolution:

The persons named below are elected as representatives of the shareholders to the Supervisory Board pursuant to § 11 paragraph 2 of the articles of association for the time from the end of the General Shareholders' Meeting on 13 May 2020 until the end of the general shareholders' meeting which decides about the discharge for the financial year 2022:

- a) Dr. Jutta Dönges  
Managing Director of Bundesrepublik Deutschland –  
Finanzagentur GmbH  
Frankfurt am Main
- b) Dr. Frank Czichowski  
Senior Vice President/Treasurer  
KfW Banking Group  
Bad Vilbel

It is intended to have the General Shareholders' Meeting decide about the new elections to the Supervisory Board by way of an individual vote.

With regard to C.13 of the German Corporate Governance Code, it is stated that Dr. Dönges and Dr. Czichowski have been nominated for election to the Supervisory Board at the suggestion of the Financial Markets Stabilization Fund, represented by Bundesrepublik Deutschland – Finanzagentur GmbH. The Financial Markets Stabilization Fund has a participation of 15.6% in the share capital of Commerzbank Aktiengesellschaft. According to the Supplemental Agreement to the Framework Agreement on the Grant of Stabilization Measures between the Financial Markets Stabilization Fund and Commerzbank Aktiengesellschaft dated 19 May 2009, the Financial Markets Stabilization Fund can nominate two candidates for the Supervisory Board so long as the above referenced stake in the capital exists and does not fall below 10%. Dr. Dönges is the managing director of Bundesrepublik Deutschland – Finanzagentur GmbH which, among other tasks, manages the Financial Markets Stabilization Fund. There is accordingly a business relationship between Dr. Dönges and a material shareholder with a stake in Commerzbank. There are no personal or business relationships between Dr. Dönges and Commerzbank Aktiengesellschaft, its group companies or the corporate bodies of Commerzbank Aktiengesellschaft which, in the opinion of the Supervisory Board, an objectively judging shareholder would consider to be material for his or her decision about the election.

There are no business or personal relationships between Dr. Czichowski and Commerzbank Aktiengesellschaft, its group companies, the corporate bodies of Commerzbank Aktiengesellschaft or a shareholder with a material participation in Commerzbank Aktiengesellschaft which, in the opinion of the Supervisory Board, an objectively judging shareholder would consider to be material for his or her decision about the election. It is pointed out as a precautionary measure that Dr. Czichowski is treasurer at KfW Banking Group which has various business relationships with Commerzbank Aktiengesellschaft, its group companies and Bundesrepublik Deutschland – Finanzagentur GmbH.

The memberships of the candidates nominated for election to the Supervisory Board in other supervisory boards established on the basis of the law in comparable domestic and foreign supervisory bodies of commercial enterprises (§ 125 paragraph 1 sentence 5 AktG) are set forth in the appendix to agenda item 6.

Further information about the knowledge, experience and capabilities of the nominated candidates as well as their material activities in addition to the respective mandate in the Supervisory Board can be found in the CVs published on the internet site of Commerzbank Aktiengesellschaft ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)).

## **7. Resolution on approval of the system for compensation of the members of the Board of Managing Directors**

The system for compensation of members of the Board of Managing Directors that has applied since 1 January 2015 and was adjusted in March 2020 is supposed to be submitted to the general shareholders' meeting for approval pursuant to § 120a paragraph 1 AktG. The compensation system takes into account the regulatory requirements in § 87a AktG as well as the German Regulation on the Requirements for Compensation Systems of Institutions under Supervisory Law (*Verordnung über die Aufsichtsrechtlichen Anforderungen an Vergütungssysteme von Instituten*, "InstitutsVergV") dated 16 December 2013 (Federal Official Journal – Bundesgesetzblatt, "BGBl." I page 4270), which was amended most recently by Article 1 of the Regulation dated 15 April 2019 (BGBl. I page 486) amending the InstitutsVergV dated 25 July 2017 (BGBl. I page 3042) as well as the recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, "DCGK" 2020) of 16 December 2019.

The compensation system for members of the Board of Managing Directors is described below.

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

### **System for the Compensation of Members of Board of Managing Directors**

The Supervisory Board of Commerzbank Aktiengesellschaft adopted in December 2014 the compensation system for members of the Board of Managing Directors that has applied since 1 January 2015. The adjustment of the compensation system to the new version of the InstitutsVergV dated 4 August 2017 was resolved by the Supervisory Board on 7 November 2018. The compensation control committee in the Supervisory Board had previously dealt in detail with the compensation system and involved a compensation advisor with regard to the issue of the standard nature of the compensation in the market. In March 2020, the Supervisory Board, after corresponding advice from the compensation control committee, adjusted the compensation system to the new requirements in the Stock Corporations Act resulting from the implementation of the 2nd Shareholders Directive (ARUG II) and also took into account the new version of the German Corporate Governance Code dated 16 December 2019.

#### **A. Basic aspects of the compensation system**

##### **1. Components of the compensation system**

The compensation for the Board of Managing Directors at Commerzbank Aktiengesellschaft consists of fixed and variable components. The fixed components include the annual base salary as well as the benefits in kind and the pension commitments. The success-based, variable compensation consists of a Short Term Incentive ("STI") and a Long Term Incentive ("LTI"). The compensation system also contains standard market commitments with regard to the end of the services as a member of the Board of Managing Directors. The components in the compensation are described below. Their relative proportion in the compensation and the amount refer by way of example to the year 2019:



Example:

| Components   | Regular Board Member | Relative portion of compensation | Chairman of the Board of Managing Directors | Relative portion of compensation |
|--|----------------------|----------------------------------|---|----------------------------------|
| (amounts in TEUR)  |                      |                                  |   |                                  |
| Fixed annual base salary                                   | 990                  | 44%                              | 1,674                                       | 41%                              |
| Benefits in kind   | 126*                 | 6%                               | 126*  | 3%                               |
| Pension commitments  | 392**                | 18%                              | 1,065***                                    | 26%                              |
| (Short Term Incentive "STI" and Long Term Incentive "LTI") |                      |                                  |   |                                  |
| Target amount upon reaching 100 % of target                | 660                  | 30%                              | 1,116                                       | 27%                              |
| STI (half in cash, half based on shares)                   | (264)                | (12%)                            | (446)                                       | (11%)                            |
| LTI (half in bar, half based on shares)                    | (396)                | (18%)                            | (670)                                       | (16%)                            |
| Overhand****   | 62                   | 3%                               | 105   | 3%                               |
| <b>Compensation</b>  | <b>2,230</b>         |                                  | <b>4,086</b>                                |                                  |

\* Average of all members of the Board of Managing Directors for the financial year 2019, including the contributions for health insurance and long-term care insurance as well as pension insurance (this is taken into account with a lump sum of 20 TEUR).

\*\* Average of the service time pursuant to IAS 19 for all regular members of the Board of Managing Directors for the financial year 2019.

\*\*\* Average of the service time pursuant to IAS 19 for the Chairman of the Board of Managing Directors for the financial year 2019.

\*\*\*\* This is paid once after leaving office: the stated amount is extrapolated to a deemed annual share upon average time of membership in the Board of Managing Directors of 8 years.

Furthermore, the Supervisory Board can agree in individual situations to cover corresponding claims for compensation under a previous service relationship as well as sign-on-payments and guaranteed variable compensation in an appropriate level with a new member of the Board of Managing Directors for the purpose of gaining new members of the Board of Managing Directors to the extent this is permissible under the requirements in supervisory law. Finally, the Supervisory Board can agree with new members of the Board of Managing Directors to reimburse costs for moving their homes.

## 2. Consideration of terms and conditions for compensation and employment of the employees

In the course of the regular examination of the reasonableness of the fixed annual base salary and the variable compensation, the Supervisory Board also takes into account the compensation for members of boards of managing directors at other credit institutions having a comparable size and the development of

compensation for the employees of Commerzbank. This rule assures that the target compensation of the members of the Board of Managing Directors is in accordance with standard market practice. The standard nature in the market is, thus, on the one hand examined by external comparison (“horizontal comparison”) with regard to the compensation of members of boards of managing directors at other credit institutions having a comparable size. The group used for comparison can consist of both German as well as foreign credit institutions which are comparable in size to Commerzbank. The Supervisory Board examines in the horizontal comparison that the amount of the target compensation of the Board of Managing Directors and the relationship between the base compensation and the variable target compensation corresponds to standard practice in the horizontal market comparison. Secondly, there is an internal comparison (“vertical comparison”). In the course of this vertical comparison, the Supervisory Board regularly refers to the compensation for “senior management”. This consists of those employees who report directly to the members of Board of Managing Directors (1st management level). Furthermore, the Supervisory Board relates the compensation to the employees in Germany who are compensated outside of collective bargaining agreements and the employees who are covered by collective bargaining agreements. The Supervisory Board examines in the vertical comparison whether the differences in compensation compared to the employees indicate unreasonable compensation for the Board of Managing Directors. The Supervisory Board also makes sure that the compensation system for the members of the Board of Managing Directors has a reasonable comparison to the compensation for the employees who are paid outside of collective bargaining agreements. The structure of variable compensation of the members of the Board of Managing Directors accordingly corresponds in substance to the structure of variable compensation for the employees who are paid outside of collective bargaining agreements, aside from the deviations which are required under supervisory law. The pension commitments for the members of the Board of Managing Directors are also oriented on those of the employees who are paid outside of collective bargaining agreements.

### 3. Contribution to the advancement of the business strategy and the long-term development of the Company

The **compensation system** supports the sustained development of the group strategy at Commerzbank. The compensation system is directed on the strategic agenda as well as the overall risk strategy and is consistent with the risk structure, structure of capital and liquidity at the Bank.

The structure of the variable compensation accordingly supports the sustained development of Commerzbank. 60 percent of the variable compensation is structured as LTI. The LTI is subject to evaluation of performance after the expiration of normally 5 years. In the case of members who were first appointed as members of the Board of Managing Directors, this time period is extended to 7 or 6 years. Under the evaluation of performance after-the-fact, the Supervisory Board examines whether the originally determined achievement of goals is still correct after-the-fact, e.g. whether risks were underestimated or not recognized or whether unexpected losses were incurred. If the success honored by the variable compensation turns out not to have been sustained success, the Supervisory Board has the possibility to correct its original evaluation of the degree to which goals were achieved. This can lead to a reduction and even a complete loss of the LTI.

Furthermore, the Supervisory Board has the possibility to demand that a member of the Board of Managing Directors repay variable compensation (STI and LTI) that has already been paid out and the Supervisory Board can strike variable compensation components that have not yet been paid out especially in the case of serious misconduct by a member of the Board of Managing Directors. Further details about this clawback rule are described in the section concerning the details of the compensation system.

These rules on acting in bad faith and clawback with regard to variable compensation reinforce and incentivize the sustained nature of achieving goals

Furthermore, **50 percent of the variable compensation is based on shares**. The corresponding amount of variable compensation is converted into virtual shares on the basis of the stock exchange price for the Commerzbank shares and is converted upon expiration of the waiting period of one year (STI) and the retention period of 5 years and the additional waiting period

of one year (LTI) again to an amount of money that corresponds to the current stock exchange price of the Commerzbank shares. Further details on the structure can be found in the section on the details of the compensation system. This stock-based benefit and consideration of the development of the stock exchange price after determination that goals have been achieved reinforces the sustained development of the Company as well as the identification of the members of the Board of Managing Directors with the Company.

