

**ARTICLES OF ASSOCIATION
OF ČESKÁ SPOŘITELNA, a.s.**

**PART I
GENERAL PROVISIONS**

Article 1

Name and Registered Office of the Company

1. The business name of the Company is Česká spořitelna, a.s. (hereinafter referred to as the „Company“)
2. The Company's registered office is at Praha 4, Olbrachtova 1929/62, postal code 140 00.
3. The identification number (IČ) of the Company: 45 24 47 82.

**Article 2
Incorporation**

1. The Company is a legal entity, founded by a single action by the National Property Fund of the Czech Republic by way of a Founder's Deed of December 27, 1991, pursuant to the provision of section 15 et seq. of the Act No. 104 /1990 Coll. The Company was incorporated as of December 30, 1991, as of which date it was entered in the Company Register maintained by the Municipal Court in Prague, Section B, file No: 1171.
2. The Company is incorporated for an indefinite period of time. The Company performs its activity through the Headquarters, regional branches or other organizational units given by Company's Organizational Regulations. The organizational units of the Company, which are specified in Organizational Regulations, are entered in the Company Register as branches of the Company.
3. The Company's Headquarters acts primarily as a managing, co-ordinating methodological centre, as well as a founder of investment funds and/or other subsidiary companies.
4. Regional branches are basic executive business units of the Company whose powers are set forth in the Company's Organizational Regulations and in the operational guidelines. An integral part of regional branches are local branches. The Organizational Regulations can provide that in some cases regional branches may bear names, which reflect the character of their territorial scope.

**Article 3
Objects Clause**

The object of the Company is to perform the activities specified in the Banking Act in Section 1 (1) letters

- a) accept deposits from clients
- b) grant loans

and to perform the activities specified in the Banking Act in Section 1 (3) letters

- a) invest in securities on the bank's own account
- b) provide financial leasing
- c) manage a payment system and clearing
- d) issue and manage payment instruments
- e) provide guarantees
- f) open Letters of Credits

g) arrange collections

h) provide investment services, which include:

- the principal investment service pursuant to Section 8 (2a) of Act No. 591/1992 Coll., on Securities, as amended (hereinafter referred to as "the Securities Act"), i.e. accepting and issuing orders relating to investment instruments on a client's account, in relation to the investment instruments specified in Section 8a (1a-g) of the Securities Act;
- the principal investment service pursuant to Section 8 (2b) of the Securities Act, i.e. executing orders relating to investment instruments on another person's account, in relation to the investment instruments specified in Section 8a (1a-g) of the Securities Act;
- the principal investment service pursuant to Section 8 (2c) of the Securities Act, i.e. trading in investment instruments on the bank's own account, in relation to the investment instruments specified in Section 8a (1a-g) of the Securities Act;
- the principal investment service pursuant to Section 8 (2d) of the Securities Act, i.e. managing individual portfolios at one's discretion as part of a contractual arrangement with a client, if the portfolio comprises one or more investment instruments, in relation to the investment instruments specified in Section 8a (1a-g) of the Securities Act;
- the principal investment service pursuant to Section 8 (2e) of the Securities Act, i.e. subscribing to or placing issues of investment instruments, in relation to the investment instruments specified in Section 8a (1a-g) of the Securities Act;
- the supplementary investment service pursuant to Section 8 (3a) of the Securities Act, i.e. keeping in custody and managing one or more investment instruments, in relation to the investment instruments specified in Section 8a (1a-g) of the Securities Act;
- the supplementary investment service pursuant to Section 8 (3b) of the Securities Act, i.e. renting safe-deposit boxes;
- the supplementary investment service pursuant to Section 8 (3d) of the Securities Act, i.e. consulting services pertaining to capital structure, industrial strategy and related aspects, as well as providing advice and services relating to corporate mergers and acquisitions;
- the supplementary investment service pursuant to Section 8 (3e) of the Securities Act, i.e. providing services relating to the issue of securities pursuant to Paragraph 2e of the Securities Act, in relation to the investment instruments specified in Section 8a (1a-g) of the Securities Act;
- the supplementary investment service pursuant to Section 8 (3f) of the Securities Act, i.e. consulting services pertaining to investing in investment instruments, in relation to the investment instruments specified in Section 8a (1a-g) of the Securities Act;
- the supplementary investment service pursuant to Section 8 (3g) of the Securities Act, i.e. carrying out foreign exchange transactions related to the provided investment services;

i) issue mortgage bonds

j) provide financial brokerage services

k) provide depository services

l) provide exchange office services (purchase foreign exchange),

m) provide banking information

n) trade on the bank's own account or a client's account in foreign exchange and in gold

o) rent safe deposit boxes

p) carry on business activities that directly relate to the activities stipulated in the banking license of Česká spořitelna.

