

Resolution proposals of the General Meeting 2016

1. Resolution proposal and opinion of the Board of Directors to agenda point No. 3 of the General Meeting – Amendment to the Articles of Association

The Board of Directors proposes to the General Meeting the following resolution:

„The General Meeting of the Company decides on an amendment to the Articles of Association of the Company as follows:

- 1. In table of contents in the PART IV words „RESERVE FUND“ are deleted.*
- 2. In the Article 3 letter l) between words „Act“ and „on the Supplementary“ is inserted „No. 427/2011 Coll.“*
- 3. In the Article 10 par. 6. at the end of the existing text the new text is inserted: „If no candidate is elected in accordance with the rules of elections contained in the Articles of Association and in the Election Rules, the Board of Directors may include the election of Member of the Supervisory Board on the agenda of the next General Meeting and to nominate a candidate, which the Board of Directors will choose after discussion with the trade unions.*
- 4. In the Article 10 par. 12. letter j) after the words „strategic development,“ the new text „business performance and results of the activity,“ is inserted.*
- 5. In the Article 10 par. 12. letter o) the word „on“ is deleted and after the word „oversee“ the text „and assure the overall functionality and effectiveness“ is inserted.*
- 6. In the Article 10 par. 12. the new letter p) is inserted:*

„p) oversee and assure the fulfillment of the approved strategies including risk management strategy, the integrity of accounting systems and financial reporting including the reliability of the internal financial control system and other internal control mechanisms, adhering to legal obligations and relevant company standards, adequacy of communication system and publishing the company information,“
- 7. In the Article 10 par. 12. the original letters p) - x) are changing to letters q) - y).*
- 8. In the Article 10 par. 12. letter t) the words „general principles“ are replaced by the words „general system“.*
- 9. In the Article 10 par. 12. letter w) the 1st bullet is deleted: „- utilization of the reserve fund,“.*
- 10. In the Article 10 par. 12. letter w), the 3rd bullet (newly the 2nd bullet) after the words: „- proposal to appoint or remove persons to serve as risk, compliance and internal audit managers,“ the new text is inserted: „without the consent of the Supervisory Board it is not possible to remove persons from these positions,“.*
- 11. In the Article 10 par. 12. letter w) the 13th bullet, or the 12th bullet after deleting the 1st bullet, is deleted: „- selection of an audit company to ensure tasks required by the Company according to these Articles of Association (Article 16 (3),“.*
- 12. In the Article 10 par. 12. the new letter z) is inserted:*

„z) propose an audit company to ensure tasks required by the Company according to these Articles of Association (Article 16 (3).“
- 13. In the Article 11 par. 3. the text: „Election or removal of a Director is carried out by public voting (show of hands) at the Supervisory Board meeting; an agreement to vote in writing or via telecommunications is not admissible in this case.“ is deleted.*

14. In the Article 12 par. 1. letter a) the original wording is replaced by the wording „monitoring the effectivity of internal control, risk management system,“.
15. In the Article 12 par. 1. letter b) the original wording is replaced by the wording „monitoring the effectivity of internal audit and ensuring its functional independence; the internal audit is functionally subordinated to the Audit Committee“.
16. In the Article 12 par. 1. letter c) the words „mandatory audit process“ are replaced by words „the process of compilation“.
17. In the Article 12 par. 1. letter d) the original wording is replaced by the wording „recommending the auditor to the Supervisory Board, with such recommendation to be duly reasoned,“.
18. In the Article 12 par. 1. letter e) the original wording is replaced by the wording „reviewing the independence of the statutory auditor and the auditing firm and in particular the provision of additional services to the audited entity,“.
19. In the Article 12 par. 1. the new letter f) is inserted:
„f) monitoring the mandatory audit process.“
20. In the Article 12 par. 2. the words „four (4) members“ are replaced by words „five (5) members“; after these words the new sentence is inserted: „The General Meeting nominate members of the Audit Committee from the non-executive members of the Supervisory Board or the third persons.“ After the 4th sentence ending by words: „Chairman and Vice-Chairman.“ the new sentence is inserted: „The Chairman of the Audit Committee must be independent. The majority of members of the Audit Committee must be independent and professionally qualified.“ The whole provision is amended to read as follows:
„2. The Audit Committee consists of five (5) members. The General Meeting nominate members of the Audit Committee from the non-executive members of the Supervisory Board or the third persons. The term of office of an Audit Committee member is four (4) years. The Audit Committee elects its Chairman and Vice-Chairman. The Chairman of the Audit Committee must be independent. The majority of members of the Audit Committee must be independent and professionally qualified. When voting on the election or dismissal of the Chairman or Vice-Chairman, the person concerned does not vote. A member of the Audit Committee may resign by delivering a written resignation notice to the Company, unless the resignation takes place at a time inconvenient for the Company. The resigning Audit Committee member ceases to serve as an Audit Committee member upon the expiry of one month from the delivery of the notice to the Company, unless the Audit Committee approves a different end of the Audit Committee member's service upon the resigning member's request. In the event that the number of members elected by the General Meeting falls below one half, the Audit Committee's function shall be executed by the Supervisory Board.“
21. In the Article 13 par. 2. after the sentence: „The Board of Directors is the Company's governing body in charge of and responsible for the business management of the Company and representing the Company in all matters.“ the new sentence is inserted: „The Board of Directors is responsible for ensuring the smooth performance of activities and continuous operation of the Company on financial market in accordance with the subject and plan of the activity of the Company.“
22. In the Article 13 par. 4. the words „five (5)“ are replaced by words „six (6)“.
23. In the Article 13 par. 6. the 1st sentence is divided into two sentences, whereas the new wording of the 1st sentence is as follows: „The Board of Directors is obliged to submit for approval to the General Meeting, which is held no later than within four months following the end of the accounting period, annual financial statement, proposal for profit distribution or loss coverage.“; before the remaining text of the original 1st sentence the following text is inserted: „The Board of Directors is also obliged to submit to the General Meeting, which is held no later than within four months following the end of the accounting period, for information“ The whole wording of the provision is as follows:

