COMMERZBANK

Remuneration system for members of the Board of Managing Directors

From 1 January 2026

A. Remuneration System for members of the Board of Managing Directors of Commerzbank Aktiengesellschaft

A new remuneration system for the members of the Board of Managing Directors of Commerzbank AG, one that had been improved in many respects compared to previous years, has already been in place since 1 January 2023.[1] It was adopted by the Supervisory Board on 16 February 2022 and approved by the Annual General Meeting in May 2022 with a clear majority of 84.60%.

At the same time, the Supervisory Board announced that it would continue to work with the Compensation Control Committee on the further development of the remuneration system and would aim to bring about a fundamental reform of the remuneration system as soon as the "Strategy 2024" programme had been successfully implemented. The Supervisory Board therefore used the 2024 financial year for intensive discussions with investors, advisors and other stakeholders and incorporated the results into the development of a new remuneration system for the members of the Board of Managing Directors. The resulting new remuneration system was approved by the Supervisory Board at its meeting on 12 February 2025 and represents a milestone in the remuneration practice for the members of Commerzbank's Board of Managing Directors. The introduction of a genuine long-term incentive (LTI) with separate, forward-looking 3-year targets is an essential part of this. At 60%, the long-term incentive (LTI) is the main focus of the variable remuneration component for the members of the Board of Managing Directors. The remuneration system therefore supports Commerzbank's sustainable, forward-looking development and implements the investors' expectations in this regard. In addition, the remuneration level for the members of the Board of Managing Directors, which has stagnated at a constant level since 2012, will be increased moderately. With this step, Commerzbank is positioning itself competitively and not only remains attractive for previously appointed members of the Board of Managing Directors, but also provides the basis for attracting outstanding candidates in the market for the Board.

The new remuneration system will be submitted to the Annual General Meeting in May 2025 for approval and will come into effect for all Board members on 1 January 2026.

1. Further development of the remuneration system from the 2026 financial year

1.1. System up to and including the 2025 financial year

The variable remuneration of the members of Commerzbank's Board of Managing Directors is currently based on a simply structured and, in particular, uniform system of targets:

In the remuneration system applicable up to and including the 2025 financial year, members of the Board of Managing Directors receive variable remuneration in accordance with the overall target achievement for the respective financial year. In order to determine overall target achievement, the Supervisory Board sets annual Group, departmental and individual targets for each financial year based on Commerzbank's long-term multi-year planning, the target achievement of which it determines annually after the end of the financial year. In order to meet the requirements for a multi-year basis of assessment, the target achievement of the relevant financial year and the two prior years (with decreasing weights) are included in overall target achievement for the relevant financial year. 40% of the target achievement amount determined using this approach goes towards short-term variable remuneration (short-term incentive) and 60% towards long-term variable remuneration (long-term incentive), which is subject to a deferral period of five years in order to comply with regulatory requirements.

[1] For details, see the 2023 remuneration system

Short-term incentives (STI) and long-term incentives (LTI) are therefore based on identical overall target achievement, which is based on one-year targets in accordance with the multi-year plan. Not only does this make the remuneration system easily comprehensible and transparent, but investors and other stakeholders have increasingly pointed out in recent years that the uniform target system does not meet their requirements for a modern remuneration structure. Investors expect long-term variable remuneration to feature individual and, above all, forward-looking targets.
With the successful completion of the "Strategy 2024" programme, the Supervisory Board now considers the prerequisites for a fundamental reform of the remuneration system to be fulfilled. The Supervisory Board has therefore worked together with the Compensation Control Committee to develop a new system that is not only in line with investors' interests, but also focuses on the challenging regulatory requirements while at the same time creating a competitive and attractive incentive system for members of the Board of Managing Directors.

The main changes to the remuneration system, which will come into effect on 1 January 2026, are based on the following guiding principles:

1.2. New from 2026: Establishment of a genuine long-term incentive with a forward-looking basis of assessment

A key component of the new remuneration system is the introduction of a genuine long-term component.

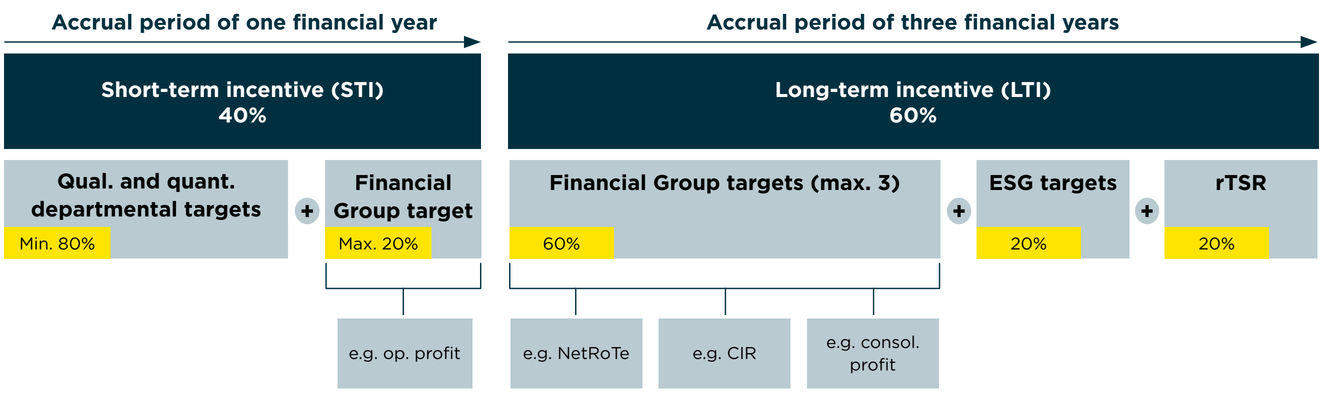
Separate targets and new structure for STI and long-term incentive