Finally, the **compensation parameters** set by the Supervisory Board are oriented on the corporate group strategy and accordingly support the strategic goals of Commerzbank.

The annual set goals for the variable compensation promote the long-term development of Commerzbank. The goals always also include goals with regard to environment, social matters and governance (ESG goals). These are, for example, specific goals concerning sustainability, customer and employee satisfaction, goals with regard to demographic changes, specific goals with regard to risk and reputation management as well as compliance goals.

The compensation control committee of the Supervisory Board assures by way of regular examinations that the compensation system for the Board of Managing Directors continues to be directed towards the long-term and sustained development of the Bank.

### **B. Details of the compensation system**

#### **1. Non-performance based components of compensation**

The non-performance based components of compensation include the fixed annual based salary and the benefits in kind. The annual fixed salary is 990 thousand Euro for the regular members of the Managing Directors. The Chairman of the Board of Managing Directors receives 1,674,247 Euro. The salary is paid in 12 equal monthly installments. The benefits in kind consist primarily of the use of a company car with driver, security measures, insurance premiums (accident insurance) and contributions to health insurance and long-term care insurance as well as pension insurance as well as the taxes accruing on such benefits. The members of the Board of Managing Directors are also entitled to a company pension which is regulated in pension agreements and described below in a separate section.

## 2. Success-based components of compensation (variable compensation)

The compensation system includes a variable component of compensation linked to achieving goals which are set by the Supervisory Board at the beginning of each financial year. The variable compensation is determined on the basis of (i) achieving the goals of the Commerzbank Group, (ii) achieving the goals of the department (segments and/or general functions) for which a member of the Board of Managing Directors is responsible, and (iii) achieving individual performance goals. Achieving the goals can lie between 0% and 200% in each case for the Group, the departments and the individual performance. The overall degree of achieving goals determined on the basis of these three components, however, is limited to a maximum amount of 150%. Multiplication of the overall degree of achieving the goal with the target amount results in the overall amount of variable compensation for achieving goals. The overall amount for achieving goals is accordingly limited to a maximum of 150% of the target amount for the member of the Board of Managing Directors. The variable compensation is limited to a maximum of 140% of the fixed compensation. The general shareholders' meeting approved this maximum limit in 2015.

**Target amount** The target amount for the variable compensation is 660 thousand Euro for the regular members of the Board of Managing Directors and 1,116,165 Euro for the Chairman of the Board of Managing Directors upon 100% achievement of a goal.

**Setting the goals** Prior to the start of each financial year, the Supervisory Board sets the goals for the members of the Board of Managing Directors. The setting of goals is oriented on the business strategy as well as the multi-year plan and is directed towards a success-oriented and sustained management of the company. The goals accordingly support the advancement of the business strategy and the long-term development of Commerzbank.

**Business-related goals** The Supervisory Board uses the Economic Value Added ("EVA") or other key number determined by the Supervisory Board target values for the Group and the departments for which the member of the Board of Managing Directors is responsible, and this Supervisory Board determines which result corresponds to achieving a certain percentage of the respective goal.

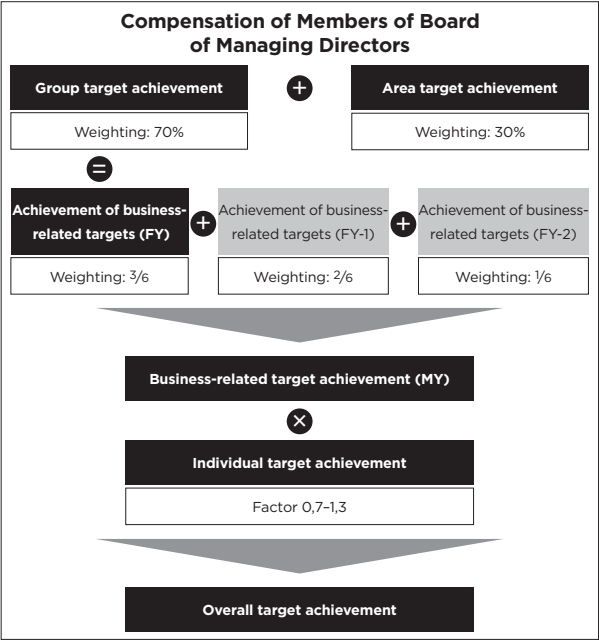
**Group target** The Supervisory Board establishes, prior to each financial year and for all members of the Board of Managing Directors upon proposal of the compensation control committee, the Group target uniformly on the basis of EVA values or another key performance indicator and determines the target value for 100% achievement of the target as well as the values for achieving between 0% and 200% of the target. The Group target is weighted at 70% of the business-related achievement of goals and is the determinative factor for overall achievement of goals by the members of the Board of Managing Directors for a financial year. Therefore, the variable compensation is to the greatest extent linked to the business success of the Group.

**Area targets** In addition to the Group target, area targets are agreed with each member of the Board of Managing Directors in accordance with the responsibilities defined in the business organization plan. The area targets are reflected with a total amount of 30% in the business-related achievements of goals and are derived from the business and segment strategy as well as the multi-year plan. In order to take into account the respective areas of responsibility for the individual members of the Board of Managing Directors, one or more targets can be defined for each area. Upon receiving the proposal of the compensation control committee, the Supervisory Board establishes quantitative and qualitative goals as well as corresponding standards for measuring these goals. In the case of the areas, the goals are also measured on the basis of a line of performance using EVA values or another performance indicator determined by the Supervisory Board. The target values for achieving 100% of a target as well as for 0% and 200% are defined for these performance indicators.

**Individual goals** The Supervisory Board additionally establishes individual goals for the members of the Board of Managing Directors and establishes corresponding standards for measuring the goals. Achieving the individual goals is reflected with a factor of 0.7 to 1.3 in the overall goal achievement by multiplying the result of the multi-year business-related achievement of goals with the corresponding factor.

**Achieving goals** After the end of each financial year, the Supervisory Board decides, upon recommendation of the compensation control committee, the extent to which the goals have been achieved. The measurement of the extent to which the business-related goals have been achieved is linked in an amount of 70% to the business success of the Group as well as in an amount of 30% to the results and achievement of goals in the areas for which the respective member of the Board of Managing Directors is responsible. The achievement of goals for the individual performance indicators and targets is determined on the basis of the line of performance (for the Group target and the area targets), on the one hand, and on the basis of fixed measurement standards, on the other hand.

In order to fulfill the requirement for a multi-year basis for measuring the variable compensation, in general the percentage of achieving the business-related goals (consisting of achieving the Group goals and the department goals) in the respective financial year is taken into account at  $\frac{3}{6}$  and the degree in the previous year is taken into account with  $\frac{2}{6}$  and in the previous year before that at  $\frac{1}{6}$  when determining the degree to which business-related goals are achieved. In the case of newly appointed members of the Board of Managing Directors, there is a transition period for the first two years: The degree to which business-related goals have been achieved is based in the first year of appointment as a member of the Board of Managing Directors exclusively on the business-related achievement of goals in the financial year (as an offset, the retention period for the LTI in the variable compensation is extended by 2 years to 7 years). In the next year,  $\frac{2}{6}$  of the achievement of business-related goals is based on the degree to which the business-related goals were achieved in the first financial year of the appointment and  $\frac{4}{6}$  are based on the business-related achievement of goals in the following year (the retention period for the LTI is extended by 1 year to 6 years). The result of this multi-year business-related achievement of goals is then multiplied by a factor of between 0.7 and 1.3 which depends on the degree by which the individual member of the Board of Managing Directors has achieved the individual goals. If 0 % (minimum) of individual achievement of goals occurs, the factor is 0.7, and the factor is 1.0 for 100% achievement of individual goals, and a factor of 1.3 applies for achieving 200% (maximum) of individual goals. The Supervisory Board determines the factor in levels for values that lie between those that have been stated when fixing the goals. The system is described in the following illustration:



**Maximum compensation / target overall compensation** The Supervisory Board has set a maximum compensation for the members of the Board of Managing Directors. This maximum is 6 million Euro per financial year for each member of the Board of Managing Directors. The maximum compensation is limited to the maximum benefit from all components of compensation for the respective financial year (“benefits cap”). In addition, the Supervisory Board establishes a target overall compensation for each member of the Board of Managing Directors for the upcoming financial year in accordance with the requirements in the DCGK. The target overall compensation is the sum of all amounts of compensation in a year (including pension benefit and ancillary benefits) in the event of one hundred percent achievement of goals.

The maximum compensation does not constitute the amount of compensation intended by the Supervisory Board or necessarily considered to be reasonable. The maximum compensation only represents an absolute upper limit, in order to avoid disproportionately high compensation for members of the Board of Managing Directors. Therefore, there is a clear difference to the target overall compensation.



**Pool reservation test / reservations for adjustment** The Supervisory Board can reduce or eliminate the variable compensation to the extent necessary, in order to take into account the risk capacity, the multi-year capital planning and the earnings position of the Bank or to secure the capacity of the Bank to maintain and reestablish a reasonable level of equity and cash or satisfy the requirements under the German Banking Act (*Kreditwesengesetz*, “KWG”) for a cushion. If quotas that have been defined in advance are not achieved, the Supervisory Board must as a general rule eliminate the variable compensation (so-called “pool reservation test”). In addition, the Supervisory Board can reduce or eliminate the variable compensation for one member of the Board of Managing Directors if that member has acted in violation of good morals or violated duties when performing that member’s services in the relevant financial year. Furthermore, the variable compensation is forfeited if the member, when performing that member’s services in the financial year, had material involvement in conduct that led to substantial losses or a material regulatory sanction for the Bank or if the member was responsible for such losses or sanction or if that member seriously violated relevant external or internal rules with regard to capabilities and conduct. In these situations, the Bank can already demand back variable compensation that has already been paid for up to two years after the end of the retention period for the respective LTI portion of the variable compensation for the corresponding financial year (so-called “clawback”).

If unusual circumstances occur which are outside the influence of the Bank, the Supervisory Board can increase or reduce the achievement of goals for the Group by up to 20 percentage points, in order to reasonably neutralize positive as well as negative effects on the achievement of the Group targets. The InstitutsVergV refers as examples a downturn in profits due to a loss of reputation for the banking industry in general as a result of a scandal at a competitor or harm resulting from external natural disasters or if targets are achieved in full or even exceeded completely without any contribution from the Board of Managing Directors, so-called “windfall profits”.

**Short-Term Incentive (STI)** 40 % as the variable compensation is structured as a short-term incentive. The claim for the short-term incentive arises when the amount of the overall achievement of goals for the variable compensation has been determined by the Supervisory Board and notified to the member of the Board of Managing Directors. Of this amount, one half is paid out as cash and the other amount is also paid out in cash

on a stock-based basis after a waiting period of 12 months. This half is linked to the development of value of the Commerzbank shares after the cash portion was paid out.

