

## **Resolution proposals of the General Meeting 25.4. 2017**

### **1. Opinion of the Board of Directors to agenda point No. 3 of the General Meeting – Report of the Board of Directors on business activities of the Company and the state of its assets in 2016; information on the business and financial plan for 2017**

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 2017: 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.

### **2. Opinion of the Board of Directors to agenda point No. 4 of the General Meeting – Report of the Supervisory Board for 2016**

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.

### **3. Opinion of the Board of Directors to agenda point No. 5 of the General Meeting – Report of the Audit Committee for 2016**

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.

### **4. Resolution proposal and opinion of the Board of Directors to agenda point No. 6 of the General Meeting – Non-consolidated financial statement for 2016**

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

*„The General Meeting approves the Non-consolidated Financial Statements for the year 2016 in wording submitted by the Board of Directors and published on the website of the Company [www.csas.cz](http://www.csas.cz).”*

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 2016, and neither the Supervisory Board, nor the auditor has any reservation to it.

**5. Resolution proposal and opinion of the Board of Directors to agenda point No. 7 of the General Meeting – Profit distribution for 2016 and retained earnings from previous period, maturity of dividend**

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

*„The General Meeting:*

1. *decides on profit distribution of the Company for the year 2016 and of retained earnings from previous period in the amount of CZK 89,759 mil. as follows:*
  - a) *the amount of CZK 11,552 mil., i.e. CZK 76 per share, to be paid out as dividends to shareholders registered in the register of issuer as of 25 April 2017 at 24.00 o'clock;*
  - b) *transfer of the amount of CZK 624 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 77,583 mil. remains in the meantime undivided;*
2. *decides that the dividend is payable from 1 June 2017 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)h) of the Act on Business Corporations the decision on the profit distribution falls within the competence of the General Meeting. 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 2016**

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

*„The General Meeting approves the consolidated financial statement for the year 2016 in wording submitted by the Board of Directors and published on the website of the Company [www.csas.cz](http://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 2016, 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 2017**

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 2017 the company PricewaterhouseCoopers 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 PricewaterhouseCoopers Audit s.r.o and its international experience are presumptions for quality performance of the audit of the financial statements for the year 2017. External audit will be performed by PricewaterhouseCoopers Audit s.r.o 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 John James Stack, Mrs Zlata Gröningerová, Mrs Margita Čermáková, Mrs Helena Černá, Mr Aleš Veverka, Peter Bosek and members of the Audit Committee Mr Maximilian Hardegg, Mrs Zlata Gröningerová, Mr Mario Catasta**

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

„a) *The General Meeting elects Mr John James Stack, born on 4 August 1946, address 1160 Park Avenue, 9B, New York, NY 10128-1212, USA, as the member of the Supervisory Board of Česká spořitelna, a.s. as of 26 April 2017.*“

Reason: Mr Stack has been the Chairman of the Supervisory Board of Česká spořitelna, a.s. since 2013 and has wide professional experience from Banks and Corporate Bodies in Czech republic and USA.

b) *The General Meeting elects Mrs Zlata Gröningerová, born on 4 July 1957, address Počernická 3226/2f, 100 00 Prague 10, Czech republic, as the member of the Supervisory Board of Česká spořitelna, a.s. as of 26 April 2017.*”

Reason: Mrs Gröningerová has experience from Financial management and activities in the functions of member of company bodies.

„c) *The General Meeting elects Mrs Margita Čermáková, born on 11 May 1976, address Jáchymovská 1011, 263 01 Dobříš, Czech republic, as the member of the Supervisory Board of Česká spořitelna, a.s. as of 26 April 2017.*”

Reason: Mrs Čermáková has been longterm employee of branch network of Česká spořitelna.

„d) *The General Meeting elects Mrs Helena Černá, born on 15 June 1966, address 783 16 Dolany 305, Czech Republic, as the member of the Supervisory board of Česká spořitelna, a.s. as of 26 April 2017.*“

Reason: Mrs Černá has been longterm employee of branch network of Česká spořitelna.

„e) *The General Meeting elects Mr. Aleš Veverka, born on 26 January 1973, address Na pěšině 26a, 690 03 Břeclav, as the member of the Supervisory Board of Česká spořitelna, a.s. as of 26 April 2017.*”

Reason: Mr Veverka has been longterm employee of Česká spořitelna and has been a member of the Supervisory board of Česká spořitelna.