From the 2026 financial year onwards, the Supervisory Board will establish its own separate targets for measuring the success of short-term and long-term variable remuneration. The uniform target structure used in the past will be terminated and converted into clearly separate short-term and long-term target parameters, so that short-term and long-term incentives will be considered and measured separately in the future. Logically, this leads to a new alignment:

Target achievement of **short-term incentive (STI)**, which still accounts for 40% of the target amount of variable remuneration for a financial year, will in future be based largely on the performance of the respective member of the Board of Managing Directors in his/her department or segment. The new system dispenses with a separate "individual" target level in favour of a transparent measurement of target achievement. Individual targets now supplement the department/segment level, so that the individual target level merges with the department/segment target level. 80% of STI target achievement is determined by key performance indicators in the department or segment for the corresponding member of the Board of Managing Directors. The Supervisory Board can allocate a quantitative Group target to the remaining 20% in order to supplement the short-term remuneration component with a Group-related performance component in order to also reflect the Bank's overall performance in the STI.

In contrast, target achievement of the **long-term incentive (LTI)**, which accounts for 60% of the target amount of variable remuneration for a financial year, is based entirely on the achievement of Group-related targets from 2026 onwards. The LTI targets to be specified by the Supervisory Board consist of: 60% quantitative earnings targets of the Group (e.g. net return on tangible equity (NetRoTE), cost-income ratio (CIR), consolidated profit), 20% targets for relative share performance and 20% sustainability targets already established under ESG.

Complete overview of variable remuneration



Three-year forward-looking basis of assessment of the long-term incentive

Whereas the STI is determined as before using one-year (but now individual) targets, the success of the LTI is measured based on targets that the Supervisory Board now sets three years in advance. Target achievement of the LTI is therefore only determined after three financial years have elapsed. This greatly promotes long-term alignment and therefore Commerzbank's sustainable development while also creating tangible incentives for aligning the actions of the Board of Managing Directors with long-term profitability in accordance with the strategy. Instead of measuring in annual portions as was previously the case and taking the past development of the Group into account in the evaluation, the new system aims to link target achievement with the future success of the multi-year plan. This strengthens the link between variable remuneration and long-term, forward-looking business targets.

1.3. New from 2026: Introduction of a relative shareholder return target

The Supervisory Board made another change focused on investors' interests, which is to include a binding target for measuring the relative total shareholder return. In future, 20% of the LTI will be mandatorily calculated based on a relative total shareholder return (rTSR), which expresses investors' total return in a relative comparison over a period of three years and takes into account not only the share price development but also dividend payments. Due to the long-term and forward-looking nature of performance measurement in the LTI, the rTSR offers a valuable key performance indicator for investors and thus represents a suitable criterion for measuring remuneration of the Board of Managing Directors, which will be an integral part of the remuneration system from 2026. The relative measurement is based on the comparison with a fixed peer group, specifically the Euro Stoxx Banks Index.

1.4. Retention of the ESG target

Environmental aspects, good corporate governance and customer and employee satisfaction have been an integral component of the targets of Commerzbank's Board of Managing Directors for many years. Ecological, social and ethical criteria continue to play a central role in corporate governance. With its core business, Commerzbank wants to influence sustainable development, provide fair and competent advice to customers, consistently shrink its environmental footprint, be an attractive employer for staff and show its commitment to society. Sustainability therefore remains a key cornerstone of the "Strategy 2027" programme and has always been closely linked to the remuneration system. In this context, the previous focus on the elementary ESG target with a weighting of 20% will remain in place in the new remuneration system from 2026 onward and pursued with the same level of commitment. After the ESG target was reflected in the remuneration system up to and including 2025 at 20% within the Group target, which accounted for 60% of the total target, the ESG target is now a binding component of the LTI, the weighting of which also amounts to 60% of the target amount of the variable remuneration. The weighting of the ESG target therefore remains unchanged. In contrast to the previous system, the ESG targets are based on a forward-looking three-year performance period.

1.5. Further increase in transparency

With the introduction of the new remuneration system, the Supervisory Board continues to place greater emphasis on clarity and transparency in line with the expectations of shareholders, the public and regulators. Due to the realignment of the remuneration system and the associated change to separate targets for the LTI with a three-year, forward-looking performance period, the Supervisory Board is aware that it is essential for investors to be familiar with the defined performance criteria in advance in order to be able to evaluate them.

Against this background, the Supervisory Board undertakes to disclose the long-term targets of the LTI in a transparent, understandable and comprehensible manner at the beginning of each accrual period. This gives investors and other stakeholders the opportunity to understand how the variable remuneration of members of the Board of Managing Directors effectively promotes and supports the implementation of the strategy and long-term development of Commerzbank. Target achievement is disclosed retrospectively in the remuneration report.

1.6. Moderate adjustment of the remuneration level

In addition to the realignment of the structure of the remuneration system for the Board of Managing Directors, another core element of the further development from the 2026 financial year onwards relates to the level of remuneration of the Board of Managing Directors. Based on a market comparison in accordance with the German Corporate Governance Code (DCGK), which was carried out by a remuneration consulting company on behalf of the Supervisory Board, it was shown that the current remuneration of members of the Board of Managing Directors does not exceed the usual market range and can therefore be legally assessed as appropriate. At the same time, however, market data has also shown that there is considerable scope for adjustment for all members of the Board of Managing Directors in order to position Commerzbank more in line with the market in the competition for outstanding candidates for the Board of Managing Directors.