**Long-Term Incentive (LTI)** The remaining 60% of the variable compensation is structured as a long-term incentive. The claim for the LTI arises, subject to the reservation of subsequent evaluation of performance, only after expiration of a retention period of 5 years. The Supervisory Board examines in the subsequent evaluation of performance whether the determination of the amount by which the overall targets have been achieved is still correct when viewed retroactively, e.g. whether risks were underestimated or not recognized or whether unexpected losses have occurred. The Supervisory Board also adjusts the LTI if this is necessary due to a new pool reservation test that must be conducted.

The evaluation of performance after-the-fact can accordingly lead to a reduction and even to a complete elimination of the entire LTI. The LTI resulting after the subsequent evaluation of performance is paid out one half in cash and the other half is also paid out in cash based on stock after a waiting period of an additional 12 months. As is the case with the share-based portion of the STI, the development in the value of the Commerzbank shares since the payout of the cash portion of the STI in the relevant year of performance is taken into account. Thus, the share-based half of the LTI takes into account the development of value in the Commerzbank shares during the retention period of 5 years and the subsequent waiting period.

### **3. Compensation for assuming functions on boards at consolidated companies**

The compensation received by a member of the Board of Managing Directors from performing functions in boards in consolidated companies will be credited against the overall remuneration for the member of the Board of Managing Directors.

### **4. Pension**

**Rule for members of the Board of Managing Directors appointed up to and including 2011** The system adopted by the Supervisory Board in 2011 for the company pension plan for members of the Board of Managing Directors includes a contribution oriented benefit commitment for members of the Board of Managing Directors who were already appointed at that time. The expectancies for a company pension from the replaced system that were acquired prior to the transition to the system in 2011 have been transitioned to the new system with an initial element. The initial element is subject to dynamic

adjustment in accordance with the pension agreement because the replaced system provided for a benefits commitment that depended on the final salary.

A pension element will also be credited annually to the pension account of each member of the Board of Managing Directors until the end of that member's appointment. The pension element in each calendar year results from converting the respective annual contribution to an expectancy for a retirement, invalidity and survivor's pension. The pension account represents the pension expectancy that has been achieved by the member of the Board of Managing Directors as an annual annuity. Increases in the fixed annual base salary since the year 2015 only lead to an increased pension element if the Supervisory Board passes a corresponding resolution.

The member of the Board of Managing Directors receives a pension in the form of a lifelong pension subject to the following prerequisites if the employment relationship with the member of the Board of Managing Directors has ended:

- as a retirement pension if the member of the Board of Managing Directors has reached the age of 65, or
- as an early pension if (i) the member of the Board of Managing Directors has reached the age of 62 but not yet reached the age of 65, or (ii) after at least ten years membership in the Board of Managing Directors and reaching the age of 58, or (iii) after at least 15 years membership in the Board of Managing Directors, or
- as an invalidity pension in the case of permanent incapacity.

If a member of the Board of Managing Directors leaves the bank prior to the occurrence of a pension event, the vested expectancy for pension benefits already acquired by that member is preserved.

The monthly amount of the retirement pension is calculated as one twelfth of the status of the pension account upon the occurrence of the pension event.

In order to determine the early retirement pension, the pension is reduced with regard to the early start of payments.

Upon the occurrence of a pension event due to invalidity prior to reaching the age of 55, the monthly amount of the invalidity pension will be increased by an attributed amount.

Upon leaving after reaching the age of 62, each member of the Board of Managing Directors can choose to receive a one-time payment or a payout in 9 annual installments instead of an

ongoing pension. The amount of the payout is calculated in accordance with the capitalization factor and depending on the age of the member of the Board of Managing Directors.

The members will continue to receive instead of a pension the proportion of base salary as a transitional payment for a period of 6 months if the members leave on or after reaching the age of 62 or leave the Board of Managing Directors upon reaching the age of 62 or afterwards or as a result of permanent incapacity. The transition payment can be reduced especially in the event of misconduct. If a member of the Board of Managing Directors receives an early retirement pension and has not yet reached the age of 62, one half of the income from other work will be credited against the pension claims until the age of 62 is reached.

Furthermore, the pension system includes survivors benefits.

**Rules for members of the Board of Managing Directors appointed after 2011** The pension for members of the Board of Managing Directors appointed after the new rule was based on the Commerzbank principal plan for company pensions for employees of Commerzbank Aktiengesellschaft who received their compensation outside of collective bargaining agreements. The members of the Board of Managing Directors receive a retirement pension in the form of a payment of capital if the employment relationship with the member of the Board of Managing Directors ends and the member

- has reached the age of 65 (age-based capital) or
- has reached the age of 62 but not yet the age of 65 (early age-based capital) or
- is permanently incapacitated prior to reaching the age of 62.

As an alternative to a payment of capital, the member of the Board of Managing Directors can choose to receive a lifelong pension. The capital benefit is annuitized in this case in accordance with actuarial rules.

If a member of the Board of Managing Directors leaves the bank prior to the occurrence of a pension event, the vested expectancy for pension benefits already acquired by that member is preserved.

Each member of the Board of Managing Directors appointed after the new rule is credited with an annual element amount into 40% of the fixed annual base salary eligible for a pension (annual contribution) multiplied by a transformation factor

depending on age for each calendar year during the existing employment relationship until the occurrence of the pension event. Increases in the fixed annual base salary since the year 2015 are also only taken into account in the annual element if the Supervisory Board passes a corresponding resolution also under this system.

The annual elements are carried in a pension account until the member of the Board of Managing Directors leaves. After reaching the age of 61, the pension account of the member of the Board of Managing Directors is credited with a premium of 2.5 % annually of the respective, previous year's final status of the pension account until the occurrence of the pension event.

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

The amount of the age-based capital or the early age-based capital corresponds to the status of the virtual securities account, but at least the level of the pension account upon the occurrence of the pension event. The level of the pension account under this rule represents the amount of the minimum capital benefit if the level of the virtual securities account is lower. The member of the Board of Managing Directors receives transitional money in the monthly amount of one twelfth of the fixed annual base salary for the first two months after the occurrence of the pension event. The transition payment can be reduced especially in the case of misconduct.

This pension system also includes survivors benefit.

The assets serving to secure these pension obligations were transferred to Commerzbank Pension-Trust e. V. on the basis of a so-called Contractual Trust Arrangement.

## **5. Rules in the event of termination of the position as a board member**

In the event that the position as a member of the Board of Managing Directors ends, the following applies:

If the appointment as a member of the Board of Managing Directors ends early, the service agreement ends as a general rule 6 months later (linking clause). The member of the Board of Managing Directors will continue to be paid in this situation the annual base salary and the variable compensation, subject to § 615 sentence 2 German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") (Crediting compensation from other work) beyond the end of the employment agreement until the end of the original period of appointment. Starting at the point in time when the position as a board member ends, the average of

achieving goals by the other members of the Board of Managing Directors for the respective financial year will be the basis for measuring the degree to which goals have been achieved. Aside from this, the variable compensation is subject without any change to the rules in the compensation system, i.e. also for the after-the-fact evaluation of performance.

If the employment agreement ends upon the early end of the position as a board member for reasons other than the linking clause described above, the fixed annual salary will be paid as appropriate proportionately according to time until the end of the employment agreement. The variable compensation notified for financial years prior to the end of the employment agreement is not affected. The variable compensation for the year in which the employment agreement ends will be appropriately reduced proportionally according to time. The variable compensation is also subject without any change in this situation to the rules of the compensation system, i.e. also to the after-the-fact evaluation of performance.

If the employment agreement is not extended upon expiration of the respective period of appointment without good cause (*wichtiger Grund*) existing under § 626 BGB or if the employment agreement ends under the above described linking clause, the member of the Board of Managing Directors will continue to receive the annual base salary for a maximum period of 6 months after the expiration of the original period of appointment (so-called “transition payment”). This payment ends as soon as the member of the Board of Managing Directors receives pension payments.

In each of these situations, the stated compensation for the period after the end of the position as a board member takes effect will be paid in a maximum total amount of 2 years’ compensation (cap). The cap is calculated on the basis of twice the annual base salary including ancillary benefits (including use of a company car with driver, security measures and insurance premiums (accident insurance) as well as the taxes incurred on those amounts) plus the average of the notified variable compensation in generally the three previous financial years prior to the end of the position as a board member.

If the prerequisites for extraordinary notice of termination of the employment agreement under § 626 BGB exist when the position as a board member ends or if an appointment is not extended, the member of the Board of Managing Directors will not receive any further variable compensation for the year in which the position as a board member ends. This also applies in the event that a member of the Board of Managing Directors

resigns from office without the Bank having given just cause for the resignation. In the two mentioned situations, this also applies for the fixed annual based salary starting at the end of the month in which the position as a board member ends. If the position as a board member ends as a result of a serious violation of duties, the variable compensation for the year in which the position board member ends and payment of variable compensation for past years that has not yet been paid out are forfeited.

### **C. Procedure for setting and implementing as well as examining the compensation system for members of the Board of Managing Directors**

The compensation system for the Board of Managing Directors is adopted by the Supervisory Board. The Supervisory Board is supported by its compensation control committee for the purpose of reasonably structuring the compensation system. This committee prepares the resolutions of the Supervisory Board on compensation for the members of the Board of Managing Directors which also includes recommendations for resolving about the targets and achieving the targets by the members of the Board of Managing Directors. The Supervisory Board especially takes into account the effects of the resolutions on the risks and risk management of Commerzbank. The compensation control committee examines whether the compensation system for the Board of Managing Directors corresponds to regulatory requirements. The committee, among other tasks, prepares the resolutions about setting the total amount of variable compensation for the members of the Board of Managing Directors as well as setting reasonable compensation parameters and examining once each year whether the adopted determinations are still reasonable. In addition, the compensation control committee reviews the reasonableness of the fixed annual base salary and the variable compensation in two-year intervals. Especially the economic situation of the bank, the compensation for members of boards of managing directors at other credit institutions having a comparable size, the development of the compensation for the employees as well as the general development of price levels are taken into account.

The recommendations for resolutions from the compensation control committee are discussed in detail in the Supervisory Board prior to adopting a corresponding resolution. If necessary, the Supervisory Board can obtain advice from external experts. If an external compensation expert is mandated, the Supervisory Board will make sure that the expert is independent.

In the case of material changes in the compensation system, but at least every four years, the compensation system is sub-

mitted to the general shareholders' meeting for approval. If the general shareholders' meeting does not approve the compensation system, a reexamined compensation system will be submitted at the latest in the next regular general shareholders' meeting.

The rules of the Supervisory Board on avoiding and dealing with conflicts of interest apply for the entire process for setting and implementing as well as reexamining the compensation system for the Board of Managing Directors. For example, any member of the Supervisory Board of Commerzbank Aktiengesellschaft who was previously a member of the Board of Managing Directors is excluded from adopting a resolution about components of compensation that would still have to be paid out for the benefit of that member.

#### **D. Reservation for temporary deviations from the compensation system**

Upon proposal of the compensation control committee, the Supervisory Board can temporarily deviate from the components of the system for compensating members of the Board of Managing Directors with regard to procedure and rules concerning the compensation structure and amount as well as the individual components of the compensation if this is necessary in the long-term interest and benefit of the Company (for example implementation of requirements under supervisory law). If a new member of the Board of Managing Directors is supposed to be hired, the Supervisory Board can deviate from the maximum compensation if the maximum compensation would be exceeded due to agreeing on compensation for lost claims for remuneration from a previous service relationship.