„6. The Board of Directors is obliged to submit for approval to the General Meeting, which is held no later than within four months following the end of the accounting period, annual financial statement, proposal for profit distribution or loss coverage. The Board of Directors is also obliged to submit to the General Meeting, which is held no later than within four months following the end of the accounting period, for information reports on the Company’s business performance and state of its assets, the latter always being part of the annual report prepared under a special legal provision. Extraordinary or interim financial statements the Board of Directors submit to the General Meeting.“

24. In the Article 13 par. 9. letter a) the new 2nd bullet is inserted:

„ – organizational structure,“

25. In the Article 13 par. 9. letter. a), the 4th bullet after the words: „- risk management strategy,“ the new text is inserted: „including risks following from the macroeconomic environment in which the Company operates and also in relation to the business cycle,“.

26. In the Article 13 par. 9. letter a) the 8th bullet the words „of information system“ are replaced by the words „for information and communication system“.

27. In the Article 13 par. 9. letter b) after the words: „ensuring that all the Company’s employees understand their role in the Management and Control System (“MCS”) and that they take a proactive part in the MCS,“ the new text is inserted: „(for ensuring this requirement also serve influencing the corporate culture by conduct of the Board of Directors and its members and the internal communication system of the Company),“

28. In the Article 13 par. 9. the new letter d) is inserted:

„d) provision of appropriate and sufficient capacities for the performance of the Company's activities, particularly for the significant risk management, capital and liquidity, financial management, accounting, valuation, use of external ratings and internal models for risk management,“

29. In the Article 13 par. 9. the new letter e) is inserted:

„e) ensuring the integrity of accounting systems and financial reporting,“

30. In the Article 13 par. 9. the new letter f) is inserted:

„f) ensuring reliability of the internal financial control system and other internal control mechanisms,“

31. In the Article 13 par. 9. the original letters d) - j) are changing to letters g) - m).

32. In the Article 13 par. 9. letter m) the words: „and internal audit function“ are deleted.

33. In the Article 15 par. 1. in the 1st sentence the words: „In accordance with the Banking Act, the members of the Board of Directors are“, are deleted, in the 2nd sentence the words: „The bank’s senior staff“ are deleted. Both sentences of the provision are included into one sentence and the whole wording of the provision is as follows:

„1. Members of the Board of Directors are in charge of organizational units and/or organizational segments of the Company according to their authorization by the Board of Directors and they perform other activities under the Company’s internal regulations.“

34. In the Article 15 par. 6. the words „senior staff of the bank“ are deleted.

35. In the heading PART IV the words „RESERVE FUND“ are deleted.

36. In the heading Article 16 the words „Method of Creation of the Reserve Fund, Mandatory Level and Method of Replenishment“ are deleted.