On this basis, the Supervisory Board, together with the Compensation Control Committee, has therefore developed a concept for increasing the remuneration of the Board of Managing Directors. The concept takes into account the market comparison[1] as well as the expectations of investors and also considers the fact that the remuneration of the Board of Managing Directors has remained at the same level since 2012. The remuneration of the Board of Managing Directors has therefore lagged behind the development of employee remuneration at Commerzbank and in the banking market, with no remuneration adjustment having been made despite ongoing inflation.

Against this background, the Supervisory Board has decided to moderately increase the remuneration of the Board of Managing Directors by 15% and 16% respectively, with effect from 1 January 2026; this will affect only the basic remuneration and the target amount of the variable remuneration. The amount of the pension scheme components and the maximum remuneration of all members of the Board of Managing Directors remain unchanged. The current categorisation between CEO, Deputy CEO and ordinary members of the Board of Managing Directors also remains unchanged, as do the relative distances between the basic and target remuneration of the CEO, the Deputy CEO and the ordinary members of the Board of Managing Directors.

Uniform increase in basic remuneration by 10% or 11%

The fixed basic salary will be increased uniformly by a moderate 10% or 11% for all members of the Board of Managing Directors.

Uniform, more heavily weighted increase in variable remuneration by 30% or 31%

From the perspective of the pay-for-performance approach, the increase in the target amount of variable remuneration is disproportionately higher than the increase in basic remuneration, at 30% and 31% respectively.

The increase makes the remuneration of the Board of Managing Directors significantly more competitive with respect to the benchmark and more attractive for both existing and potential new members of the Board of Managing Directors.

Remuneration components	**CEO**			**Deputy CEO**			**Ordinary member of the Board of Managing Directors**		
Amounts in €	**Old**	**New 2026**	**Increase**	**Old**	**New 2026**	**Increase**	**Old**	**New 2026**	**Increase**
Fixed remuneration	1,674,247	1,850,000	+ 10%	1,332,000	1,470,000	+ 10%	990,000	1,100,000	+ 11%
Target amount of variable remuneration	1,116,165	1,450,000	+ 30%	888,000	1,160,000	+ 31%	660,000	860,000	+ 30%
Occupational pension cost premium*	538,445	538,445	0%	425,151	425,151	0%	316,436	316,436	0%
Total increase (including occupational pension)			**+ 15%**			**+ 16%**			**+ 16%**

* Actuarial fictitious occupational pension cost premium in 2024 for ordinary members of the Board of Managing Directors based on the average of members who were ordinary members of the Board of Managing Directors for the entire year.

[1] Details can be found in the remuneration report for the 2024 financial year in accordance with the German Stock Corporation Act.

2. General principles of remuneration

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

2.1. Consideration of investor interests

The new remuneration system maintains the strong link between the interests of the Board of Managing Directors and the interests of shareholders and other stakeholders by using a predominantly share-based approach for granting variable remuneration, therefore also taking long-term share performance into account. The portion of share-based remuneration for both the STI and the LTI remains at 60%, so that a total of 60% of the variable remuneration is granted on a share basis. With a majority of the variable remuneration being measured based on movements in Commerzbank's share price, the new remuneration system makes a key contribution to linking the various stakeholder interests. The new remuneration system will also strengthen the consideration of shareholder interests from the 2026 financial year onwards by setting a binding relative total shareholder return (rTSR) as part of the LTI targets and through the forward-looking three-year basis of assessment of the LTI (60% of variable remuneration).

Another core element in the consideration of investor interests is the requirement, which has already been in place since 2023, that members of the Board of Managing Directors must purchase Commerzbank shares gradually in the amount of their basic annual salary and hold them for the entire term of their appointment. The introduction of the share ownership guideline strengthens the extent to which members of the Board of Managing Directors identify with Commerzbank and its shareholders and supports a sustained commitment to its performance.

2.2. Contribution towards the promotion of the corporate strategy and the long-term performance of the company

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

Long-term incentive with a three-year basis of assessment

The new structure of variable remuneration from the 2026 financial year onwards supports Commerzbank's sustainable development. 60% of the target amount of variable remuneration takes the form of an LTI. The majority of variable remuneration is therefore assessed on the basis of future-oriented targets that are geared towards a period of three years. Due to regulatory requirements, the three-year basis of assessment is followed by a deferral period of five years. To prevent the link between the Board of Managing Directors' performance and the incentives from being lost, the payment in tranches of 1/5 each during the deferral period (pro rata vesting), which was introduced for the 2023 financial year, will remain an important element in the new remuneration system. Each tranche is also subject to a subsequent performance evaluation (back-testing) following the respective pro rata deferral period, which is one year for the first tranche and an additional year for each subsequent tranche. The purpose of the subsequent performance evaluation is to enable the Supervisory Board to check whether the target achievement amount determined is still appropriate in retrospect, for example whether risks were underestimated or not recognised or whether unexpected losses were incurred. If it is determined that the success rewarded by the variable remuneration has not proved to be sustainable, the Supervisory Board has the option of amending its original evaluation of target achievement. This can lead to a reduction or even a complete elimination of the entire LTI (not only the respective tranche).

Malus and clawback provisions

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

Predominantly share-based grant

In addition, the variable remuneration system is predominantly share-based in accordance with the German Corporate Governance Code (DCGK), with 60% of the total variable remuneration (60% of the STI and 60% of the LTI) granted on a share basis. The corresponding portion of the STI or LTI amounting to 60% is converted into virtual shares based on the share price of the Commerzbank share. After a retention period of one year, the virtual shares resulting from target achievement of the STI are converted into a monetary amount based on the then current Commerzbank share price and paid out in cash. After the deferral period of the respective tranche has expired and an additional retention period of one year, the virtual shares resulting from target achievement of the LTI are converted into a monetary amount based on the then current Commerzbank share price and paid out in cash. Further details on the structure of share-based remuneration can be found in the section outlining the details of the remuneration system. This share-based grant and the consideration of share price performance until shortly before the payment promotes sustainable corporate development and helps members of the Board of Managing Directors identify more strongly with Commerzbank.