PART II
REGISTERED CAPITAL, SHARES, SHAREHOLDERS
Article 4
Amount of the Registered Capital

1. The registered capital of the Company amounts to 15,200,000,000.- CZK (in words: fifteen billion two hundred million CZK) and is divided into
 - a) 140,788,787 bearer Shares with the nominal value of 100.- per Share;
 - b) 11,211,213 registered preference Shares with the nominal value of 100.- CZK per Share.
2. The registered capital was fully paid up.

Article 5
Shares and Bonds

1. Shares in the Company are in the book entry form. Each Share represents one vote.
2. The issue price of a Share can be paid up in form of monetary investments and if the conditions stipulated by law are met, also in form of non-monetary investments.
3. The Company may issue voting Shares only in form of book entry Shares.
4. The registered preference Shares issued by the Company are transferable to a limited extent. These Shares can be transferred to towns and municipalities of the Czech Republic. It is possible to transfer the registered preference Shares to other persons than cities and municipalities of the Czech Republic with the consent of the Board of Directors only.
5. The preference right to a dividend is attached to the preference Shares. The holder of a preference Share is entitled to a share in the Company's profit if, depending on the Company's performance, such profit has been approved by the General Meeting for distribution in form of dividends attributable to the preference Shares. Such portion to be paid to the holder of preference Shares shall be determined as a ratio of the nominal value of the shareholder's Shares to the nominal value of the Shares of all shareholders holding these Shares. The holder of a preference Share is entitled to a preference dividend each year in which the General Meeting has decided to distribute the profits, even though the General Meeting may have decided that no dividends would be paid to holders of other shares in the given year.
6. The right to vote at the General Meeting is not attached to the preference Shares. All other rights of the holders of preference Shares are attached to the Shares.
7. Following a resolution of the General Meeting, the Company may issue bonds ensuring a right for their conversion into the company shares (convertible bonds) or to preferential subscription of Shares (preference bonds), provided that in parallel the Company decides on conditional increase of the registered capital. The resolution of the General Meeting on the issue of convertible bonds or preference bonds shall also specify rules under which they are to be issued as well as rights to be attached to them.
8. The Company's employees can acquire the Company shares at more favourable rates.
9. In the case of the registered capital increase, the Board of Directors may, subject to approval of the Supervisory Board, decide that employees do not have to repay the full issue price of shares or the full price for which the Company purchased them for its employees as long as the difference would be covered from the Company's own sources.

10. Rules for favoured acquisition of shares by employees shall be defined by the Board of Directors upon approval of such acquisition by the Supervisory Board.

Article 6 Shareholders

A list of shareholders - holders of registered shares shall replace the register of book entry securities maintained under special legal provisions.

2. The Shareholders declare their will and exercise their rights during the General Meeting and in relation to the General Meeting so that they can be documented in a notarial record pursuant to applicable notarial rules.
3. Unless provided otherwise by the decision of the General Meeting, the Company is obliged to pay dividends associated with book-entry bearer Shares at respective branches.

PART III STATUTORY BODIES OF THE COMPANY AND THEIR POWERS Article 7 Statutory bodies of the Company

The statutory bodies are the following:

- a) the General Meeting
- b) the Supervisory Board
- c) the Audit Committee
- d) the Board of Directors

Article 8 Status and Powers of the General Meeting

1. The General Meeting is the supreme body of the Company.
2. The powers of the General Meeting involve taking decisions on all matters, which the law or the Articles of Association entrust to the competence of the General Meeting.

Article 9 Convening a General Meeting, Voting, Passing Resolutions

1. The General Meeting is held at least once a year no later than within four months after the end of the accounting period.
2. The General Meeting is convened by publishing an invitation to the General Meeting and by publishing a notice of convening the General Meeting. Shareholders holding registered shares are invited to the General Meeting via registered letter of invitation sent to each shareholder's registered office or residential address, as entered in the shareholder's list. As to shareholders holding bearer shares, they are notified of the convening General Meeting by a notice published in the Commercial Bulletin and in Hospodářské noviny.
3. A proxy representing a shareholder on the basis of a power of attorney is obliged to submit the written power of attorney stipulating the extend of his authorization prior to the opening of the General Meeting. The signature of the represented shareholder on such power of

attorney must be officially authenticated. A shareholder who is a legal entity shall also submit an up-to-date extract from the Commercial Register or other register specified by the law (in the event of persons who are not registered in the Commercial Register). Shareholder's proxy may not be a member of the Board of Directors, Supervisory Board or the audit committee

