

EXECUTIVE SUMMARY

REMUNERATION POLICY OF THE MANAGEMENT BOARD OF ADDIKO BANK AG

The Remuneration Policy for the Management Board of Addiko Bank AG (“*Vergütungspolitik des Vorstands*”) regulates the principles of remuneration for the Management Board of Addiko Bank AG. It is largely based on, and is consistent with, Addiko Bank’s Group Remuneration Policy. The Policy aligns with the Bank’s strategy, establishes clear limits and safeguards, and ensures the flexibility needed to transparently address exceptional remuneration matters.

The latest version was approved by the Supervisory Board of Addiko Bank AG on 5 March 2025.

In line with the regulatory requirements, the updated version clarifies the division of responsibilities between the Remuneration Committee and the Committee for Management Board Matters. The Remuneration Committee holds the decision-making authority over the remuneration of Management Board members, while the Committee for Management Board Matters serves in an advisory capacity.

Additionally, the Policy has been revised in the “Good leaver” categories for Management Board members. The “Good leaver” status includes the following circumstances:

- Termination of employment due to physical illness, injury or permanent disability, in accordance with the applicable laws,
- Retirement, even in the event of a special agreement with the Company,
- Death of the Management Board Member (the bonus or deferred bonus amounts are paid to the heirs in accordance with the applicable law of succession),
- The employment contract of the Member of the Management Board was terminated by the Company without justification on an extraordinary basis, and
- The member of the Management Board has been transferred to another entity within the Group.

If, as a result of the above circumstances, the Management Board Member cannot be considered a “Good leaver”, they lose the right to a bonus payment for the year in which the reasons for the termination of the employment relationship arose.

As part of the policy review, comprehensive changes were implemented to further enhance the governance and management of variable remuneration.

These include the introduction of a stricter cap on variable remuneration for the Chief Risk Officer (CRO) position, the revision of the PAIF program, a strengthened consideration of ex-post and ex-ante risk adjustments, and modifications to the variable remuneration payout model. The variable remuneration payout model is aligned with market practice in the Austrian banking sector, and the Policy now states that 50% of the variable remuneration of Management Board members of Addiko Bank AG is paid in the form of Financial Instruments, which can be company shares (Addiko Bank AG shares, symbol: ADKO) or share-linked instruments such as phantom shares which are linked to Addiko Bank AG shares.

Additionally, a long-term risk indicator was integrated into the PAIF, and the ESG strategy KPI was adjusted to ensure a more sustainable and risk-conscious remuneration framework.