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

2.3. Appropriateness of remuneration of the Board of Managing Directors

The aim of the Supervisory Board is to be able to offer members of the Board of Managing Directors a market-standard and competitive remuneration package that meets the regulatory requirements.

Market comparison

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

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

At the vertical level, the relationship between the Board of Managing Directors' remuneration and the remuneration of managers and the workforce as a whole is compared and it is checked whether the resulting differences in remuneration – also across time – indicate inappropriate remuneration for the Board of Managing Directors.

In order to perform the appropriateness analyses, the Supervisory Board regularly consults external remuneration consultants and ensures that they are independent from the Board of Managing Directors and Group companies.

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

Consideration of employee remuneration

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

Economic and regulatory sustainability

Finally, as part of an audit in accordance with Section 7 of the Remuneration Ordinance for Institutions, the sustainability of the total amount of annual variable remuneration is determined, in particular on the basis of income, capital, risk and liquidity ratios.

B. Details of the remuneration system

The remuneration of the Board of Managing Directors of Commerzbank consists of fixed and variable remuneration components.

The fixed remuneration components include the basic annual salary as well as non-monetary elements and pension commitments. Performance-dependent variable remuneration consists of an STI and an LTI. Moreover, the remuneration system provides for commitments customary in the market with regard to the termination of Board membership.

The remuneration components are described below. The specific amounts refer to the remuneration system from 1 January 2026 onwards. Insofar as the amounts shown refer to a provisional calculation or to the previous year's values due to a lack of values that can be determined in advance, this will be indicated in the corresponding footnotes.

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

Remuneration components (amounts in thousand €)	**CEO**	**Relative share of remuneration**	**Deputy CEO**	**Relative share of remuneration**	**Ordinary member of the Board of Managing Directors**	**Relative share of remuneration**
Fixed annual salary	1,850	47%	1,470	47%	1,100	47%
Non-monetary elements[1]	83	2%	83	3%	83	4%
Pension commitments[2]	538	14%	425	14%	316	13%
Short-term and long-term variable remuneration (STI and LTI):	1,450	37%	1,160	37%	860	36%
Total remuneration	**3,921**		**3,138**		**2,359**	
Target amount at 100% target achievement, of which:						
STI (40% in cash, 60% share-based):	580	15%	464	15%	344	14%
LTI (40% in cash, 60% share-based):	870	22%	696	22%	516	22%

[1] Average for members of the Board of Managing Directors for the 2024 financial year including contributions to health and nursing care insurance and pension insurance.

[2] Actuarial fictitious occupational pension cost premium in 2024 for ordinary members of the Board of Managing Directors based on the average of members who were ordinary members of the Board of Managing Directors for the entire year.

1. Performance-independent remuneration components: Basic annual salary and non-monetary remuneration

The main component of fixed remuneration is the fixed basic annual salary. When determining the new level of the basic annual salary applicable from the 2026 financial year onwards, one aspect that the Supervisory Board took into account was the usual and appropriate level of remuneration among competitors in the market comparison. Another fact that it took into account was that the remuneration of the Board of Managing Directors has not been increased since 2012, meaning that has become increasingly decoupled from both the development of remuneration in the banking sector as well as the salary development of the Bank's workforce.

Fixed basic annual salary (gross)	
CEO	€1,850,000
Deputy CEO	€1,470,000
Ordinary members of the Board of Managing Directors	€1,100,000

The fixed basic annual salary is payable in 12 equal monthly instalments.

In addition to the basic annual salary, members of the Board of Managing Directors receive non-monetary elements of remuneration in line with market practice. The non-monetary elements essentially consist of

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

Members of the Board of Managing Directors are also entitled to company pension arrangements, which are set down in pension agreements (see also Clause 4 "Pension scheme"). The pension scheme is part of the total remuneration package for the members of the Board of Managing Directors.

2. Performance-related remuneration components: Variable remuneration

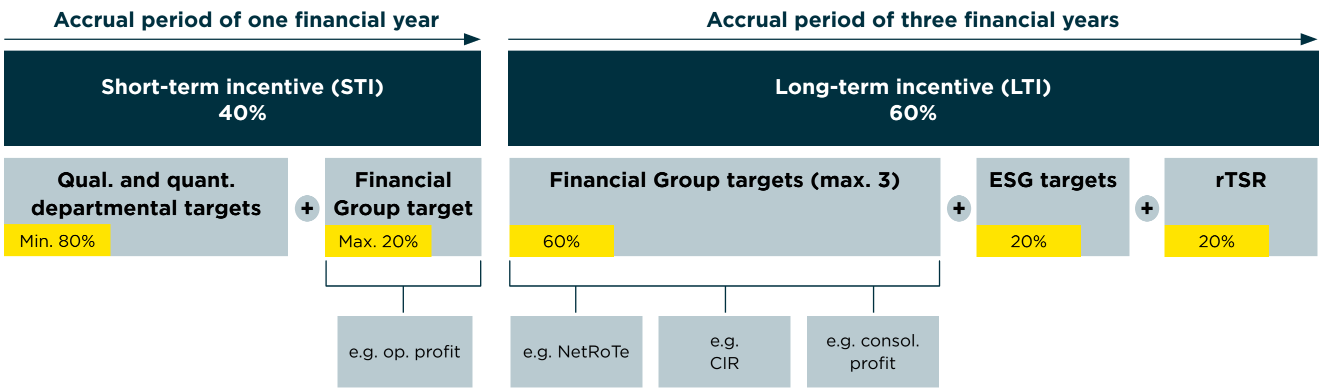
The remuneration system provides for variable remuneration as a second component to the fixed basic annual salary, which is linked to the achievement of quantitative and qualitative targets. Performance-related variable remuneration consists of a short-term and a long-term component, i.e. the one-year STI and the three-year LTI.