37. The Article 16 par. 4. is deleted. And the original Article 16 par. 5. is changing to the Article 16 par. 4.

38. In the Article 17 the original wording is replaced by the wording:

„The General Meeting may decide to distribute profit, upon a proposal of the Board of Directors and subject to an opinion of the Supervisory Board. Profit can be distributed as dividends to Company’s shareholders, as distributions to holders of Additional Tier 1 instruments issued by the Company (into a special fund), or, if applicable, to Company’s employees or members of Company’s bodies. The General Meeting is not restricted in deciding on how to dispose of the profit to the benefit of the Company.“

Reason:

1) it is proposed to specify the procedure for electing members of the Supervisory Board - point 3. of the Resolution Proposal No. 1

2)) it is proposed to complete some provisions of the Articles of Association in accordance with the Decree No. 163/2014 Coll., on Performance of Activities of Banks, Savings and Credit Cooperatives and Investment Firms (namely Sec. 13, 14 and 16 - 18 of this Decree); the purpose of these changes is to ensure compliance of the scope of activities of the Supervisory Board and the Board of Directors of Česká spořitelna, a.s. with the existing legislation; incorporating the proposed changes will lead to specification of requirements for performance of these bodies and to creation of conditions for further strengthening the management and control system of the bank - points 4.- 6., 8.- 11., 21., 24.- 30., 32. of the Resolution Proposal No. 1.

3) it is proposed to complete some provisions of the Articles of Association in accordance with the Act No. 93/2009 Coll., on Auditors (namely Sec. 44 and 44a of this Act); the purpose of these changes is to specify competence of the Supervisory Board towards audit and to ensure compliance with the existing legislation in relation to the Audit Committee; at the same time it is proposed to increase number of members of the Audit Committee from 4 to 5 - points 12, 14.- 20. of the Resolution Proposal No. 1.

4) it is proposed to delete the obligation of the Supervisory Board to vote on election and removal of a member of the Board of Directors only by public voting; henceforward also in this case it will be possible to vote in writing or via telecommunications outside the meeting - point 13. of the Resolution Proposal No. 1.

5) it is proposed to increase number of members of the Board of Directors from five to six; with respect to the size of Česká spořitelna, a.s., its activities and scope of management of members of the Board of Directors it is proposed to increase number of members of the Board of Directors by 1 member; at present the Chairman of the Board of Directors manages two divisions and has significantly higher number of directly managed managers than other members of the Board of Directors; the proposed changes thus allow a more balanced distribution of managing powers and better fulfillment of Corporate Governance requirements - point 22. of the Resolution Proposal No. 1.

6) it is proposed that henceforth the report of the Board of Directors on the Company’s business performance and state of its assets is not approved by the General Meeting, but submitted only for information to the General Meeting - point 23. of the Resolution Proposal No. 1.

7) it is proposed to delete the term „senior staff of the bank“, because this term has been deleted by the amendment Act No. 135/2014 Coll. from the Act. No. 21/1992 Coll., on Banks; it is only a formal change and now it is used „members of the Board of Directors“ - points 33.- 34. of the Resolution Proposal No. 1.

8) it is proposed not to create any more reserve fund, because such obligation is not laid down by the legislation - points 1., 35.- 37. of the Resolution Proposal No. 1.

9) it is proposed to allow profit distribution also to holders of Additional Tier 1 instruments issued by the Company – point 38. of the Resolution Proposal No. 1.

2. Resolution proposal and opinion of the Board of Directors to agenda point No. 4 of the General Meeting – Report of the Board of Directors on business activities of the Company and the state of its assets in 2015; information on the business and financial plan for 2016

a) The Board of Directors submits its opinion: Report of the Board of Directors on business activities of the Company and the state of its assets must be also part of the Annual Report; in accordance with

the Article 13 par. 6. of the Articles of Association of Česká spořitelna, a.s. the Board of Directors submits this Report for information to the General Meeting.

b) The Board of Directors submits its opinion to the information on business and financial plan for the year 2016: The Information on the expected development of activities of the Company must be part of the Annual Report and therefore the Board of Directors shall inform the General Meeting about the business and financial plan of Česká spořitelna, a.s., which corresponds with the development of economic situation in the Czech Republic and economic results and expectations of the Company.

3. Opinion of the Board of Directors to agenda point No. 5 of the General Meeting – Report of the Supervisory Board for 2015

The Board of Directors submits its opinion: In accordance with section 449(1) of the Act on Business Corporations the members of the Supervisory Board are obliged to inform the General Meeting on the results of their control activities and the Supervisory Board is obliged to examine the financial statement and profit distribution proposal and to submit its statement to the General Meeting.