### **8. Adoption of a resolution on the compensation system for the members of the Supervisory Board and amending the articles of association concerning the compensation of the Supervisory Board**

The system for compensation for members of the Supervisory Board that has applied since 1 January 2016 is supposed to be adopted by the general shareholders' meeting pursuant to § 113 paragraph 3 AktG.

The basis for the compensation of the members of the Supervisory Board is found in § 15 of the articles of association. This section currently reads as follows:

“(1) The members of the Supervisory Board will receive annual compensation in the amount of €80,000.00. The



chairman of the Supervisory Board will receive three times this compensation, and the vice-chairman will receive double this compensation.

(2) The members of the Supervisory Board will each receive additional compensation in an annual amount of €30,000.00 for membership in the audit committee and for membership in the risk committee. The members of the Supervisory Board receive additional compensation in an annual amount of €20,000.00 for membership in any other committee of the Supervisory Board which meets at least once in the calendar year. The chairman of the committee will receive in each case twice these amounts.

(3) If a member of the Supervisory Board has more than one office referred to in paragraph 2, a maximum of three of these offices will be compensated. The three highest compensated offices will be used as the basis. This accordingly constitutes compensation for every additional office in a committee of the Supervisory Board.

(4) Members of the Supervisory Board who have belonged to the Supervisory Board or a committee of the Supervisory Board during just part of the fiscal year will receive a lower compensation under paragraphs 1 to 3 for that fiscal year proportionately based on time.

(5) In addition, each member of the Supervisory Board will receive an amount of €1,500.00 for each participation in a meeting or conference call of the Supervisory Board or a committee of the Supervisory Board. The payment for attending a meeting will only be paid once in the case of multiple meetings or conference calls taking place on one day.

(6) The compensation under paragraphs 1 to 3 and the payment for attending a meeting are payable in each case at the end of the fiscal year.

(7) The Company will reimburse to the members of the Supervisory Board the disbursements they incur in the exercise of the office and any value added tax accruing on the compensation or the reimbursement of disbursements. Reasonable support in terms of personnel and material support will be provided to the chairman of the Supervisory Board, and especially travel expenses for representative responsibilities resulting from his function and costs for security measures required because of his function will be reimbursed.

(8) The members of the Supervisory Board will be covered in financial liability insurance with a deductible maintained by the Company in a reasonable amount. Accident insurance coverage in a reasonable amount will also be provided for the chairman of the Supervisory Board. The Company will pay the premiums for the respective insurance.

(9) The above provisions apply for the first time for the fiscal year beginning on 1 January 2016 and replace the previous provision in the Articles of Association starting at that point in time.”

The amount of the compensation for service in the Supervisory Board and its committees which was adjusted by the resolution of the general shareholders’ meeting on 20 April 2016 to reflect the increased extent of responsibility and the large amount of work continues to be reasonable and is not supposed to be changed. The resolution proposed in lit. a) is accordingly supposed to serve to confirm the compensation of the Supervisory Board pursuant to § 113 para. 3 AktG.

The compensation system for the Supervisory Board is described below in accordance with §§ 87a paragraph 1 sentence 2, 113 paragraph 3 sentence 3 AktG:

The compensation system is structured in a simple, clear and understandable manner. The members of the Supervisory Board receive the fixed compensation set forth in the Articles of Association. The chairman of the Supervisory Board receives three times an amount and the vice-chairman receives twice this compensation. Additional compensation is granted for membership in committees. In addition, the members of the Supervisory Board receive an amount set forth in the Articles of Association for participating in meetings. The members of the Supervisory Board are covered by the financial liability (D & O) insurance carried by the Company in accordance with the Articles of Association.

Contrary to the Board of Managing Directors, the Supervisory Board is not active in regular operations and does not make any decisions about business strategy. Instead, the Supervisory Board makes a contribution to the long-term development of the Company through the Supervisory Board’s supervisory activities (§ 87a paragraph 1 sentence 2 number 2 AktG).

The grant of purely fixed compensation without variable components has proven itself and corresponds to common practice in other listed companies. The Board of Managing Directors and the Supervisory Board are of the opinion that purely fixed compensation for the members of the Supervisory Board is

best suited for taking into account the control function of the Supervisory Board which must be fulfilled independent of the success of the business. The compensation of the Supervisory Board, therefore, does not contain any variable components of compensation (§ 87a paragraph 1 sentence 2 numbers 3, 4 and 6 AktG) and also no share-based components (§ 87a paragraph 1 sentence 2 number 7 AktG).

The compensation and the payments for attending meetings are payable at the end of each financial year in accordance with § 15 paragraph 6 of the Articles of Association. There are accordingly no waiting periods for paying out components of compensation (§ 87a Paragraph 1 Sentence 2 number 5 AktG).

The compensation for the members of the Supervisory Board is conclusively regulated in the Articles of Association. There are no side-agreements. The compensation is linked to the term of office. There are no commitments to pay compensation upon leaving office, pension arrangements or early retirement rules (§ 87a Paragraph 1 sentence 2 number 8 AktG).

Both the representatives of the shareholders as well as the representatives of the employees in the Supervisory Board receive the same compensation. The terms and conditions for compensation and employment of the employees were and are irrelevant for the compensation system of the Supervisory Board (§ 87a Paragraph 1 sentence 2 number 9 AktG).

The compensation system for the Supervisory Board (§ 87a Paragraph 1 sentence 2 number 10 AktG) is adopted by the general shareholders' meeting upon proposal of the Board of Managing Directors and the Supervisory Board. The compensation is regulated in the Articles of Association of the Company. The Board of Managing Directors and the Supervisory Board conduct a review in regular intervals, but at the latest every four years with regard to whether the amount and composition of the compensation is still appropriate in the market. Since the compensation is regulated in the Articles of Association, an amendment to the Articles of Association is necessary at the same time as changing the compensation system.

The currently valid Articles of Association are available in the internet at [www.commerzbank.de/hv](http://www.commerzbank.de/hv). The compensation for the individual members of the Supervisory Board resulting on the basis of the provisions in the Articles of Association is also shown in the Compensation Report. The Compensation Report is part of the Annual Report 2019 which is available on the internet pages of Commerzbank Aktiengesellschaft ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)).

In addition, under point lit. b), more precision relating to the function-related expenses is supposed to be adopted in § 15 para. 7 of the Articles of Association. According to foreign statutes, the compensation paid for service in the Supervisory Board can be subject to social insurance deductions. In order to treat members of the Supervisory Board who are affected by this in the same manner as the other members of the Supervisory Board, it is common that any employer contributions arising under foreign statutes for service in the Supervisory Board with regard to social insurance will be paid by the Company. This is supposed to be clarified by the new sentence 2 in paragraph 7. The amendment in § 15 para. 9 of the Articles of Association which is also being proposed only states that the compensation under the Articles of Association is supposed to apply with the amended paragraph 7 starting as of 1 January 2020.

Therefore, the Board of Managing Directors and the Supervisory Board propose that the following be resolved:

- a) The system for compensating members of the Supervisory Board described in the invitation to this general shareholders' meeting and which is regulated in § 15 of the Articles of Association, including the new version of paragraphs 7 and 9 in § 15 of the Articles of Association, is adopted.
- b) Paragraphs 7 and 9 of § 15 of the Articles of Association are restated as follows:

“(7) The Company will reimburse to the members of the Supervisory Board the disbursements they incur in the exercise of the office and any value added tax accruing on the compensation or the reimbursement of disbursements. In addition, any employer contributions for social insurance arising under foreign law with regard to the service in the Supervisory Board will be paid for each member of the Supervisory Board. Reasonable support in terms of personnel and material support will be provided to the chairman of the Supervisory Board, and especially travel expenses for representative responsibilities resulting from his function and costs for security measures required because of his function will be reimbursed.”

“(9) The above provisions apply for the first time for the financial year beginning on 1 January 2020 and replace the previous provision in the Articles of Association starting at that point in time.”

**9. Resolution on the authorization to acquire and use treasury shares pursuant to § 71 paragraph 1 no. 8 AktG with the possibility to exclude the subscription right of the shareholders**

The Board of Managing Directors and the Supervisory Board propose to resolve as follows:

- a) Commerzbank Aktiengesellschaft is authorized to acquire treasury shares until 12 May 2025 in a volume up to 10% of the lower value of the share capital existing at the time the resolution is adopted or the share capital existing at the time the above authorization is exercised. The shares acquired on the basis of this authorization together with the treasury shares acquired for other reasons which are held by the Company or attributable to the Company pursuant to §§ 71a et seq. AktG cannot exceed at any point in time 10% of the respective share capital of the Company.

At the election of the Board of Managing Directors, the acquisition can be made through the stock exchange or by means of a public purchase offer directed to all shareholders.

The consideration for the acquisition of the shares (without ancillary costs for the acquisition) cannot be greater than 10% or less than 20% of the average value of the stock prices (closing auction price for the Commerzbank shares in XETRA trading or in a comparable successor system on the Frankfurt Stock Exchange) on the three trading days preceding the respective acquisition when the shares are acquired through the exchange. In the case of a public purchase offer, the consideration cannot be more than 10% above or more than 20% below the average value of the stock prices (closing auction price for the Commerzbank shares in XETRA trading or in a comparable successor system on the Frankfurt Stock Exchange) in the last three trading days prior to the date of publication of the offer. If the volume of the offered shares in the case a public offer to purchase exceeds the intended volume for the redemption, the acceptance will be made proportionately according to the respectively offered shares. A preferred acceptance of small numbers of up to 50 shares of the Company offered for purchase per shareholder can be provided for (minimum allocation).

The authorization to acquire treasury shares can be used once or multiple times completely or in partial amounts by Commerzbank Aktiengesellschaft or by direct or indirect companies in which Commerzbank Aktiengesellschaft holds a majority stake (group companies within the meaning of

§ 18 paragraph 1 AktG) or by third parties for the account of Commerzbank Aktiengesellschaft or such companies in which it holds a majority stake and in combination with all above-described possibilities for acquisition.

b) The Board of Managing Directors is authorized to use the shares acquired on the basis of the above authorization as follows:

- sale of the treasury shares through the stock exchange or by an offer to all shareholders;
- sale of the treasury shares in exchange for consideration in kind for the purpose of acquiring companies, parts of companies or participations in companies as well as other assets;
- in the case of a sale of the treasury shares by an offer to all shareholders, a grant of a subscription right for holders of conversion rights or warrants issued or still to be issued by Commerzbank Aktiengesellschaft or companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority stake (group companies within the meaning of § 18 paragraph 1 AktG) which such holders would have after exercising the conversion right or the warrant or after fulfilling a corresponding duty to convert or exercise the warrant;
- issuance of treasury shares (i) as employee shares to employees of Commerzbank Aktiengesellschaft and companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority stake (group companies within the meaning of § 18 paragraph 1 AktG) up to a proportionate amount of the EUR 15,000,000.00 or (ii) as a component in the compensation by granting shares to members of the Board of Managing Directors, members of senior management or employees of the above-mentioned companies;
- sale of the treasury shares in a manner other than through the stock exchange or by an offer to all shareholders if the purchase price does not materially fall below the stock exchange price for the shares at the time of the sale. This authorization can only be used if there is assurance that the number of shares sold under this authorization does not exceed 10% of the existing share capital of the Company at the time the authorization takes effect or at the time the authorization is exercised, whichever is lower. Shares which are issued or sold with exclusion of the subscription right in direct or corresponding application

of § 186 paragraph 3 sentence 4 AktG during the term of this authorization must be credited against the maximum amount of 10% of the share capital. Shares which are issued to service conversion rights or warrants under financing instruments must also be credited if these financing instruments are issued during the term of this authorization with exclusion of the subscription right in corresponding application of § 186 paragraph 3 sentence 4 AktG.