At the beginning of each financial year, the Supervisory Board sets targets which are assessed in relation to the target amount of variable remuneration as follows:

- 40% based on short-term targets over a financial year (STI) and
- 60% based on long-term targets over a period of three years (LTI).

At 60%, the majority of the performance-related remuneration is therefore geared towards the long-term and sustainable development of Commerzbank. Specifically:

Complete overview of variable remuneration



Target amount

The target amount of variable remuneration (gross amount if 100% of targets is achieved) is tiered based on the position on the Board of Managing Directors and is as follows from the 2026 financial year onwards:

Target amount of variable remuneration	
CEO	€1,450,000
Deputy CEO	€1,160,000
Ordinary members of the Board of Managing Directors	€860,000

Target setting

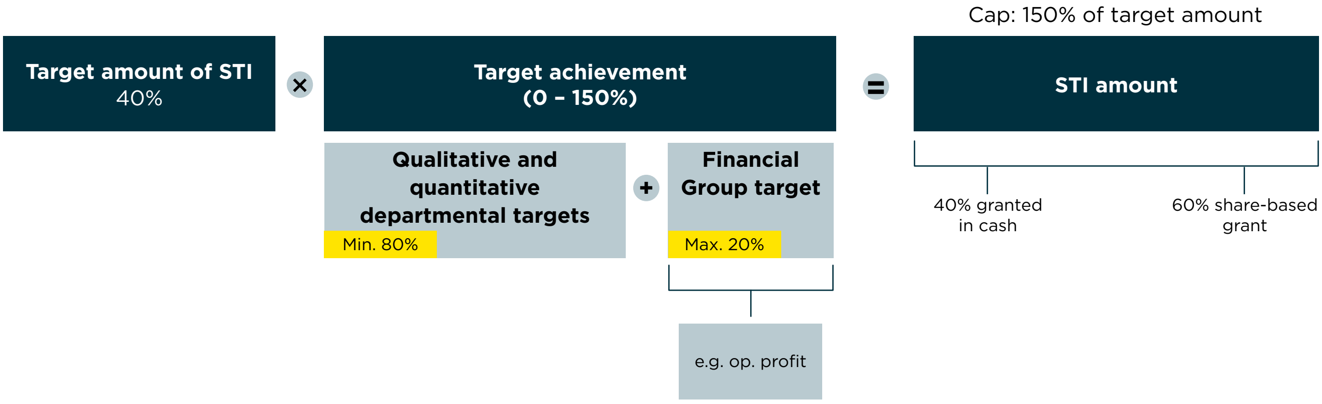
At the beginning of each financial year, the Supervisory Board – following consultation and proposals by the Compensation Control Committee – sets ambitious, clearly defined targets for the members of the Board Managing Directors and relevant parameters for their measurement. The setting of targets is based on the corporate strategy as well as multi-year planning and is geared towards promoting success-oriented and sustainable corporate governance. The targets support the promotion of Commerzbank's business strategy and its long-term profitable development. At the end of each accrual period, it is determined whether and to what extent the targets have been achieved.

The remuneration system provides the Supervisory Board with a clear structure for measuring performance and forms the framework within which the Supervisory Board sets suitable and appropriate targets. In order to ensure the greatest possible transparency for investors with regard to the long-term targets of the LTI, the Supervisory Board has pledged to disclose the multi-year targets, their weighting and performance parameters ex-ante in the remuneration report at the beginning of the respective accrual period. The one-year targets in the STI, together with their weighting, targets and target achievement are presented after the end of the financial year and thus ex-post in the remuneration report for the previous financial year.

Short-term incentive (one-year targets)

40% of the target amount of variable remuneration takes the form of an STI. The Supervisory Board sets short-term one-year targets for the STI. The focus is on the department-specific performance of the respective member of the Board of Managing Directors. At least 80% of the short-term performance measurement is based on quantitative and qualitative departmental targets, which are derived from the corporate and departmental strategy as well as the multi-year planning and take into account the area of responsibility and business unit of the individual member of the Board of Managing Directors. Depending on the area of responsibility, the Supervisory Board can define one or more targets per department (business segment or shared function). At the same time, it is important to the Supervisory Board to also reflect Commerzbank's economic success in the short-term component. For this reason, the department-related performance measurement in the STI is supplemented by a one-year financial Group target with a maximum weighting of 20%. One example of a financial Group target of this nature could be the operating profit/op. profit as a relevant financial indicator for the economic success of Commerzbank.