4. The General Meeting is attended by members of the Board of Directors, members of the Supervisory Board and members of the audit committee. With consent of the convenor of the General Meeting and, in case the General Meeting is convened at someone's request, also with consent of the person(s) at whose request the meeting is convened, the General Meeting may also be attended by other persons (auditors, experts, journalists and other guests) who do not acquire shareholders' rights.
5. The member of the Board of Directors entitled to preside over the General Meeting until the Chairman of the General Meeting is elected shall acquaint the General Meeting with the nominations proposed by the Board of Directors (convenor) for the bodies of the General Meeting. First, this proposal is voted on en bloc. In case the proposal of the Board of Directors is not approved en bloc, the individual candidates are put to vote separately. Shareholders may propose further candidates until the commencement of the vote on the first nomination. At first, the motion made by the Board of Directors (convenor) is put to the vote. In case that this motion is not carried, then other motions made by the shareholders are put to the vote according to the descending order of the number of votes of the respective shareholder. Should any of the candidates fail to obtain a majority required, the candidate obtaining most votes is elected. Only persons present at the proceedings at the General Meeting who agree with their nomination can be nominated as candidates to the bodies of the General Meeting. Up until the time when scrutineers are elected, the votes are counted by persons authorized by the Board of Directors (convenor) to do so.
6. Voting at the General Meeting is carried out using ballot papers; the respective details are determined by the rules of procedure of the General Meeting approved by the General Meeting.
7. When the General Meeting is held, motions made by the person(s) who convened the General Meeting are the first ones to be put to the vote, and if convened at someone's request, the General Meeting puts those motions first which were made by the requesting party. If the motion is carried, other counter-motions related to the same matter are not put to the vote. If the motion is not carried, then the motions made by other attending shareholders are put to the vote according to the descending order of the number of votes of these shareholders.
8. The General Meeting passes resolutions by a majority vote of the attending shareholders, unless the law required a different majority.
9. If the General Meeting fails to constitute a quorum within one hour from the time scheduled for the opening of the General Meeting, then the member of the Board of Directors entitled to preside over the General Meeting until the Chairman of the General Meeting is elected shall announce this fact to the General Meeting and the Board of Directors shall convene a substitute General Meeting.
10. In cases when the law or the Articles of Associations stipulate that a notarial record must be made of resolutions taken by the General Meeting or a certain fact must be officially authenticated or another notarial act must be carried out, the Board of Directors shall ensure that these acts are made and, if needed, a notary is present and provided with all support.

11. The working language of the General Meeting is the Czech language. The Company shall ensure interpretation from Czech language into English language and vice versa.

Article 10

Status and Powers of the Supervisory Board

1. The Supervisory Board oversees how the Board of Directors exercises its range of powers and how the business activity of the Company is conducted.
2. The Supervisory Board consists of nine (9) members. Two thirds (6) of the Supervisory Board members are elected by the General Meeting and one third (3) by employees of the Company. The term of office of a Supervisory Board member is four (4) years; the term of office of a Supervisory Board member who was a member as of April 29, 2009 extends by 1 year so that the entire duration of his/her term of office is four (4) years. The Supervisory Board elects the Chairman and the Vice-chairman from among its ranks. When voting on the election or removal of the Chairman and Vice-chairman, the person concerned shall not vote. If a member of the Supervisory Board resigns from his/her office, the discharge of his office ends as of the date when his/her resignation was or should have been discussed by the Supervisory Board, he/she is a member of. The Supervisory Board, whose number of members elected by the General Meeting has not dropped below one half, may appoint substitute members who shall discharge their offices until the next General Meeting. Re-election of the members of the Supervisory Board is possible.
3. The Supervisory Board carries out and fulfils tasks assigned to it by the law or these Articles of Association. In particular, the competence of the Supervisory Board is to:
 - a) check on the observance of the generally binding legal regulations within the Company, including the observance of these Articles of Association and the resolutions of the General Meeting and whether they comply with the law,
 - b) review regular, extraordinary, consolidated or interim financial statements and proposals for profits distribution (including the determination of shares in the profit, dividend amounts and the manner of their payments) or loss coverage and present their positions to the General Meeting,
 - c) oversee functionality and effectiveness of the Company's management and control system and perform its evaluation at least once a year,
 - d) regularly discuss matters related to strategic development of the Company,
 - e) participate in evaluating Compliance function,
 - f) participate in directing, planning and evaluating of the Internal Audit's activities and in this connection assign individual tasks to the Director of the Internal Audit Section,
 - g) determine principles for compensations of members of the Board of Directors and Director of the Internal Audit,
 - h) review the reports on the Company's financial performance,
 - i) convene a General Meeting, if the law provides so;
 - j) submit its comments, recommendations, proposals to the General Meeting and to the Board of Directors,
 - k) to present proposals for changes and amendments to the Company's Articles of Association at a General Meeting,
 - l) restrict the right of the Board of Directors to act on behalf of the Company, however, this restriction is not effective in relation to third parties;
 - m) evaluate the principles of the Company's business policy;
 - n) give its prior comments to the following:
 - utilization of the reserve fund,
 - allocation of building investments, which - individually according to the plan of investments - are to exceed CZK 200 million,