The Board of Managing Directors can use the authorizations to exclude the subscription right for the use of the treasury shares as employee shares, as a component in the compensation by providing shares to members of the Board of Managing Directors, members of senior management or employees as well as for issuing the own shares in exchange for consideration in kind to members of the Board of Managing Directors, members of senior management or employees of Commerzbank Aktiengesellschaft and its group companies within the meaning of § 18 paragraph 1 AktG only up a total maximum amount of 3% of the share capital existing at the time the general shareholders' meeting adopts the resolution. The proportionate share capital attributable to shares which are issued or sold to members of the Board of Managing Directors, members of senior management or employees of the Company or its group companies within the meaning of § 18 paragraph 1 AktG in exchange for cash contributions or contributions in kind under another authorization during the term of the present authorization must be credited against this 3% limit.

The above-mentioned authorizations for the use of treasury shares can be used once or multiple times, completely or partially, individually or together. The treasury shares can be used for one or more of the above-mentioned purposes. The subscription right of the shareholders to Commerzbank shares which are again sold is excluded to the extent that these shares are used in accordance with the above authorizations in bullet points 2 to 5.

- c) The Board of Managing Directors is further authorized to cancel the shares acquired on the basis of this authorization without a further resolution of the general shareholders being required to carry out the cancellation.

**10. Resolution to authorize the use of derivatives in the context of acquiring treasury shares pursuant to § 71 paragraph 1 no. 8 AktG**

In addition to the authorization to be resolved under agenda item 9 on the acquisition of the treasury shares pursuant to § 71 paragraph 1 no. 8 AktG, Commerzbank Aktiengesellschaft shall also be authorized to acquire treasury shares also by using derivatives.

The Board of Managing Directors and the Supervisory Board propose to resolve as follows:

- a) In addition to the authorization to be adopted under agenda item 9 for the acquisition of treasury shares pursuant to § 71 paragraph 1 no. 8 AktG, the acquisition of shares can also be carried out by using put or call options as well as futures contracts, in addition to the manner described above. The Company can sell put options directed toward physical delivery to third parties and purchase call options from third parties as well as conclude futures contracts in which more than two trading days lie between the conclusion of the purchase contract for the treasury shares and performance of the delivery of the shares (hereinafter together, “derivatives”) if there is assurance in the terms and conditions of these derivatives that shares will only be delivered under the derivatives which have been acquired in accordance with the principle of equal treatment; the acquisition of the shares on the exchange satisfies this requirement. Subject to this prerequisite, a combination of the above-mentioned derivatives can also be used. The authorization to acquire treasury shares by using derivatives can be used once or multiple times, completely or in partial amounts, by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority stake (group companies within the meaning of § 18 paragraph 1 AktG) or by third parties for the account of Commerzbank Aktiengesellschaft or the group companies.
- b) All acquisitions of shares made by using derivatives are limited to shares having a maximum volume of 5% of the share capital existing at the time the general shareholders’ meeting adopts the resolution for this authorization or the share capital existing at the time the above authorization is authorized, whichever value is lower. The term of the individual derivatives can be in each case a maximum of 18 months and must be determined in such a manner that the acquisition of shares upon exercising the derivatives takes place at the latest on 12 May 2025.



- c) The price agreed in a derivative (without ancillary costs for the acquisition) for the acquisition of a share when exercising options or fulfilling futures contracts cannot be more than 10% above or 10% below the average value of the share prices (closing auction prices for the Commerzbank shares in XETRA trading or in a comparable successor system on the Frankfurt Stock Exchange) in the last three trading days prior to the conclusion of the relevant transaction.

The purchase price to be paid by the Company for options cannot be materially above the theoretical average value of the respective derivative determined using recognized financial mathematical methods and the selling price for options collected by the Company cannot be materially below this theoretical market value; the agreed exercise price must, among other aspects, be considered when making this determination. The futures price agreed by the Company in the case of futures purchases accordingly cannot be materially above the theoretical futures price determined in accordance with recognized financial mathematical methods; when making this determination, the current stock exchange price and the term of the futures contract must be taken into account, among other aspects.

- d) If treasury shares are acquired by using derivatives in accordance with the provisions above, a right of the shareholders to conclude such derivatives transactions with the Company is excluded in corresponding application of § 186 paragraph 3 sentence 4 AktG. Shareholders have a right to put their shares to the Company only to the extent that the Company has an obligation towards the shareholders to acquire the shares under the derivatives transactions. Any further right to put the shares is excluded.
- e) The rules established under agenda item 9 apply for the use of shares acquired through derivatives.

## **11. Resolution on amending the Articles of Association in order to establish special rules for calling a general shareholders' meeting for the purpose of a recovery**

The German Act on the Reorganization of the Responsibilities of the Federal Agency of the Stabilization of the Financial Markets (FMSA Reorganization Act – *Gesetz zur Neuordnung der Aufgaben der Bundesanstalt für Finanzmarktstabilisierung*, “FMSA-Neuordnungsgesetz” or FMSANeuOG”) dated 23 December 2016 gives CRR credit institutions the possibility under certain circumstances to provide in the articles of association

for a shortened period of at least ten days for calling general shareholders' meetings in order to adopt resolutions about capital increases (§ 36 paragraphs 5 to 7 German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*, "SAG")). This implements Art. 5 paragraph 5 of the Directive on Shareholders Law introduced by Art. 121 No. 2 of the Bank Reorganization and Resolution Directive ("BRRD").

The shortening of the period for calling the general shareholders' meeting is exclusively intended for exceptional situations in which the financial situation of the institution has significantly deteriorated or will significantly deteriorate in the near future so that the prerequisites for activity by a supervisory authority under the SAG exists and the capital increase is necessary in order to prevent the prerequisites for resolution occurring within the meaning of § 62 SAG.

The European Central Bank ("ECB") has repeatedly stated that it expects from the relevant CRR credit institutions that they make full use of the new legal framework, even if the law does not require them to do so. Commerzbank Aktiengesellschaft had already submitted a corresponding proposal to amend its Articles of Association to the general shareholders' meeting 2017. However, the resolution only slightly missed getting the necessary majority of two thirds of the cast votes. At the same time, numerous shareholders had told that an invitation of fourteen days which would have given the shareholders somewhat more reaction time would have been approved.

The following proposed amendments to the Articles of Association are supposed to make use of the possibility set forth in § 36 paragraphs 5 to 7 SAG. The statutory parameter of ten days shall not to be fully used after taking into account the responses from shareholders and instead an invitation period of fourteen days will be provided for.

The current valid Articles of Association are available in internet at [www.commerzbank.de/hv](http://www.commerzbank.de/hv).

The Board of Managing Directors and the Supervisory Board propose to resolve as follows:

- a) The following sentences 3 and 4 are inserted after § 17 paragraph 1 sentence 2:

"As a deviation from the above rules, a general shareholders' meeting for which the agenda includes a capital increase alone or in addition to other items on the agenda must be called at least fourteen days prior to the date of the general shareholders' meeting if (1) the prerequisites for activity

by the supervisory authority under § 36 paragraph 1 sentence 1 or sentence 2 German Recovery and Resolution Act are satisfied, and (2) a capital increase is required in order to prevent the prerequisites for a resolution within the meaning of § 62 German Recovery and Resolution Act occurring. This minimum period is not extended by the days in the registration period.”

- b) The following sentence 4 is inserted after § 17 paragraph 2 sentence 3:

“The required registration for a general shareholders’ meeting to be called under § 17 paragraph 1 sentence 3 of the Articles of Association can also be still made at least three days prior to the general shareholders’ meeting as a deviation from sentence 1.”

## **12. Adoption of a resolution amending the Articles of Association in order to adapt them to the Act on Implementation of the Second Directive on Shareholder Rights (ARUG II)**

The Act on Implementation of the Second Directive on Shareholder Rights (*Gesetz zur Umsetzung der zweiten Aktionärs-rechterichtlinie*, “ARUG II”) dated 12 December 2019 was published in the Federal Official Journal (*Bundesgesetzblatt*) on 19 December 2019 and mostly took effect on 1 January 2020. Among other points, the ARUG II introduces changes in the provisions in the Stock Corporation Act relating to proof of legitimization in order to participate in the general shareholders’ meeting and the transmission of information through intermediaries and the exercise of the voting right. These provisions must first be applied in general shareholders’ meetings which are called after 3 September 2020 (§ 26j para. 4 Introductory Act to the AktG – *Einführungsgesetz zum AktG*, “EGAktG”). The proposed amendments are intended to adapt the Articles of Association of the Company to the new situation under the law effective as of 3 September 2020. In addition to an adaptation to the new provision on proof of legitimization, above all the language in the Articles of Association must be adapted to the new terminology in the law. The terms “institutions maintaining a securities account” and “credit institution” are replaced by the terms “final-intermediary” (*Letztintermediär*) and “intermediary” (*Intermediär*).

Paragraphs 2 and 3 in § 17 of the Articles of Association which are supposed to be amended have the following language at the present time:

- “(2) All shareholders are entitled to attend the General Meeting and to exercise voting rights who, at least six days prior to the General Meeting, register with the Company or any other depository mentioned in the announcement to convene the General Meeting to attend the meeting, providing evidence that they hold shares. The custodian bank must confirm that the shares are held; such confirmation has to relate to the start of the twenty-first day before the General Meeting. Registration and evidence of the shares held have to be submitted in form of text, written in either German or English.
- (3) The voting right may be exercised by proxy. The proxy may also be a proxy appointed by the Company. If neither a bank, an institution or company deemed to be equal to a bank under §§ 135, 125 Stock Corporations Act, nor any other of those named in § 135 Stock Corporation Act is authorized, the power of proxy is to be granted in form of text. The details of the granting of the power of proxy to the Company will be announced together with the convening of the General Meeting.”

The currently valid Articles of Association are available in the internet at [www.commerzbank.de/hv](http://www.commerzbank.de/hv).

The Board of Managing Directors and the Supervisory Board propose to resolve:

- a) § 17 paragraph 2 sentences 1 to 3 of the Articles of Association are restated as follows:

“All shareholders are entitled to attend the General Meeting and to exercise voting rights who, at least six days prior to the General Meeting, register with the Company or any other depository mentioned in the announcement to convene the General Meeting to attend the meeting, providing that they hold shares, in form of text in German or English. The ownership of the shares must be confirmed by proof from the final intermediary in form of text in German or English; proof that the shares are held from the final intermediary in accordance with the requirements in § 67c para. 3 AktG is sufficient; such confirmation has to relate to the start of the twenty-first day before the General Meeting.”