Functionality of STI
Accrual period = one financial year

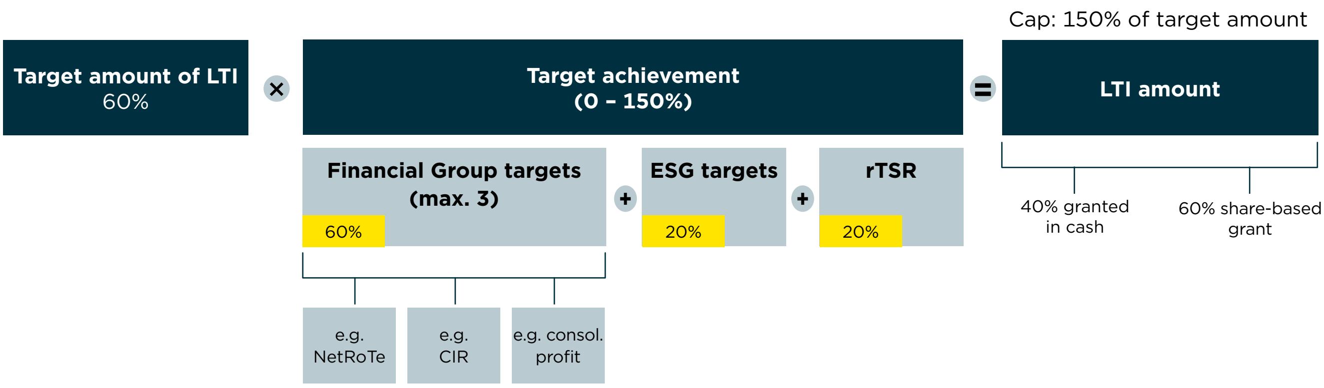


Entitlement to the STI arises upon determination of target achievement by the Supervisory Board and notification to the member of the Board of Managing Directors. The amount paid out depends on the cumulative target achievement in the STI, which can be between 0% and 150%. The target achievement of each individual target is also limited to the range between 0% and 150%. Target achievement is multiplied by the target amount for the STI (40% of the target amount of variable remuneration) to give the STI amount for the respective financial year. As in the previous system, 40% of this is paid out in cash and the remaining 60% is paid out on a share basis after a retention period of twelve months. The share-based portion is also paid out in cash and is linked to the performance of the Commerzbank share, including a dividend adjustment since January after the end of the performance year. With a share-based payment portion of 60%, Commerzbank is implementing the recommendation of the German Corporate Governance Code to pay variable remuneration predominantly in shares or on a share basis.

The regulatory requirement that a maximum of 40% of the total variable remuneration may be paid out without an additional deferral period is met by, where required, retaining portions of the STI amount for seven years to comply with the regulatory ratio (rebalancing).

Long-term incentive (three-year, forward-looking targets)
The remaining 60% of the target amount of variable remuneration takes the form of an LTI. In a departure from the previous system, from the 2026 financial year onwards this will be a "genuine" LTI with separate long-term targets, i.e. separate from the STI, which are based on a forward-looking three-year accrual period. In contrast to the previous practice, the Supervisory Board now sets independent, forward-looking three-year targets for the LTI in each financial year. This target setting is in line with investors' interests and incentivises sustainable performance at Commerzbank. Whereas the STI is predominantly based on the departmental performance of the respective member of the Board of Managing Directors, the LTI reflects the collective performance of the Board of Managing Directors in achieving the economic and sustainable overall success of Commerzbank.

Functionality of LTI
Accrual period = three financial years



60% financial Group targets

The Supervisory Board sets financial Group targets for 60% of the LTI. The Group targets therefore remain the decisive factor governing the variable remuneration of members of the Board of Managing Directors, even under the new remuneration system. The variable remuneration is therefore still predominantly linked to the Group's business success and incentivises the Board of Managing Directors to generate long-term growth for Commerzbank. Examples of financial Group targets are the net return on tangible equity (NetRoTE), the cost-income ratio (CIR) and/or the consolidated profit after taxes. The specific design of the targets is at the discretion of the Supervisory Board, whereby a maximum of three targets can be set within this framework. This takes into account the interests of stakeholders in a clear and transparent target structure.

20% relative total shareholder return

A further 20% of the LTI is assessed based on the relative total shareholder return (rTSR). Taking into account the relative total shareholder return of Commerzbank compared to the Euro Stoxx Banks Index or a comparable successor index serves to promote the sustainable performance of the Commerzbank share, which takes the interests of shareholders into account as an important stakeholder group. The Euro Stoxx Banks Index compares the performance of bank shares in Europe, where Commerzbank competes. One advantage of this index is that all banks are subject to comparable supervisory regulations and exchange rate effects are eliminated due to the restriction to the eurozone. The index also contains a balanced distribution of competitors.

20% ESG targets

The remaining 20% of the LTI is linked to Commerzbank's sustainability strategy. Specific targets relating to environmental, social and governance (ESG) factors have already been an explicit part of variable remuneration since 2023. This also remains unchanged in the new remuneration system from the 2026 financial year onwards. Since the LTI – like the Group target in the remuneration system up to and including the 2025 financial year – accounts for the majority of the variable remuneration of members of the Board of Managing Directors at 60%, the ESG sub-target with a weighting of 20% remains a significant factor for long-term performance-related remuneration and continues to account for 12% of overall target achievement for a financial year. Within this framework, the Supervisory Board selects measurable sustainability targets that address environmental and/or social aspects and/or include good corporate governance. All targets are derived from Commerzbank's strategy and apply for the long-term accrual period of three years. As has already been the case in recent years, further ESG targets can also be included in the STI as departmental targets. This allows the growing importance of ESG targets to be incorporated flexibly into the revised remuneration system for the Board of Managing Directors.

Transparency

In order to ensure a high level of transparency towards investors and other stakeholders in the new system with forward-looking three-year targets, the specific long-term targets and target values for each LTI are disclosed in the remuneration report at the beginning of the respective accrual period.