4. Opinion of the Board of Directors to agenda point No. 6 of the General Meeting – Report of the Audit Committee for 2015

The Board of Directors submits its opinion: The Audit Committee submits the report of its activities to the General Meeting in accordance with the Article 12 par. 1. of the Articles of Association of the Company.

5. Resolution proposal and opinion of the Board of Directors to agenda point No. 7 of the General Meeting – Non-consolidated financial statement for 2015, profit distribution, maturity of dividend

The Board of Directors proposes to the General Meeting the following resolution:

„The General Meeting:

1. *approves the Non-consolidated Financial Statements for the year 2015 in wording submitted by the Board of Directors and published on the website of the Company www.csas.cz;*
2. *decides on profit distribution of the Company for the year 2015 and of retained earnings from previous period in the amount of CZK 85,626.6 mil. as follows:*
 - a) *the reserve fund is cancelled and the balance of the cancelled reserve fund in the amount of CZK 3.040.5 mil. to be transferred to the retained earnings from previous period;*
 - b) *transfer of the amount of CZK 659 mil. to the special fund created from profit for the purpose of distribution payments to holders of Additional Tier 1 instruments issued by the Company;*
 - c) *the amount of CZK 12,798.4 mil., i.e. CZK 84.2 per share, to be paid out as dividends to shareholders registered in the register of issuer as of 22 April 2016 at 24.00 o'clock;*
 - d) *the amount of CZK 75,209.6 mil. including the balance of the cancelled reserve fund remains in the meantime undivided;*
3. *decides that the dividend is payable from 1 June 2016 in the way and under conditions laid down in the document on dividend payment which the shareholders present at the General Meeting received in writing at the registration.”*

Reason: According to section 421(2)g) of the Act on Business Corporations the approval of the non-consolidated financial statement falls within the competence of the General Meeting. The Board of Directors is of the opinion that the submitted non-consolidated financial statement shows true and fair picture on business activity of the Company and on the state of its assets for year 2015, and neither the Supervisory Board, nor the auditor has any reservation to it. According to section 421(2)h) of the Act on Business Corporations the decision on the profit distribution falls within the competence of the General Meeting. It is proposed in the Articles of Association not to create any more a reserve fund and therefore it is proposed to cancel the reserve fund and to transfer the from the balance of the cancelled reserve fund to the retained earnings from previous period. It is also proposed in the Articles

of Association to allow profit distribution also to holders of Additional Tier 1 instruments issued by the Company, for this purpose it is proposed to decide on transfer to the special fund created from profit. The amount of the proposed dividend conforms with the Company's dividend policy. The maturity of dividend is proposed with regard to the operational and technical abilities of the Company.

6. Resolution proposal and opinion of the Board of Directors to agenda point No. 8 of the General Meeting – Consolidated financial statement for 2015

The Board of Directors proposes to the General Meeting the following resolution:

„The General Meeting approves the consolidated financial statement for the year 2015 in wording submitted by the Board of Directors and published on the website of the Company www.csas.cz.“

Reason: According to section 421(2)g) of the Act on Business Corporations the approval of the consolidated financial statement falls within the competence of the General Meeting. The Board of Directors is of the opinion that the submitted consolidated financial statement shows true and fair picture on accounting subject and on the state of assets of the Company for the year 2015, and neither the Supervisory Board, nor the auditor has any reservation to it.

7. Resolution proposal and opinion of the Board of Directors to agenda point No. 9 of the General Meeting – Designation of the external auditor for 2016

The Board of Directors proposes to the General Meeting the following resolution:

„The General Meeting designates for the audit of the financial statements and consolidated financial statements of Česká spořitelna, a.s. for the year 2016 the company Ernst & Young Audit, s.r.o. as auditor.“

Reason: According to section 17(1) of the Act on Auditors if a company is required to have its financial statements audited by an auditor or consolidated financial statement audited by an auditor, the auditor shall be designated by its supreme body (General Meeting). Eligibility of auditor company Ernst & Young, s.r.o. and its international experience are presumptions for quality performance of the audit of the financial statements for the year 2016. External audit is performed by Ernst & Young within the whole Erste Group. This practice appears to be reasonable and effective.