- b) § 17 paragraph 3 sentence 3 of the Articles of Association is restated as follows:

“If proxy is not granted to either an intermediary nor another person referred to in § 135 para. 8 AktG, the power of attorney must be issued in form of text.”

The Board of Managing Directors is instructed to file the above amendments to the Articles of Association for registration in the commercial register so that these amendments take effect for any general shareholders' meeting to be called after 3 September 2020.

## Appendix to agenda item 6:

### **Information pursuant to § 125 paragraph 1 sentence 5 AktG about the candidates nominated for election to the Supervisory Board**

The following states in which other supervisory boards required to be established by law and in which comparable domestic or foreign supervisory bodies in commercial enterprises the candidates nominated for election to the Supervisory Board are members (§ 125 paragraph 1 sentence 5 AktG).

#### ***Dr. Frank Czichowski***

Membership in other supervisory boards required to be established by law:

*none*

Membership in comparable domestic and foreign supervisory bodies of commercial enterprises:

*none*

#### ***Dr. Jutta Dönges***

Membership in other supervisory boards required to be established by law:

*Deutsche Pfandbriefbank AG, Garching (listed on the stock exchange)*

*Member of the supervisory board*

Membership in comparable domestic and foreign supervisory bodies of commercial enterprises:

*FMS Wertmanagement AöR, Munich*

*Vice-chairman of the administrative board*

## Report of the Board of Managing Directors on agenda items 9 and 10

Under agenda item 9, Commerzbank Aktiengesellschaft is supposed to be authorized to acquire treasury shares of up to 10% of the Company's share capital and to use the shares especially to finance the acquisition of companies or other assets or for passing the shares on to employees and board members or to resell the treasury shares to third parties in exchange for payment of cash or to cancel the shares. Under agenda item 10, the possibilities to acquire treasury shares are expanded for the use of derivatives. Both items can be in the interest of the Company, in order to optimize its capital structure.

The acquisition of treasury shares can be carried out through the stock exchange or by means of a public purchase offer directed to all shareholders from Commerzbank Aktiengesellschaft itself or from companies in which the Company directly or indirectly holds a majority stake (group companies within the meaning of § 18 paragraph 1 AktG) or by third parties acting for the account of Commerzbank Aktiengesellschaft or such group companies.

If the volume of offered shares exceeds the intended volume for the redemption in the case of a public purchase offer, the acceptance will be made proportionately according to the respectively offered shares. A preferred acceptance of small numbers of up to 50 shares of the Company offered for purchase per shareholder can be provided for (minimum allocation).

### Acquisition through derivatives

The use of put or call options or futures (together, "derivatives") when purchasing treasury shares gives the Company the possibility to optimize a repurchase of treasury shares. As is emphasized in the separate limit of 5% of the capital, derivatives are only supposed to be used as a supplemental measure with regard to the conventional repurchase of shares.

When selling put options, the Company grants the purchaser of the put options the right to sell shares to the Company at a price fixed in the put option (the "exercise price") to the Company. The Company is required, as the so-called "writer" (*Stillhalter*) to purchase the number of shares of the Company fixed in the put option for the exercise price. The Company receives as consideration, when selling the put option an option premium which in substance corresponds to the value of the right to sell, when taking into account the exercise price, the term of the option and the volatility

of the Commerzbank shares. If the put option is exercised, the option premium paid by the purchaser of the put option reduces the consideration paid in total by the Company for the purchase of the shares. The exercise of the put option then makes economic sense for the entitled party if the price of the Commerzbank share is below the exercise price because the holder of the put option can then sell the shares to the Company at the higher exercise price. From the point of view of the Company, the redemption of shares by using put options has the benefit that the exercise price is already fixed on the date when the option is concluded. However, the liquidity does not flow until the exercise date. Furthermore, the price for the Company to acquire the shares is below the stock price when the option is concluded due to the collected option premium. If the option is not exercised because the stock price is greater than the exercise price on the exercise date, the Company cannot purchase any treasury shares in this manner. However, the Company still retains the option premium that was collected on the date the option was concluded. When purchasing a call option, the Company receives the right, upon payment of an option premium, to purchase a previously fixed number of shares at a previously fixed price (the “exercise price”) from the seller of the option, the “writer”. The Company, thus, purchases the right to acquire treasury shares. The exercise of the call option makes economic sense for the Company when the price of the Commerzbank shares is greater than the exercise price, because the Company can then purchase the shares from the writer at the lower exercise price. In the case of a futures contract, the Company acquires the shares, in accordance with the agreement with the futures seller, at a certain date in the future at the purchase price (“future price”) fixed when the futures contract is concluded. The conclusion of futures purchases can make sense for the Company if the Company wants to secure a need for treasury shares on the future date at a specific price level.

The purchase price to be paid by the Company for options cannot be materially above the theoretical market value of the respective derivative determined using recognized financial mathematical methods, and the selling price for options collected by the Company cannot be materially lower than this theoretical market value, which is determined, among other factors, by taking into account the agreed exercise price. The future price agreed by the Company in the case of futures sales cannot be materially above the theoretical future price determined using recognized financial mathematical methods, which is determined, among other aspects by taking into account the current stock exchange price and the term of the future purchase.

The term of the individual derivatives will not exceed 18 months. This makes sure that obligations under the individual derivatives are reasonably limited with regard to timing.

Both the requirements for structuring of the derivatives as well as the requirements for delivery of the appropriate shares make sure that the principle of equal treatment of the shareholders is taken into account in this form of purchase and that the shareholders are not economically adversely affected by the acquisition of treasury shares by using derivatives. Therefore, this justifies excluding a claim of the shareholders to conclude the above-mentioned derivative transactions with the Company in corresponding application if § 186 paragraph 3 sentence 4 AktG.

#### Use with exclusion of the subscription right

The Company is also authorized to sell purchased shares again. This possibility of reselling treasury shares can be used to again obtain equity funding. This can be linked to an exclusion of the subscription right of the shareholders:

- In addition to the sale through the stock exchange or by making an offer to all shareholders, which according to the definition in the law already secures the equal treatment of the shareholders, the proposed resolution provides that the treasury shares of the Company will also be available, in order to be able to offer them with an exclusion of the subscription right of the shareholders when acquiring companies, parts of companies or stakes in companies as well as other assets. The Board of Managing Directors accordingly is given the possibility of reacting quickly to favorable offers or good opportunities in the national or international market and using these possibilities for acquisition with the necessary flexibility. The necessity or also a mutual interest in being able to (also) offer the sellers new Commerzbank shares as consideration frequently arises in negotiations. At the same time, the acquisition of assets in exchange for providing shares is in the direct interest of the Company. The sale of treasury shares, compared to paying money, preserves the liquidity and, thus, frequently constitutes the more favorable form of financing. The authorization takes this circumstance into account. The Board of Managing Directors is also supposed to be authorized, for example, to use treasury shares for the purpose of granting holders of certificated or non-certificated monetary claims against the Company, its affiliated companies or other third parties completely or partially shares in the Company instead of paying money. The Company accordingly has the possibility to obtain core capital in the context of measures to improve



its capital structure. Finally, the authorization to exclude the subscription right of the shareholders when using treasury shares in exchange for consideration in kind gives the Company the possibility of issuing shares to members of the Board of Managing Directors, members of senior management or employees of Commerzbank Aktiengesellschaft and direct or indirect companies in which Commerzbank Aktiengesellschaft holds a majority stake (group companies within the meaning of § 18 paragraph 1 AktG) in exchange for contributing claims for variable compensation components, bonus payments or similar claims against the Company or group companies.

- The possibility for issuing shares to the entitled group of persons in exchange for contributing variable components of compensation is in the interests of the Company and its shareholders. This establishes the possibility for compensation that is fair for the performance which does not burden the liquidity of the Company and takes into account the Company's risks and strengthens its equity. The entitled parties also assume at the same time financial responsibility. When determining the issue price, at most a minor deduction can be made compared to the stock exchange price, in order to give the employees an incentive to contribute variable components of compensation to the Company.
- The authorization also creates the possibility of partially excluding the subscription right of the shareholders in the case of a sale of the shares by an offer to all shareholders for the benefit of the holders of conversion rights or warrants issued or still to be issued by the Company or companies in which it directly or indirectly holds a majority stake (group companies within the meaning of § 18 paragraph 1 AktG). The reason for this is that terms and conditions for convertible bonds and bonds with warrants, in market practice, contain provisions under which the conversion price or exercise price under the warrant must be reduced in accordance with a formula providing protection against dilution in the event of an offer for subscription to the shareholders of the Company for new shares when the holders of the conversion rights or rights under warrants have not been granted a subscription right to shares in the volume they would have after exercising their conversion right or rights under warrants or fulfilling any duty to convert. The possibility to exclude the subscription right proposed here gives the Board of Managing Directors a choice between both types of structures.

- The authorization also results in the possibility of issuing treasury shares as employee shares for employees of Commerzbank Aktiengesellschaft and companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority stake (group companies within the meaning of § 18 paragraph 1 AktG) at preferred conditions up to a proportionate amount in the share capital of EUR 15,000,000.00. When issuing employee shares, common benefits can be granted which have a reasonable relationship to the benefit of an employee stock program for the Company as well as any existing blocking period or minimum holding period to be agreed. The issuance of employee shares to employees is an important tool for binding and motivating employees. At the same time, this promotes the assumption of responsibility. The transfer of treasury shares instead of using the Approved Capital 2019/I which is also available (see § 4 para. 3 of the Articles of Association) can be an economically sensible alternative because it avoids the expense involved with a capital increase and admitting new shares as well as the dilution effect that would otherwise occur. Treasury shares can also be issued as part of the compensation by providing shares to members of the Board of Managing Directors, members of senior management or employees of the above-mentioned companies. According to the Regulation on the Requirements for Compensation Systems of Institutions under Supervisory Law (*Verordnung über die aufsichtsrechtlichen Anforderungen an Vergütungssysteme von Instituten* ("InstitutsVergV") dated 16 December 2013 (Federal Official Journal – *Bundesgesetzblatt*, "BGBl." I page 4270), most recently amended by the Regulation Amending the InstitutsVergV dated 15 April 2019 (BGBl. I page 486), a substantial portion, but at least 50 percent, of each withheld part and each not withheld part of variable compensation of so-called risk holders (*Risikoträger*) of the respective institution, depending on the legal form, must consist of shares or equivalent participations or stock-based or equivalent instruments which reflect the long-term value of the company. As a general rule, granting shares is also conceivable for this part of the compensation. Any partial grant of compensation to the members of the Board of Managing Directors would require that a compensation system that has been modified accordingly be submitted to the general shareholders' meeting for approval pursuant to § 120a para. 1 AktG.