- commencement, change to and termination of an employment, appointment and recalling from an office and remuneration of the Director of the Internal Audit Department,
 - proposal of the Board of Directors for the terms and conditions of issue of bonds to be carried out pursuant to Article 5 par. 7 hereof,
 - strategic concept of the Company's business activities and development,
 - intention (project] involving the acquisition of tangible or intangible assets by the Company in the value exceeding CZK 150 million,
 - acts on the basis of which the title to the property of the Company is to be transferred to other entities providing the value of such property, according to an expert's opinion or a market price expert's quotation, exceeds 30 million CZK per one single ;
 - acts to be performed in realisation of a lien in the case of pledges the price of which was higher than CZK 100 million at the time of conclusion of the credit agreement, if their presumed realisation price is lower than 50% of the price of the pledge established at the time of conclusion of the credit agreement;
 - proposals to execute active transactions exceeding the amount determined by the resolution of the Supervisory Board,
 - medium-term and annual planning instruments of the Company,
 - simplified quarterly and mid-year evaluation reports on the Company,
 - proposals for any amendments to the Articles of Association,
 - selection of an external auditor,
 - rise of the Company's capital participation in subsidiaries, its changes and termination,
 - articles of association and rules of subsidiaries and their amendments having effect on the power of the statutory bodies of subsidiaries and on the amount of Company's business share in registered capital of its subsidiaries;
 - on the decision on acts which are beyond the scope of the business activity stated in Article 3 hereof;
 - on the agenda of a General Meeting proposed by the Board of Directors;
- p) oversee the following:
- whether the accounts and records are kept properly in correspondence to the business activities of the Company and in accordance with the generally binding legal regulations, Company's Articles of Association and the resolutions and instructions of the General Meeting;
 - the exercise of proprietary rights in legal entities where the Company holds an ownership interest;
- r) set up other committees from among its members and through its own resolution determine the area of their activities;
- s) inspect the records, accounts, business books and other documents of the Company at any time;
- t) inform a General Meeting about the results of its controlling and other activities and the Supervisory Board is entitled to include its proposals in the agenda of a General Meeting;
- u) review the exercise of the powers of the Board of Directors;
- v) represent the Company in relation to the members of the Board of Directors in proceedings conducted before the court or other authorities;
- w) elect and recall members of the Board of Directors, recommend the Board of Directors candidates to the posts of the Chairman of the Board of Directors and the Vice-chairman of the Board of Directors;
- x) inform the Czech National Bank without any delay in such cases as specified by a special Act.

4. The Supervisory Board elects and recalls members of the Board of Directors. Motions for election/recalling of members can be made by any member of the Supervisory Board.

5. The Supervisory Board decides on remuneration of a member of the Board of Directors who is an employee of the Company; as to other labour-law matters the powers of the Board of Directors remains unchanged.

Article 11

Decision-making of the Supervisory Board

1. The Supervisory Board holds its meeting at least four times a year. The meeting of the Supervisory Board is convened by its Chairman or, in his/her absence, by the Vice-chairman or, in the absence of the both, by the oldest member of the Supervisory Board by giving a written notice where he/she states the place where and the date and time when the meeting is to be held and the agenda of the meeting. The Chairman may charge any of the members of the supervisory with convening the Supervisory Board meeting. Subject to the consent of all members of the Supervisory Board, a meeting may be convened electronically or by fax; even in such case, the invitation must contain above particulars and the members of the Supervisory Board must acknowledge the receipt thereof. The Supervisory Board can also be convened by a resolution adopted at its preceding meeting. The Chairman is obliged to convene a meeting of the Supervisory Board whenever any of the members of the Supervisory Board or the Board of Directors request him/her to do so, provided that an urgent reason for convention thereof is stated at the same time.
2. The members of the Supervisory Board have no alternates.
3. The meeting of the Supervisory Board is presided over by its Chairman or Vice-chairman or an appointed member of the Supervisory Board or, in their absence, the oldest attending member of the Supervisory Board. The Supervisory Board may also, at its own discretion, invite other persons to its meetings.
4. The Supervisory Board constitutes a quorum only if more than a half of its members are attending the meeting. The Supervisory Board passes decisions in form of resolutions, adoption of which requires a majority of votes of the Supervisory Board members. In the case of a tie, the person chairing the meeting shall have a casting vote. If so agreed by all members of the Supervisory Board, the Supervisory Board may also adopt resolutions by vote in writing or via telecommunications outside the Supervisory Board meeting (for example roll-call resolution of all members of the Supervisory Board, individual members in writing, through videoconference, teleconference), in this case all the members voting are considered as present. Election or removal of a member of the Board of Directors is carried out by public voting (raising a hand) at the meeting of the Supervisory Board; an agreement on the vote in writing or via telecommunications is not admissible in this case.
5. Minutes shall be drawn up on the proceedings at the Supervisory Board meeting as well as on the vote outside the Supervisory Board meeting; the particulars thereof are stipulated by the law. Minutes shall be circulated to the Supervisory Board members, to persons specified by the Supervisory Board and to the Chairman of the Board of Directors. Details on the procedural aspects of the Supervisory Board meetings shall be set forth in the rules of procedure.
6. The Chairman of the Supervisory Board is responsible for organizational matters related to the meeting and decision-making of the Supervisory Board, including the vote outside the Supervisory Board meeting and execution of resolutions adopted by the Supervisory Board. The costs incurred in connection with the activity of the Supervisory Board are borne by the Company.