8. Resolution proposal and opinion of the Board of Directors to agenda point No. 10 of the General Meeting – Election of members of the Supervisory Board Mr. Maximilian Hardegg, Mr. Stefan Doerfler, Mr. Petr Brávek and member of the Audit Committee Mr. Pavel Závitkovský

The Board of Directors proposes to the General Meeting the following resolution:

„a) The General Meeting elects Petr Brávek, born on 4 August 1961, address Dykova 19, 101 00, Prague 10, Czech Republic, as the member of the Supervisory Board of Česká spořitelna, a.s. as of 22 April 2016.“

Reason: Mr. Brávek is the member of the Managing Board of Erste Group Bank AG, before he was a member of the Board of Directors of Slovenská sporiteľňa, a.s. and has totally 23 years of experience in banking sector.

„b) The General Meeting elects Mr. Stefan Doerfler, born on 24 February 1971, address Zahnradbahnstraße 6/2, 1190 Vienna, Austria, as the member of the Supervisory Board of Česká spořitelna, a.s. as of 22 April 2016.“

Reason: Mr Doerfler has been the member of the Supervisory Board of Česká spořitelna, a.s. since April 2012.

„c) The General Meeting elects Mr. Maximilian Hardegg, born on 26 February 1966, address 2062 Seefeld-Kadolz, C/O Gutsverwaltung Hardegg, Austria, as the member of the Supervisory Board of Česká spořitelna, a.s. as of 25 May 2016.”

Reason: Mr. Hardegg has been the member of the Supervisory Board of Česká spořitelna, a.s. since May 2002.

„d) The General Meeting elects Mr. Pavel Závítkovský, born on 19 July 1955, address Hyacintová 3266/9, 106 00, Prague 10, Czech Republic, as the member of the Audit Committee of Česká spořitelna, a.s. as of 22 April 2016.“

Reason: Mr. Závítkovský has more than 22 years of experience in the audit of financial and industrial companies.

It is proposed in the Articles of Association to increase the number of members of the Audit Committee from four to five.

9. Resolution proposal and opinion of the Board of Directors to agenda point No. 11 of the General Meeting - Agreements on the Performance of the Position of the Members of the Supervisory Board and members of the Audit Committee

The Board of Directors proposes to the General Meeting the following resolution:

„a) The General Meeting approves the Agreements on the Performance of the Position between Česká spořitelna, a.s. and members of the Supervisory Board in the wording submitted by the Board of Directors and published on the website of the Company www.csas.cz;

b) The General Meeting approves remuneration of the members of the Supervisory Board as follows:

<i>Member of the Supervisory Board</i>	<i>Function</i>	<i>Regular monthly remuneration (all in CZK)</i>	<i>Remuneration for participation at the Supervisory Board Committee session, if he/she is its member (all in CZK)</i>
<i>Petr Brávek</i>	<i>Member</i>	<i>0</i>	<i>0</i>
<i>Stefan Doerfler</i>	<i>Member</i>	<i>0</i>	<i>0</i>
<i>Maximilian Hardegg</i>	<i>Member</i>	<i>60,000</i>	<i>30,000</i>

c) The General Meeting approves the Agreements on the Performance of the Position between Česká spořitelna, a.s. and members of the Audit Committee in the wording submitted by the Board of Directors and published on the websites of the Company www.csas.cz;

d) The General Meeting approves remuneration of the members of the Audit Committee as follows:

<i>Member of the Audit Committee</i>	<i>Function</i>	<i>No regular remuneration is paid</i>	<i>Remuneration for participation at the Audit Committee session (all in CZK)</i>
<i>Pavel Závítkovský</i>	<i>Member</i>	<i>0</i>	<i>60,000</i>

Reason: The Act on Business Corporations requires in Section 59(2) that the Agreements on the Performance of the Position of members of the Supervisory Board and the Audit Committee shall be approved by the General Meeting. The proposed agreements correspond with the legal requirements and usual conditions on the banking market. The Agreements on the Performance of the Position of members of the Supervisory Board and the Audit Committee are available beginning from 22 March 2016 at the registered seat of Česká spořitelna, a.s. each Tuesday and Thursday from 9:00 a.m. to 2:00 p.m. and on the website www.csas.cz. Agreements on the Performance of the Position of members of the Supervisory Board and the Audit Committee are prepared as universal (sample) ones and the specific amount of remuneration for individual members of the Supervisory Board and the Audit Committee shall be approved by the General Meeting separately. The Act on Business Corporations requires in Section 59 et seq. that remuneration of members of the Supervisory Board and the Audit Committee shall be approved by the General Meeting. The proposed remunerations of members of the Supervisory Board and Audit Committee correspond with the conditions of remuneration in past years. Unpaid performance of the position for members of the Supervisory Board and the Audit Committee who are the employees of Erste Group Bank is an expression of the remuneration policy of Erste Group Bank.