- Finally, the possibility to exclude the subscription right in accordance with § 186 paragraph 3 sentence 4 AktG is supposed to be given to management also with regard to reselling the shares acquired on the basis of this authorization in exchange for payment of cash. This enables the Board of Managing Directors to exploit favorable situations on the stock exchange quickly and achieve the highest possible issuing price and, thus, the greatest possible strengthening of equity funding by fixing the price close to the market. The use of this possibility also for treasury shares expands the ways to strength in capital also if markets are less willing to accept new shares. The authorization makes sure that shares can only be sold under the authorization, based on § 186 paragraph 3 sentence 4 AktG, to the extent and only up to the maximum limit of 10% of the share capital set there when excluding the subscription right of the shareholders. Shares must be credited against the maximum limit of 10% which have been issued or sold during the term of the authorization with an exclusion of the subscription right in direct or corresponding application of § 186 paragraph 3 sentence 4 AktG. Shares which have been issued to service conversion rights or warrants under financing instruments are also credited against the maximum limit, to the extent these financing instruments are issued during the term of the authorization with exclusion of the subscription right in corresponding application of § 186 paragraph 3 sentence 4 AktG. If this possibility for reselling the shares is used, the Board of Managing Directors will limit any discount of the issuing price compared to the stock exchange price to a maximum amount of most likely 3%, but in any event to no more than 5%.

The authorizations to exclude the subscription right for the use of treasury shares as employee shares, as part of the compensation by providing shares to members of the Board of Managing Directors, members of senior management or employees as well as issuing treasury shares in exchange for consideration in kind to members of the Board of Managing Directors, members of senior management or employees of Commerzbank Aktiengesellschaft and its group companies by contributing claims for variable components of compensation, anniversary benefits or similar claims against the Company or its group companies can be used by the Board of Managing Directors together only up to a total maximum amount of 3% of the share capital existing at the time the resolution of the general shareholders' meeting is adopted. The proportionate share capital attributable

to shares which are issued or sold to members of the Board of Managing Directors, members of senior management or employees of the Company or its group companies within the meaning of § 18 paragraph 1 AktG in exchange for cash contributions or contributions in kind will be credited against this 3% limit.

### Reporting

The Board of Managing Directors will report about use of the authorizations in the respective next general shareholders' meeting.

## **Total number of shares and voting rights at the time the meeting is convened**

The share capital of Commerzbank Aktiengesellschaft at the time of convening the general shareholders' meeting amounts to EUR 1,252,357,634.00 and is divided into 1,252,357,634 shares with in general the equivalent number of voting rights.

## **Conducting the general shareholders' meeting as a virtual general shareholders' meeting**

The general shareholders' meeting will be conducted with the approval of the Supervisory Board as a virtual general shareholders' meeting without the physical presence of the shareholders or their proxies pursuant to the German Act on Measures in the Law on Corporations, Cooperatives, Associations, Foundations and Condominium Property to Combat the Effects of the COVID-19 Pandemic (Art. 2 of the Act to Mitigate the Consequences of the COVID-19 Pandemic in Civil Law, Insolvency and Criminal Proce-

dure, Federal Official Journal (*Bundesgesetzblatt*) I 2020, p. 569, the "Covid-19 Act"). A physical participation by the shareholders or their proxies is accordingly excluded.

The general shareholders' meeting will be transmitted live in the internet on 13 May 2020 starting at 12:00 hours (CEST) ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)). Shareholders who want to participate in the virtual shareholders' meeting must register for the general shareholders' meeting. They will receive the internet access code required for online access with their confirmation of registration. The opening of the general shareholders' meeting by the chairman as well as the speech by the chairman of the Board of Managing Directors can also be followed by other interested persons live in the internet ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)).

The voting right of the shareholders can exclusively be exercised by way of absentee ballot or by proxy issued to the Voting Rights Representative of the Company. Questions to the shareholders must be submitted by way of electronic communication at the latest two days prior to the meeting, i.e. by no later than 10 May 2020, 24:00 hours (CEST) stating the number of the registration confirmation. An electronic system is available for this purpose at [www.commerzbank.de/hv](http://www.commerzbank.de/hv). Questions that are submitted in any other manner will not be considered.

No questions can be posed during the general shareholders' meeting. The Board of Managing Directors will decide in its reasonable, free discretion which questions it answers and how they are answered.

Objections to resolutions of the general shareholders' meeting can be declared by way of electronic communication for the notarial record by shareholders who have exercised their voting right by the end of the meeting, stating the number of the registration confirmation. An electronic system is available for this purpose at [www.commerzbank.de/hv](http://www.commerzbank.de/hv).

## Prerequisites for participation in the virtual general shareholders' meeting and exercise of the voting rights

Those shareholders are entitled to participate in the virtual general shareholders' meeting and exercise the voting rights who have registered with

Commerzbank Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich  
Telefax: +49 (0)89/30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

and provided evidence of their shareholdings by no later than **6 May 2020, 24:00 hours** (CEST), whereby proof of ownership of the shares can be provided by 9 May 2020, 24:00 hours (CEST).

The shareholding must be proven by confirmation from the institution maintaining the securities account; this evidence must refer to the beginning of the 12th day prior to the general shareholders' meeting (**1 May 2020, 0:00 hours** (CEST)) (so-called record date). The registration and the confirmation of the shareholding must be in the form of text (§ 126b German Civil Code (*Bürgerliches Gesetzbuch*, "BGB")) and must be in German or English.

The record date is the decisive date for the volume and the exercise of the right to participate and vote in the virtual general shareholders' meeting. Only those shareholders are deemed to be shareholders in the relationship to the Company for the purpose of participating in the virtual general shareholders' meeting or exercising the voting right who have submitted evidence of the shareholding as of the record date. The shares are not blocked on the record date or upon the registration for the virtual general shareholders' meeting; instead, shareholders may continue to dispose freely of their shares even after the record date and after registration. Shareholders who have properly registered and submitted evidence of this holding by the record date are then entitled to participate in the virtual general shareholders' meeting and exercise the voting right even if they sell the shares after the record date. Shareholders who have acquired their shares only after the record date are not entitled to attend the virtual general shareholders' meeting and also have no voting rights unless they obtain a proxy or authorization to exercise the rights. Determinative for the par-

ticipation in the virtual general shareholders' meeting and the volume as well as the exercise of the voting right are, thus, exclusively the evidence of the shareholding of the shareholder as of the record date and timely registration.

After receipt of the registration and proof of the shareholding, the shareholders will be sent confirmations of registration as well as proxy forms for the general shareholders' meeting by the registration office. The institutions maintaining the securities accounts normally make sure that the confirmation of registration is received in a timely manner if the shareholders fill out the order forms for confirmations of registration sent to them by the institution maintaining their securities accounts and send it to their institution maintaining the securities accounts in so timely a manner that the institution can submit the registration with the evidence on behalf of the shareholder prior to the expiration of the deadlines for registration and providing proof.

## **Procedure for casting votes in the case of proxies**

### **Proxy for a third party**

Shareholders may have their voting right exercised by proxies, for example, by a shareholders association, an intermediary or another person of their choice. In these cases, proof of the shareholding and the registration by the shareholder or the proxy is also necessary in accordance with the above section.

Holders of proxies cannot physically participate at the general shareholders' meeting. They can only exercise the voting right for the shareholders they represent by way of absentee ballot or by issuing (subordinate) proxy to the Voting Rights Representative of the Company. The use of online access by the proxy requires that the proxy receives access code sent with the confirmation of registration for the general shareholders' meeting from the person granting the proxy, unless the access code was sent directly to the proxy.

Proxies can be issued by declaration to the proxy or the Company. The grant of proxy, its revocation and the proof of proxy for the Company require the form of text (§ 126b BGB) unless they are

issued to an intermediary, an association of shareholders, a voting rights consultant or another equivalent person or institution under § 135 paragraph 8 AktG.

Intermediaries, associations of shareholders, voting rights consultants and other equivalent persons and institutions under § 135 paragraph 8 AktG can establish different rules for the form of power of attorney for their own appointment as a proxy. The shareholders are requested to timely coordinate any possibly required form of the proxy in such a case with the party to be granted proxy in a timely manner. Under the law, the power of attorney in these cases must be issued to a specific proxy and must be recorded by the proxy in a verifiable manner. The declaration of the power of attorney must also be complete and can only contain declarations linked to the exercise of the voting right.

The shareholders receive a proxy form and other information on granting proxy together with the confirmation of registration. The use of the form for the proxy is not mandatory. It is also possible that shareholders can issue a separate proxy in the form of text.

The following address is available for declaring a grant of proxy to the Company, revoking the grant of proxy and transmitting proof of any power of attorney or its revocation declared to a proxy:

Commerzbank Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich  
Telefax: +49 (0)89/30903-74675  
Email: Commerzbank-HV2020@computershare.de

The Company also additionally offers an electronic system through the internet as an electronic transmission channel at [www.commerzbank.de/hv](http://www.commerzbank.de/hv). The shareholders can find the details in the explanations provided there.

If a shareholder grants proxy to more than one person, the Company can reject one or more of these persons.

### **Granting proxy to Voting Rights Representatives of the Company who are bound by their instructions**

Shareholders also have the possibility to have their voting right exercised by a voting right representative (the "Voting Right Representative") appointed by Commerzbank Aktiengesellschaft. The Voting Right Representative exercises the voting right in the case of the grant of proxy only in accordance with the instructions. With the issuance of an express instruction on the individual items on the agenda, a power of attorney granted to the Voting Right Representatives is invalid.



Shareholders can issue the necessary powers of attorney and instructions in the form of text (§ 126b BGB) using the form for issuing power of attorney and instructions provided for this purpose on the confirmation of registration or using the internet page of the Commerzbank Aktiengesellschaft ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)). The revocation of the power of attorney and the instructions can also be made in the form of text or through the internet. If shareholders want to make use of this possibility, a registration and proof of the shareholding under the provisions in the section “Prerequisites for participating in the virtual general shareholders’ meeting and exercising the voting right” are required. The shareholders receive the form to be used for granting the power of attorney and instructions or the information required for issuing the power of attorney and the instructions to the internet together with the confirmation of registration. Additional information on the granting of power of attorney and instructions is also available through the internet on the internet page of Commerzbank Aktiengesellschaft ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)).

Powers of attorney and instructions issued by mail, telefax or email using the above mentioned form for power of attorney and instructions must be received at Commerzbank Aktiengesellschaft at the address stated above, telefax number or email address by **12 May 2020, 20:00 hours (CEST)**. The grant of power of attorney and instructions through the internet is possible before and also during the virtual general shareholders’ meeting, but must be present at the latest by the start of voting. If the representatives receive a proxy and instructions both by means of the proxy and instruction form as well as through the internet, exclusively the proxy and instructions issued through the internet will be considered to be binding, without regard to when proxies have been received until **12 May 2020, 20:00 hours (CEST)**. If a proxy and directive is issued to the representative of the Company through the internet after this deadline but prior to the start of voting, this issuance of the proxy and instruction will also be considered to have priority compared to a previously issued proxy and instruction for the same shares.

To the extent that the Company also has absentee ballots in addition to the power of attorney and instructions to the Voting Rights Representative for one and the same shareholdings, the absentee ballots will always be considered to have priority; the Voting Rights Representatives will accordingly not make use of the powers of attorney issued to them in this regard and will not represent the relevant shares.

The Voting Rights Representatives designated by the Company do not accept any mandate to submit questions or make motions.