Article 11a
The Audit Committee
Status, Powers and Decision Making of the Audit Committee

1. The Audit Committee is a body of the Company. The Audit Committee is responsible for fulfilment of tasks assigned to it by law or the Articles of Association. In particular, the Audit Committee shall:

- a) monitor the financial statements and consolidated financial statements processing,
- b) review the effectiveness of the Company's internal control, internal audit and, where applicable, risk management systems,
- c) monitor the statutory audit of the annual and consolidated financial statements,
- d) review and monitor the independence of the statutory auditor and the audit firm, and in particular provision of additional services to the audited entity,
- e) recommend the auditor.

2. The Audit Committee consists of five (5) members. The term of office of an Audit Committee member is four (4) years. The Audit Committee elects its Chairman and Vice-chairman. When voting on the election or dismissal of the Chairman or Vice-chairman, the person concerned shall not vote. If a member of the Audit Committee resigns from the office, the term of his/her office ends on the date on which the resignation was or should have been discussed by the Audit Committee, he/she is a member of. The Audit Committee, whose number of members elected by the General Meeting has not dropped below half, may appoint substitute members with their term until the next General Meeting. If the number of members elected by the General Meeting drops under half, the function of the Audit Committee is executed by the Supervisory Board.

3. The decision making by the Audit Committee shall be in accordance with Article 11 of the Articles of Association.

4. The costs incurred in connection with the activity of the Audit Committee are borne by the Company.

Article 12
Status and Powers of the Board of Directors

1. The Board of Directors is a statutory body who manages the activities of the Company and acts on its behalf. The Board of Directors decides on all aspects of the Company with exception of those which, pursuant to the law or these Articles of Association, fall within the competency of the General Meeting or the Supervisory Board or the Audit committee. The Board of Directors shall make sure that the Supervisory Board, its committees and the Audit Committee can exercise their powers in accordance with the law and with these Articles of Association.

2. Any action of members of the Board of Directors which shall be made in writing shall be signed by two members of the Board of Directors and their signatures shall be attached to the business name of the Company.

3. The Board of Directors has seven (7) members. With regard to recommendations of the Supervisory Board, members of the Board of Directors elect the Chairman and Vice-chairman from among their rank. When electing and recalling the Chairman and the Vice-chairman, nominees to these positions shall not vote. The Chairman of the Board of Directors represents the Company in public. The Vice-chairman substitutes the Chairman during his absence.

4. The term of office of a member of the Board of Directors is four (4) years. Members of the Board of Directors may be re-elected. In the case of resignation of a member of the Board of Directors, the discharge of his/her office ends as of the date when the resignation was or should have been accepted by the Supervisory Board who elected such member; however, its acceptance by the Board of Directors of which he/she is a member is sufficient
5. To the General Meeting, which is held no later than within four months following the end of the accounting period, the following shall be submitted by the Board of Directors: annual financial statement, proposal for profit distribution/loss coverage and report on the Company's business performance and state of its assets, the later being always part of the annual report prepared under a special legal provision. An extraordinary or interim financial statement is presented to an extraordinary General Meeting.
6. The Board of Directors shall
 - submit for review to the Supervisory Board and to the Audit Committee, or where appropriate to their members and committees, any proposals, reports, information, documents and records related to the Company's activities as designated by these bodies by their resolution,
 - inform the Supervisory Board and the Audit Committee without unnecessary delay about all material facts that could individually or in mutual correlation negatively affect the Company's business, property or financial liquidity,
 - submit to the Supervisory Board and to the Audit Committee other documents if the law or Articles of Association determine so or if the Supervisory Board or Audit Committee requests so,
 - request prior opinion of the committee established by the Supervisory Board in cases expressly specified by the resolution of the Supervisory Board."
7. The Board of Directors is responsible for establishing a well-functioning and effective management and control system in the Company.
As regards management and control system, the Board of Directors is further responsible for:
 - drafting, approval and regular assessment of
 - the Company's global strategy,
 - risk management strategy ,
 - capital and capital adequacy strategy,
(at least once a year, the Board of Directors makes a comprehensive and sufficient assessment of the internal system used to determine capital)
 - information system development strategy,
 - principles of the internal control system, incl. principles of prevention of potential conflict of interest and compliance principles,
 - principles of security, including principles relating to information system security,
 - ensuring that all Company's employees understand their role in MCS and that they take active part in it ,
 - enforcement of appropriate administrative and accounting procedures,
 - ongoing and efficient functioning of the internal control system,
 - approval and regular assessment of the adopted organisational structure, which shall – among other things – clearly define responsibilities and powers of individual units, employees and committees, and enable effective communication and cooperation at all Company levels. The organisational structure shall take into account requirements for separation of incompatible functions and for prevention of potential conflict of interest,

- adoption of principles for management of human resources (personal and wage policy). These principles shall also include a requirement that all jobs shall be performed by qualified employees with relevant education and experience,
- endorsement of high level ethics and moral integrity among employees of the Company. To do so, it shall specify rules clearly defining ethical principles and preferred models of proper conduct of the Company's employees.