The variable remuneration from the LTI is subject to a deferral period of five years. By aligning performance assessment to a point three years in the future – instead of into the past as was previously the case – the payment period is extended by two years; this is due to regulatory requirements. To prevent the effect of the incentives for members of the Board of Managing Directors from being weakened, the "pro rata vesting" approach already introduced with the system changeover in the 2023 financial year will be maintained. In this context, the entitlement to and granting of the LTI occurs pro rata within the deferral period in equal parts (i.e. for a period of five years at 1/5 per annum in so-called tranches). As a result, the entitlement to the LTI arises on a pro rata basis and only if – after the end of the prorated deferral period for a 1/5 tranche – the retrospective performance evaluation (back-testing) was positive. The purpose of the retrospective performance evaluation is to enable the Supervisory Board to check whether the determined target achievement is still appropriate in retrospect, e.g. whether risks were underestimated or not recognised or whether unexpected losses were incurred. Furthermore, the Supervisory Board adjusts the LTI, if necessary, based on the follow-up review of the bonus pool for variable remuneration. The subsequent performance evaluation can therefore lead to a reduction in the LTI or even to the complete cancellation and clawback of the entire variable remuneration for the financial year concerned.

40% of the individual LTI tranche resulting from the retrospective performance evaluation is payable in cash and 60% following a further 12-month retention period, also in cash but on the basis of the share price. As with the share-based portion of the STI, the performance of the Commerzbank share since the January following the end of the relevant accrual period is taken into account for the respective LTI tranche. The share-based portion of the LTI therefore reflects the performance of the Commerzbank share during the deferral period of the respective LTI tranche and the subsequent retention period until shortly before payment. Compensation for dividend payments made is also taken into account during the retention period.

Payment system of STI and LTI for year n

	n	n+1	n+2	n+3	n+4	n+5	n+6	n+7	n+8	n+9
STI 40%	Accrual period STI	STI cash portion 16%								
			STI share-based portion 24%							
LTI 60%	Accrual period LTI				LTI cash portion 4.8%	LTI cash portion 4.8%	LTI cash portion 4.8%	LTI cash portion 4.8%	LTI cash portion 4.8%	
						LTI share-based portion 7.2%	LTI share-based portion 7.2%	LTI share-based portion 7.2%	LTI share-based portion 7.2%	LTI share-based portion 7.2%

Target achievement

After the respective accrual periods have expired, the Supervisory Board decides whether and to what extent the previously defined targets have been achieved. For the STI, performance measurement takes place after the end of the respective financial year. Targets and target achievement are explained in the remuneration report for the respective financial year. For the LTI, the Supervisory Board measures target achievement after the end of the three-year accrual period. Targets and target values are set ex-ante by the Supervisory Board and transparently disclosed in the remuneration report at the beginning of the accrual period; target achievement is published after the end of the accrual period.

Target total remuneration and maximum remuneration

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

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

	CEO	Deputy CEO	Ordinary member of the Board of Managing Directors
Maximum remuneration according to Section 87a (1) sentence 2 No. 1 German Stock Corporation Act	€6m	€6m	€6m

Maximum amounts

Target achievement for the STI and the LTI can each lie between 0% and 150%, so that the cumulative total amount of variable remuneration for a financial year is also limited to a maximum of 150% of the Board member's target amount. In addition, the variable remuneration is limited to a maximum of 140% of the fixed remuneration. The Annual General Meeting on 30 April 2015 approved this cap in accordance with Section 25a (5) of the German Banking Act. Due to the rule under the remuneration system that maximum overall target achievement is limited to 150% for both the STI and the LTI and that the target amount of variable remuneration for both the ordinary members of the Board of Managing Directors as well as for the CEO and the Deputy CEO of the Board of Managing Directors is around 78% or 79% of the basic annual salary, it is impossible for the fixed ratio of 1:1.4 to be exceeded.

Bonus pool, malus and clawback

In accordance with Section 7 of the Remuneration Ordinance for Institutions, the Supervisory Board may reduce or cancel the variable remuneration if necessary, for example to take account of the risk-bearing capacity, multi-year capital planning or financial performance of Commerzbank, or its ability to ensure that it can maintain or rebuild sufficient capital or liquidity resources or safeguard Commerzbank's ability to meet the capital buffer requirements of the German Banking Act over the long term. If predefined levels are not met, the Supervisory Board must cancel the variable remuneration for all members of the Board of Managing Directors (review and amendment of bonus pool for variable remuneration).

With respect to a specific member of the Board of Managing Directors, the Supervisory Board may reduce or cancel a Board member's variable remuneration due to misconduct or negligence in the performance of their duties in the relevant accrual period. Furthermore, the variable remuneration must be cancelled if, in the course of their activities during the accrual period, the member of the Board of Managing Directors was significantly involved in or responsible for conduct that led to significant losses for Commerzbank, a significant regulatory sanction or a significant supervisory action or if they seriously violated relevant external or internal fit and proper regulations. Commerzbank must reclaim from the member of the Board of Managing Directors any variable remuneration (STI and LTI) already paid out for the accrual period concerned (referred to as a clawback). The right and obligation to reclaim variable remuneration already paid out exists until the expiry of two years after the end of the deferral period of the last LTI tranche of the accrual periods concerned.

Amendment clause

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

3. Remuneration for serving on the boards of consolidated and unconsolidated companies

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

4. Pension scheme

The pension scheme for members of the Board of Managing Directors is part of the total remuneration package. It is based on the Commerzbank capital plan for company pension benefits for non-pay-scale employees of Commerzbank. The Supervisory Board has decided not to allow the increase in basic remuneration as of 1 January 2026 to have an impact on pensions, so that pension contributions will not increase as a result of the adjustment. Provided their employment has ended, members of the Board of Managing Directors receive

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

As an alternative to a lump-sum payment, the member of the Board of Managing Directors may choose a lifelong pension. In this case, the lump-sum payment is converted into an annuity according to actuarial rules.