### Procedure for casting votes by absentee ballot

Shareholders may exercise their voting right by absentee ballot. The cast of the vote by way of absentee ballot is conducted through the internet ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)) or by using the absentee ballot form provided for this purpose on the confirmation of registration and the ballot. If no express or clear vote is cast on the absentee ballot with regard to an item on the agenda, this is considered to be an abstention on this agenda item. In the case of an absentee ballot, a registration and proof of the shareholding in accordance with the provisions in the section "Prerequisites for participating in the virtual general shareholders' meeting and exercising the voting right" are necessary. The casting of votes by absentee ballot is limited to voting about the proposals for resolutions (including any adjustments) of the Board of Managing Directors and the Supervisory Board and nominations by the Supervisory Board as well as counter-proposals and nominations for election of shareholders pursuant to §§ 126, 127 AktG which were made available on the internet pages of Commerzbank Aktiengesellschaft under [www.commerzbank.de/hv](http://www.commerzbank.de/hv) and proposals by shareholders for resolutions announced with an addendum to the agenda pursuant to § 122 paragraph 2 AktG.

The casting of votes by means of absentee ballot must be received at the Company at the following address by no later than **12 May 2020 20:00 hours** (CEST):

Commerzbank Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich  
Telefax: +49 (0)89/30903-74675  
Email: [Commerzbank-HV2020@computershare.de](mailto:Commerzbank-HV2020@computershare.de)

The casting of votes by absentee ballot through the internet is still possible during the virtual general shareholders' meeting but must be fully completed by no later than the start of voting. A revocation or a change in the cast of the vote made through the internet is also possible up to that time. A confirmation of registration is required in order to be able to cast an absentee ballot through the internet. Shareholders may access through the internet pages of the Commerzbank Aktiengesellschaft at [www.commerzbank.de/hv](http://www.commerzbank.de/hv). The details can be found by the shareholders in the explanations provided there.

Proxies can also use the absentee ballot. The provisions on granting, revoking and providing proof of proxy are not affected.

If the voting right is exercised for one and the same shareholding – in each case in a timely manner – both by means of the absentee ballot form as well as through the internet, exclusively the cast of vote through the internet will be considered to be binding without regard to the dates of receipt.

## **Rights of the shareholders**

### **Requests to supplement the agenda pursuant to § 122 paragraph 2 AktG, § 1 paragraph 3 sentence 4 COVID-19 Act**

Shareholders whose shares constitute together one twentieth of the share capital or a proportionate amount of EUR 500,000.00 (corresponding to 500,000 shares) can demand pursuant to § 122 paragraph 2 AktG, § 1 paragraph 3 sentence 4 COVID-19 Act that items be placed on the agenda and announced. Every new item must include a statement of reasons or a proposal for a resolution. The demand must be addressed in writing to the Board of Managing Directors and must be received at the Company at the following address at the latest by **28 April 2020, 24:00 hours** (CEST). Any subsequently received demands for an addition will not be considered. Such request must be sent to the following address:

Commerzbank Aktiengesellschaft  
 – Legal Department / General Shareholders Meeting –  
 Kaiserplatz  
 60261 Frankfurt am Main

The applicants must provide proof that they have been the holders of the shares at least 90 days prior to the date when the request is received and that they will hold the shares until the decision of the Board of Managing Directors about the request. § 121 paragraph 7 AktG applies accordingly for calculating the deadline. A corresponding confirmation from the institution maintaining the securities account is sufficient proof.

Supplements to the agenda which must be announced – to the extent they have not already been announced with the notice convening the meeting – must be announced in the Federal Gazette without undue delay after receipt of the request, and the request must be forwarded for publication to those media where it can be assumed that they will distribute the information throughout the European Union. The demands must also be made available on the internet pages of Commerzbank Aktiengesellschaft ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)).

Correct motions received by 28 April 2020, 24:00 hours (CEST) on agenda items which have been placed on the agenda or will still be placed on the agenda pursuant to § 122 paragraph 2 AktG, § 1 paragraph 3 sentence 4 Covid-19 Act will be treated in the general shareholders' meeting as if the motions had been made in the general shareholders' meeting.

### **Motions and nominations by shareholders pursuant to §§ 126 paragraph 1, 127 AktG**

Shareholders can make counter-motions against a proposal by the Board of Managing Directors and/or the Supervisory Board on a specific item on the agenda. Shareholders can also make nominations for the election of members of the Supervisory Board or auditors. Counter-motions must be accompanied by an explanation. Counter-motions with relevant explanations or nominations for election must be directed exclusively to the following address and must be received at least fourteen days prior to the general shareholders' meeting, i.e. no later than **28 April 2020 24:00 hours** (CEST).

Commerzbank Aktiengesellschaft  
– Legal Department / General Shareholders Meeting –  
Kaiserplatz  
60261 Frankfurt am Main  
Telefax: +49 (0)69/136-80013  
Email: [gegenantraege.2020@commerzbank.com](mailto:gegenantraege.2020@commerzbank.com)

Counter-motions for the items on this agenda and/or nominations for election which have been received at this address on time will be made available on the internet pages of Commerzbank Aktiengesellschaft ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)) together with the name of the shareholder and the explanation. Any responses of the administration will also be made available at the stated internet address. Any opposing motions or nominations for election by shareholders which are addressed otherwise or are not received on time cannot be taken into consideration.

The Board of Managing Directors can refrain from publishing a counter-motion and its explanation under the prerequisites set forth in § 126 paragraph 2 AktG.

The sentences above apply accordingly pursuant to § 127 AktG for nominations by shareholders for election of members of the Supervisory Board or the auditor. Nominations by shareholders, however, do not have to be accompanied with an explanation. The Board of Managing Directors also does not have to make nominations for election by shareholders available, except in the cases of § 126 paragraph 2 AktG, if these nominations do not contain the information under § 124 paragraph 3 sentence 4 AktG and § 125 paragraph 1 sentence 5 AktG.

Correct motions and nominations for election received by 28 April 2020, 24:00 hours (CEST) will be treated in the general shareholders' meeting as if they had been made in the general shareholders' meeting.

### **Right to information pursuant to § 131 paragraph 1 AktG, § 1 paragraph 2 sentence 1 no. 3, sentence 2 Covid-19 Act**

Questions from the shareholders must be submitted by electronic communication as described above by no later than two days prior to the meeting, i.e. by no later than 10 May 2020, 24:00 hours (CEST). No questions can be posed during the general shareholders' meeting. The Board of Managing Directors will decide in its reasonable, free discretion about which questions it answers and how they are answered.

The shareholders have no right to ask for information. The shareholders only have the possibility to pose questions. This is not linked to a right to an answer. The Board of Managing Directors will decide about answering instead in accordance with its reasonable, free discretion. The Board of Managing Directors is not required to answer all questions and instead can compile questions and select sensible questions in the interest of the other shareholders. The Board of Managing Directors can give preference when doing so to shareholder associations and institutional investors with material portions of voting rights.

### **Information about the internet pages of the Company**

The information under § 124a AktG must be available through the internet page of Commerzbank Aktiengesellschaft ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)) starting when the general shareholders' meeting is convened. The voting results will also be announced on the internet page of Commerzbank Aktiengesellschaft ([www.commerzbank.de/hv](http://www.commerzbank.de/hv)) after the general shareholders' meeting.

## Information on data protection for shareholders

Commerzbank Aktiengesellschaft, Kaiserplatz, 60261 Frankfurt am Main, Telephone: +49 (0)69 98660208, Email: [meinebank@commerzbank.com](mailto:meinebank@commerzbank.com), processes personal data of the shareholders as the controller and also, if appropriate, personal data of the shareholder proxies (e.g. last name and first name, address, email address, number of shares, class of shares, type of possession of the shares and number of the confirmation of registration). The processing of the personal data is absolutely necessary with regard to the law for the correct preparation and conducting of the general shareholders' meeting, for the exercise of voting rights as well as for the watching by means of electronic connection. The legal basis for the processing is Art. 6 paragraph 1 sentence 1 lit. c) EU General Data Protection Regulation ("GDPR") in conjunction with §§ 118 et seq. AktG and § 1 Covid-19 Act. In addition, data processing necessary for the organization of the general shareholders' meeting may be carried out on the basis of overriding legitimate interests (Art. 6 paragraph 1 sentence 1 lit. f) GDPR). Commerzbank Aktiengesellschaft and its service providers retained for this purpose receive the personal data of the shareholders normally through the registration office from the institution which the shareholders have retained to hold their shares in custody (so-called securities account banks). Commerzbank Aktiengesellschaft will transmit the virtual general shareholders' meeting in the internet (§ 1 paragraph 2 sentence 1 Covid-19 Act).

The service provider retained by Commerzbank Aktiengesellschaft for the purpose of conducting the virtual general shareholders' meeting processes the personal data of the shareholders or shareholder proxies exclusively in accordance with the instructions of Commerzbank Aktiengesellschaft and only to the extent necessary to perform the contracted service. All employees of Commerzbank Aktiengesellschaft and the employees of the retained service provider who have access to personal data of the shareholders or shareholder proxies and/or process these data are required to treat these data as confidential. Furthermore, personal data of shareholders and shareholder proxies who exercise their voting rights meeting can be viewed for other shareholders and shareholder proxies within the parameters set by the provisions in the law (especially the list of participants, § 129 AktG). The same applies in connection with the answering of questions that shareholders or shareholder proxies may have asked in advance (§ 1 paragraph 2 sentence 1 no. 3 und sentence 2 Covid-19 Act).

Commerzbank Aktiengesellschaft erases the personal data of the shareholders or shareholder proxies in accordance with the provisions in the law, especially when the personal data are no longer needed for the original purposes of collecting or processing the data or if the data are no longer needed in connection with any administrative proceedings or proceedings before courts and to the extent there are no duties to retain the data under the law.

Subject to the prerequisites in the law, the shareholders and shareholder proxies have the right to receive information about their personal data and request correction or erasure of their personal data or that the processing be restricted. The shareholders and shareholder proxies also have a right to object to the supervisory authorities. If personal data are processed on the basis of Art. 6 paragraph 1 sentence 1 lit. f) GDPR, the shareholders and shareholder proxies also have a right to object under the conditions set forth in the law.

Shareholders or shareholder proxies can contact the company data protection officer of Commerzbank Aktiengesellschaft for comments and inquiries about the processing of personal data at:

Commerzbank Aktiengesellschaft  
Data Protection Officer  
Kaiserplatz  
60261 Frankfurt am Main  
Telephone: +49 (0)69/98660208  
Email: [datenschutzbeauftragter@commerzbank.com](mailto:datenschutzbeauftragter@commerzbank.com)

You can receive other information on data protection on the internet site of Commerzbank Aktiengesellschaft at [www.commerzbank.de/hv](http://www.commerzbank.de/hv).

Frankfurt am Main, in April 2020

COMMERZBANK  
Aktiengesellschaft

- The Board of Managing Directors -

## 2020 Financial calendar

|                 |  |
|-----------------|--|
| 13 May 2020     | Interim Report as at 31 March 2020     |
| 5 August 2020   | Interim Report as at 30 June 2020      |
| 5 November 2020 | Interim Report as at 30 September 2020 |

## Commerzbank AG

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