Article13
Adopting Decisions by the Board of Directors

1. The Board of Directors holds its meetings as necessary, at least twice (2) a month. A meeting of the Board of Directors is convened by the Chairman or the Vice-chairman by a written invitation (mailed or sent by fax) indicating venue, date and hour of the meeting and its agenda. A meeting of the Board of Directors may also be convened by a resolution adopted at the preceding meeting. Subject to consent of all members of the Board of Directors a meeting may also be convened in another form. Membership in the Board of Directors is not substitutable. Members of the Board of Directors may invite to the meeting members of the Supervisory Board or Audit Committee or other persons whose responsibilities relate to the agenda of the meeting.
2. The Chairman shall convene a meeting of the Board of Directors whenever a member of the Board of Directors or the Supervisory Board requests so in writing, stating purpose and its agenda, and shall do so not later than within 7 days from the date of receipt of such request. The Chairman of the Board of Directors is obliged to include into the agenda discussion on any topic suggested by the Supervisory Board.
3. A meeting of the Board of Directors is chaired by its Chairman or, in his absence, by the Vice-chairman, and in the absence of the latter by an appointed member of the Board of Directors. Details related to meetings of the Board of Directors shall be set forth by the Board of Directors in the Rules of Procedures.
4. The Board of Directors constitutes a quorum only if more than half of its members are attending the meeting. The Board of Directors passes decisions in form of resolutions, their adoption require majority of votes of the Board of Directors members. In the case of a tie, the person chairing the meeting shall have a casting vote. Subject to consent of all members of the Board of Directors, a resolution of the Board of Directors may be adopted by vote in writing or via communication media outside the board meeting (e.g. all members of the Board of Directors per rollam, individual members in writing, through videoconference, teleconference); such voting members are deemed to be present.
5. If a member of the Board of Directors holds the opinion that a resolution of the Board of Directors contravenes the Articles of Association or the generally binding legal regulations or jeopardises the interests of the Company, and if the Board of Directors refuses to revise its resolution, then such member of the Board of Directors may request the Chairman of the Board of Directors or, in his/her absence, the Vice-chairman of the Board of Directors, to invite the Supervisory Board to a joint discussion about the disputable resolution. If this does not happen, then such member of the Board of Directors is entitled to address his/her objection directly to the Supervisory Board.“
6. Minutes are made in compliance with requisites provided by the law of the course of meetings of the Board of Directors, of voting outside the Board of Directors' meetings and of adopted resolutions. The minutes shall be sent to all members of the Board of Directors and persons designated by the Board of Directors or by the Supervisory Board.

7. The Chairman of the Board of Directors is in charge of organisational matters related to sessions of the Board of Directors and resolutions adopted by it, including voting outside the meeting of the Board of Directors. Costs incurred in connection with activities of the Board of Directors are borne by the Company.

Article 14

Powers and Responsibilities of Employees

1. In accordance with the Banking Act the Bank's top executive officers are: members of the Board of Directors, chief executive officer, first deputy chief executive officer and deputy chief executive officers.
2. Compliant to resolutions of the Board of Directors and its instructions and to the extent as specified by the organisational regulations, the chief executive officer manages and is responsible for activities of organizational units and departments of the Company which, according to the Company's Organizational Regulations, fall within his powers (the same applies to deputy CEOs who does so in accordance with guidelines of the CEO and to other senior staff who act in compliance with guidelines of their managers). The First Deputy CEO substitutes the CEO during his absence.
3. Powers of the senior staff related to the units which they manage are specified in the Company's Organisational Regulations, unless some of these powers have been reserved by their superior officers. Other employees, including employees entrusted with execution of banking business transactions, have such powers and responsibilities which pertain to the job they perform in accordance with their official position and authorisation and with the instructions given by the managers they directly report to. Their specific powers and responsibilities, including responsibilities for business transactions, are set forth by legal provisions, organisational and other internal regulations of the Company and by individual job descriptions.
4. Employees of the Company are entitled to act and take actions on behalf of the Company which pertain to the tasks assigned to them under the Company's internal organisational regulations, or which are assigned to them by the Board of Directors or by the managers they directly report to (hereinafter also referred to as "competent employees"). Any action of employees that is made in writing shall be signed by two competent employees whose signature shall be attached to the Company's business name; any exceptions thereof shall be set forth in the Company's Organisational Regulations.
5. If a member of the Board of Directors, an officer or an employee who is authorised to carry out banking business transactions or an employee who is authorised to carry out other activities, completion of which is subject to certain conditions and prerequisites required by law, fails to fulfil statutory conditions and prerequisites for execution of these activities, such person is obliged to notify the Chairman of the body which he/she is a member of (if member of a body), or to his/her immediate superior officer (if an employee of the Company) about such impediment to function or to carry out these activities. Person who will receive such notification shall ensure compliance with this statutory notification obligation.
6. The provisions of the Articles of Association related to aspects of senior officers of the bank, senior officers of the Company and other Company's employees shall analogously apply to the regulation of aspects related to non-employees of the Company who were entrusted to perform specific tasks for the Company.