If a member of the Board of Managing Directors leaves Commerzbank before the pension benefits become due, any entitlement to vested benefits is retained. An exception to the vesting requirement is only made in cases where employment is terminated by Commerzbank for good cause within the first three years.

For each calendar year during the existing employment relationship until pension benefits become payable, the member of the Board of Managing Directors is credited with one annual module. The basis for calculating the amount of the annual module is the pensionable basic salary of the member of the Board of Managing Directors. The pensionable basic salary is not identical to the fixed basic remuneration of the member of the Board of Managing Directors, but is historically lower due to the development of the remuneration system and is determined by the Supervisory Board through a separate resolution. Since the further development of the remuneration structure does not involve a parallel increase in pension benefits, the respective pensionable basic salary and therefore the annual contribution of the current members of the Board of Managing Directors does not change, but will remain at the existing level. The following is an example:

Amounts in €	CEO	Deputy CEO	Ordinary member of the Board of Managing Directors
Basic remuneration	1,850,000	1,470,000	1,100,000
Pensionable basic salary	1,333,538	1,061,000	788,250
Annual contribution (excluding transformation factor)	533,415	424,400	315,300
Share of basic remuneration[1]	28.8%	28.8%	28.6%

[1] Rounded, without taking the transformation factor into account

The annual pension contribution amounts to 40% of the pensionable basic salary, which is lower than the basic remuneration and is multiplied by an age-dependent transformation factor. Increases in basic remuneration are only taken into account in the annual module if the Supervisory Board so decides. The pensionable basic salary is the amount stipulated by the Supervisory Board for the assessment of the pension in each case.

The annual modules are kept in a pension account until the member of the Board of Managing Directors leaves the company. Upon reaching age 61, a premium of 2.5% of the amount in the Board member's pension account at the end of the previous year is additionally credited to the member's pension account until the pension benefits start to be paid out.

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

The amount of the retirement capital or early retirement capital corresponds to the amount in the virtual custody account, or at least the amount in the pension account when the pension benefits become payable. Under this regulation, the balance of the pension account represents the amount of the minimum lump-sum payment, provided that the balance of the virtual custody account is lower.

Furthermore, the pension scheme provides for survivors' benefits.

The assets backing these pension obligations are transferred under a contractual trust arrangement to Commerzbank Pension-Trust e. V.

5. Rules applying in the event of termination of office

If the Board member's term of office ends prematurely, the employment contract will also expire at the end of a period of six months, but no later than upon expiry of the term of the contract. The parties may agree on a shorter notice period.

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

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

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

Basic annual salary
+ Target amount of variable remuneration
+ Average fringe benefits
x 2 = cap limit

The average of the fringe benefits is based on the average of the fringe benefits granted per year in the three financial years preceding the date of termination of the position, excluding the company car and payment of the applicable tax thereon. If the Board member has not yet held the post for a period of three financial years, the average is calculated based on the period from appointment to the Board of Managing Directors.

If the Supervisory Board agrees to a post-contractual non-competition clause for individual members of the Board of Managing Directors, the continued remuneration will be counted towards the non-competition compensation to be paid for the duration of the non-competition clause. The post-contractual non-competition period is normally twelve months from the termination of office. The non-competition compensation amounts to 50% of the fixed and variable remuneration.

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

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

The variable remuneration communicated for financial years prior to termination of office remains subject to the provisions of the remuneration system. The variable remuneration for the termination year may be reduced on a pro rata basis if necessary. In this case, too, the variable remuneration remains subject to the rules of the remuneration system, which therefore also includes the retrospective performance evaluation in particular.

If the term of office is terminated because of a serious breach of duty, the variable remuneration for the year in which the term of office ended and outstanding variable remuneration for previous years will not be payable. If the conditions for a mandatory cancellation of variable remuneration are met, Commerzbank reclaims any variable remuneration already paid to the member of the Board of Managing Directors in accordance with the clawback regulation described above. There are no special rules for the termination of office in the event of a change of control.

6. Share ownership obligation: Share Ownership Guideline "SOG"

Since the 2023 financial year, all members of the Board of Managing Directors have been obliged to purchase a significant quantity of Commerzbank shares and to hold them for their entire term of office on the Board. The share ownership obligation strengthens the extent to which members of the Board of Managing Directors identify with Commerzbank and its shareholders and supports a sustained commitment to Commerzbank's performance.

The level of the share ownership obligation for each Board member is equal to their respective basic annual salary (gross). The value of Commerzbank shares acquired by the Board members is measured on the basis of an average Commerzbank share price. The shareholding is gradually increased annually to at least half of the net amount of the variable remuneration received from the STI and the LTI until the value of the acquired Commerzbank shares corresponds to the amount of the basic annual salary for the Board member.

As soon as the value of the shares acquired by a member of the Board of Managing Directors corresponds to their basic annual salary, the member is obliged to purchase additional shares if the value of the shares held falls below the threshold of one basic annual salary on a given reporting date. Variable remuneration that is paid on a share basis is not taken into account when determining the value of Commerzbank shares held by the respective member of the Board of Managing Directors.

The shares must be held for the entire term of office as a member of the Board of Managing Directors. The current status of the shares is shown in the remuneration report.

C. Provision regarding temporary deviations from the remuneration system

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

D. Processes for defining, implementing and reviewing the remuneration system for the Board of Managing Directors

1. Compensation Control Committee

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

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

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

2. Presentation of the remuneration system to the Annual General Meeting

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

3. Conflicts of interest

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

COMMERZBANK

The German version of the remuneration
system for members of the BoMD
is the authoritative version.

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