„f) *The General Meeting elects Mr. Peter Bosek, born on 5 June 1968, address Hansalgasse 3/21, 1030 Vienna, Austria, as the member of the Supervisory Board of Česká spořitelna, a.s. as of 26 April 2017.*”

Reason: Mr Bosek has been the Member of the Supervisory Board of Česká spořitelna, a.s. since 2013 and has wide management experience from Erste Group Bank. Overall, he has 21 year experience in banking.

„g) *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 Audit Committee of Česká spořitelna, a.s. as of 8 October 2017.*”

Reason: Mr Hardegg is a current member of the Audit Committee and has experience in the bodies of banking institutions.

„h) *The General Meeting elects Mrs Zlata Gröningerová, born on 4 July 1957, address Počernická 3226/2f, 100 00 Prague 10, Czech republic, as the member of the Audit Committee of Česká spořitelna, a.s. as of 8 October 2017.*”

Reason: Mrs Gröningerová is a current member of the Audit Committee and has experience in the functions of member of company bodies.

„i) The General Meeting elects Mr Mario Catasta, born on 6 September 1954, address St. Veit Gasse 11, 1130 Vienna, Austria, as the member of the Audit Committee of Česká spořitelna, a.s. as of 8 October 2017.”

Reason: Mr Catasta is a current member of the Audit Committee and has overall 36 year experience in audit.

## 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](http://www.csas.cz);

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

Member of the Supervisory Board	Regular monthly remuneration (CZK)	Remuneration for participation in the Supervisory Board meeting per meeting/ Attendance Fee (CZK)	Regular monthly remuneration for the Chairman of Supervisory Board committee (CZK)	Remuneration for participation in the Supervisory Board Committee session, if he/she is its member/ Attendance Fee (CZK)
John James Stack	135.000	27.000	22.500	27.000
Zlata Gröningerová	67.500	27.000	22.500	27.000
Margita Čermáková	67.500	27.000	22.500	27.000
Helena Černá	67.500	27.000	22.500	27.000
Aleš Veverka	67.500	27.000	22.500	27.000
Peter Bosek	0	0	0	0

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](http://www.csas.cz);

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

Member of the Audit Committee	No regular monthly remuneration (CZK)	Remuneration for participation in the Audit Committee Meeting/Attendance Fee (CZK)
Maximilian Hardegg	0	60.000
Zlata Gröningerová	0	60.000
Mario Catasta	0	0

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 27 March 2017 at the registered seat of Česká spořitelna, a.s. and address Prague 4, Budějovická 1518/13a each Monday and Wednesday 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 to the conditions of remuneration usual in the banking market in Europe. 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.

#### **10. Resolution proposal and opinion of the Board of Directors to agenda point No. 12 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:*

*In the Article 12 par. 1 letters a) – f) are deleted and replaced by letters a) – o) of this wording:*

- "a) monitoring the effectiveness of the internal control, risk management system,*
- b) monitoring the efficiency of the internal audit and its functional independence,*
- c) monitoring the procedure of compilation of the financial statements and consolidated financial statements and to submit to the Supervisory Board a recommendation to secure the integrity of accounting and financial statements systems,*
- d) recommending the auditor to the Supervisory Board and give sound reasons for such recommendation,*
- e) evaluating the independence of the auditor and provision of non-audit services to the company by the auditor,*
- f) discussing with the auditor the risks endangering his independence and the protective measures undertaken by the auditor with the aim to mitigate those risks,*
- g) monitoring the statutory audit process,*
- h) giving his opinion to the termination of the obligation from the contract on the statutory audit or to the withdrawal from a contract on the statutory audit according to the respective provisions of the law,*
- i) assessing whether the audit order will be a subject to the review of quality management of the audit order by another auditor,*
- j) informing the Supervisory Board about the result of the statutory audit and the findings obtained from the observation of the statutory audit process,*
- k) informing the Supervisory Board in which way the statutory audit contributed to the securing of the integrity of accounting and financial statements systems,*
- l) deciding on the continuation of conducting of the statutory audit by the auditor,*
- m) approving the provision of other non-audit services,*
- n) approving the report on conclusions of tender for auditor,*
- o) carrying out other activities according to law."*

#### Reason:

It is proposed to amend and specify Article 12 par. 1. of the Articles of Association in accordance with amendment No. 299/2019 Coll. of the Act No. 93/2009 Coll., on Auditors. The amendment relates to the activities of the Audit Committee.