PART IV
RESERVE FUND, METHOD OF PROFIT DISTRIBUTION AND COVERING LOSSES

Article 15

The Company's Economic Management
Method of Creation of the Reserve Fund, Mandatory Level
and Method of Replenishment

1. The Company's records and bookkeeping shall be managed in compliance with applicable legal regulations. Records of transactions carried out on clients' accounts shall be kept in the Company's bookkeeping separately from records carried out on the Company's account.
2. The Company generates a set of information as required under the relevant legal provisions and makes available information and reports on its activities to respective authorities pursuant to such provisions. The Company's accounting period is a calendar year. The Company shall prepare the annual financial statements and ensure verification, audit and approval of them in compliance with relevant legal provisions.
3. The Company shall ensure that the legal or physical entity performing the auditing under applicable law (hereinafter "the auditing company") performs:
 - a) reviews of the Company's annual and consolidated financial statements,
 - b) audits of the Company's management and control systems, including risk management system,
 - c) generation of reports on audits of annual and consolidated financial statements and systems pursuant to letter b) and their submission to the Czech National Bank in due term,
 - d) other tasks pursuant to legal regulations.

The Company shall notify the Czech National Bank of the selected auditing company.

4. The Company creates its reserve fund from the net profit up to 20 % of the registered capital. A reserve fund exceeding 20 % of the registered capital may be created if so decided by the Board of Directors. Additions of at least 5 % of the net profit shall be made to the reserve fund on annual basis to the amount equalling 20 % of the registered capital.
5. The Company may set up other funds from its profits or other sources (e.g. capital in excess of par value); decisions on their set up, composition and utilization fall within the competencies of the Board of Directors.

Article 16

Method of Profit Distribution
and Covering the Losses

1. The General Meeting decides on profits distribution following the proposal of the Board of Directors and opinion of the Supervisory Board through additions to
 - a) reserve fund
 - b) other funds, if established
 - c) dividends
 - d) employees share in profits
 - e) royalties
 - f) other purposes.
2. The General Meeting may also decide to retain the profits or its part or use the profits for an increase of the Company's registered capital.
3. If at the year end the Company closes with a loss, the General Meeting shall, while approving financial statements for that year, rule to cover the loss from the Company's own sources.

PART V
INCREASE AND DECREASE OF THE REGISTERED CAPITAL

Article 17

Rules Applied for the Registered Capital Increase
Consequences of the Failure to Pay up the Subscribed Shares in a Timely Manner

1. Unless provided otherwise, the registered capital increase procedure is governed by applicable provisions of the Commercial Code. Detailed rules of procedure for the registered capital increase shall be determined by the Company's body which adopts decisions related to the registered capital increase.
2. The subscriber shall repay the issue price of the shares subscribed as part of the Company's registered capital increase within the term as specified in the resolution adopted by the body who approved the issue of shares. Should the subscriber fail to pay up the issue price of the subscribed shares or any outstanding part thereof within the specified term, the subscription of shares shall become void and futile upon expiration of the term. The Board of Directors shall, without advice and unnecessary delay, refund the amount of the issue price already settled by the subscriber.

Article 18

Rules of the Procedure for Decreasing the Registered Capital
Alternative to Decrease the Registered Capital through Withdrawal of Shares from Circulation

1. The procedure for decreasing the registered capital, unless provided otherwise, is complied with the relevant provisions of the Commercial Code. The detailed rules of the procedure for decreasing of the registered capital are provided by the Company body which makes decisions on decreasing the registered capital.
2. Shares can be withdrawn from circulation upon the public draft contract of the shares purchase. The alternative to decrease the registered capital through withdrawal of shares from circulation by lot is bared.

PART VI

WINDING-UP AND LIQUIDATION OF THE COMPANY

Article 19

Winding-up and Dissolution of the Company
Liquidation of the Company

1. The Company is winded up for reasons and in the way provided by law. The Company is obliged to ask for the prior Czech National Bank's consent to the General Meeting's decision on the winding-up of the Company and to the merger of the Company with the liquidated bank.
2. The way of liquidating the Company when winding-up complies with legal regulations. If the Company in liquidation is winded-up, the proposal for a liquidator can be submitted only by the Czech National Bank.
3. The Company ceases to exist as of the day of its erasure in the Commercial Register. If the liquidation balance is not sufficient to settle the nominal value of shares, the liquidation balance shall be divided into the proportion falling to holders of preference shares and the proportion of other shares in ratio corresponding to the sum of nominal values of shares already settled.

PART VII
OTHER PROVISIONS
Article 20
Management and Control System

1. The Company's Management and Control System ("MCS") consists of all tools and processes inside the Company which are used to achieve implementation of the Company's objectives and goals. MCS includes all activities and organisational units of the Company.
2. MCS is established to secure the following objectives:
 - a) performance of the Company's business activities in compliance with the overall strategy of the Company at optimum costs,
 - b) provision of up-to-date, reliable and consistent information used by the Company in its decision-making process and for reporting to third parties,
 - c) compliance of the Company's activities with relevant laws and regulations.
3. MCS includes:
 - a) control environment
 - b) internal control system
 - control mechanisms and control activities
 - compliance
 - internal audit
 - c) information
 - d) risk management:
 - credit risk
 - concentration risk
 - market risk
 - operational risk incl. requirements relating to information systems
 - liquidity risk and other risks
 - e) monitoring (monitoring and evaluation of MCS's functionality and effectiveness and rectification of deficiencies)
4. Maintenance and assessment of functionality and effectiveness of the management and control system shall be done by the Company's bodies and employees in the scope as specified in the Company's Articles of Association and internal regulations.
5. MCS requirements are defined in detail in the Company's internal regulations.

Article 21
Internal Audit

1. The Company shall set up an internal audit unit, which shall be integrated into the Company's MCS.
2. Internal audit is an independent, objectively assuring and consulting activity focused on adding value and improving processes in the Company. Internal audit helps the Company attain its objectives by introducing a systematic and methodical approach to assessment

and improvement of the risk management system, management and control processes, and corporate governance of the Company.

3. After notifying the Company's statutory body, the director of the Internal Audit shall report the findings to the Supervisory Board and to the Audit Committee and in case of findings which may adversely affect the Company's business performance, he/she shall initiate an extraordinary meeting of the Supervisory Board and the Audit Committee.
4. The position, role and activity of the Internal Audit in the Company are defined by a separate internal regulation of the Company.

Article 21a

Execution of compliance function

1. Execution of compliance function forms a part of Company's MCS.
2. The purpose of compliance function in the Company is to ensure compliance of the Company's internal regulations with applicable laws, consistency of internal regulations and conformity of activities with legal and internal regulations.
3. Compliance is an independent function whose aim is to report to respective managers instances of non-compliance with legal regulations (or, in case of material non-compliance to the Board of Directors). It further informs senior managers about new and/or impending legal regulations and best practices relating to the Company's activities and provides consultancy on compliance issues to the Board of Directors and to senior managers.
4. The position, role and activity of the compliance function are defined by a separate internal regulation of the Company.

PART VIII

FINAL PROVISIONS

Article 22

Procedure for Changing and Amending the Articles of Association

The Board of Directors shall submit a proposal for an amendment to the Articles of Association to the Supervisory Board for evaluation and then to the General Meeting for approval. After the proposal is approved by the General Meeting such amendment becomes the integral part of the Articles of Association and comes into force as provided by the law, unless it is an amendment based on other legal facts. The Board of Directors is obliged to secure elaboration and filing of full wording of the Articles of Association in terms provided by law and in manner stated herein.

Article 23

Final Provisions

1. Unless provided otherwise by these Articles of Association, the Company's activities shall be managed in compliance with legal regulations, primarily with relevant provisions of the Commercial Code and Banking Act. If any of the provisions of the Articles of Association proves to be invalid, ineffective or disputable or any provision is missing, the other provisions of the Articles of Association shall remain unaffected by such fact. The provision concerned shall be replaced either by a provision of an appropriate legal regulation or a provision of such legal regulation, which, with its nature and purpose, is as close as possible to the contemplated purpose of the Articles of Association or - if there is no such provision of a legal regulation - the situation shall be solved in such manner which

is usual in business relations. Legal relations shall be managed in compliance with the Czech rule of law.

2. The Company's activities shall be subject to the bank supervision within the meaning of appropriate provisions of the Banking Act
3. Facts specified by the generally binding legal regulations, by these Articles of Association and by the resolutions of the General Meeting are published by the Company in the form of notices in the Commercial Bulletin unless otherwise provided by law or by these Articles of Association.
4. Shareholders holding registered shares are obliged to notify the Board of Directors about any changes in the data contained in the securities register pursuant to a special Act without any delay.
5. Any disputes between the shareholders and the Company, any disputes between the Company and the members of its bodies, as well as mutual disputes between shareholders relating to their interest in the Company, shall be settled amicably. If amicable settlement is not reached, then such disputes shall be settled by the competent Czech courts, unless provided otherwise by an international treaty binding on Czech Republic.
6. Full wordings of the Articles of Association are filed in the collection of documents, which is the part of the Commercial Register, kept by Office of Management and Supervisory Board of the Company. Verified copies of the Articles of Association and their amendments shall be filed in the Czech National Bank.

Prague, 7th October 2009