



Conditions and arrangements for the payment of a share of profits

The Board of Directors of Komerční banka, a. s., with its registered office at Prague 1, Na Příkopě 33/969, postal code 114 07, registered in the Register of Companies maintained with the Metropolitan Court of Prague, in Section B, File 1360,

S E T S,

in pursuance of S. 120a (2) of Act No. 256/2004 Coll., the Act to Regulate Business Undertaking in the Capital Market as Amended, and of S. 6 (8) of its Articles of Association,

the following conditions and method for the payment of a share in profits:

I. The share in profits shall be payable on **22 May 2023** to shareholders of record registered as holders of shares of Komerční banka, a. s., with ISIN CZ0008019106, in the statement from the Issuer's Register kept by the Central Securities Depository (the "CSD") as of the record date, which is **2 May 2023**. The share in the profits shall be paid out as follows:

1. To shareholders – natural persons

Personally at a branch:

Shareholders can, upon presentation of their identity card at branches of Komerční banka, a. s., in the Czech Republic, have their share in the profits transferred to their account, which they will indicate personally to the bank staff at the branch, from the date due for the payment of the share in the profits, i.e., from 22 May 2023.

In the case that a shareholder is represented by another person under a power-of-attorney, the principal's signature on the power-of-attorney must be officially attested.

By correspondence on the basis of the following documents:

- on the basis of the Application for the payment of a share in the profits (see the application form for a one-time transfer to a natural person).
Where the gross amount of the share in the profits exceeds CZK 5,000, your signature on the written notification of the bank details must be attested either officially or by a competent employee of Komerční banka, a. s.;
- on the basis of a written notification of bank account details for the payment of a share in the profits by the administrator of the shareholder's share account;
- on the basis of a power of attorney in the case that the shareholder is represented by another person; the principal's signature on the power of attorney must be officially attested;
- any tax documents serving to apply the reduced withholding tax, as listed below (see the Withholding tax rates section).

Please send the documents to Komerční banka, a. s., Unit 2192, Václavské náměstí 42, 114 07, Prague, or submit them electronically (see the Possibility of submitting the payment application electronically section).

2. To shareholders – legal entities

Personally at a branch:

Shareholders can, at branches of Komerční banka, a. s., in the Czech Republic, have their share in the profits transferred to their account, which they will indicate personally to the bank staff at the branch, from the date due for the payment of the share in the profits, i.e., from 22 May 2023, upon presentation of the following documents:

- a recent statement from a competent public registry or another document proving the legal entity's existence, and the applicant's valid identity card;
- a statement from the beneficial owners registry not older than three months;
- if a shareholder is represented by another legal entity or natural person, such representative shall be obliged to also deliver officially attested powers of attorney from all entities so represented with the exception of the security administrator entered in the CSD, and a recent statement from the relevant public registry or another document proving its existence. The bank shall not assume responsibility for the accuracy and recentness of the data stated by the shareholder.

By correspondence on the basis of the following documents:

- on the basis of the Application for the payment of a share in the profits (see the application form for a one-time transfer to a legal entity) procured with an officially attested signature of the authorized person holding the relevant title to sign the Application;
- a recent statement from the competent public registry or another document proving the legal entity's existence;
- a statement from the beneficial owners registry not older than three months;
- if a shareholder is represented by another legal entity or natural person, such representative shall be obliged to also deliver officially attested powers of attorney from all entities so represented with the exception of the security administrator entered in the central register of uncertificated securities, and a recent statement from the relevant public registry or another document proving its existence. The bank shall not assume responsibility for the accuracy and recentness of the data stated by the shareholder;
- any tax documents serving to apply the reduced withholding tax, as listed below (see the Withholding tax rates section).

Please send the documents to Komerční banka, a. s., Unit 2192, Václavské náměstí 42, 114 07, Prague, or submit them electronically (see the Possibility of submitting the payment application electronically section).

Please note that, under Act No. 37/2021 Coll., the Beneficial Owners Registration Act as Amended, legal entities with their registered office in the Czech Republic have the obligation to enter their beneficial owner in the beneficial owners register managed by the Ministry of Justice of the Czech Republic and maintained by the competent registrar court. Profit share cannot be paid to any shareholder – legal entity with its registered office in the Czech Republic which fails to comply with this obligation and does not enter its beneficial owner in the said register. If, for failure to comply with this obligation, the profit share cannot be paid out by the end of the accounting period (i.e., 31 December of the relevant year) in which the decision on the payment was made, the right to receive the profit share becomes extinguished at the end of that accounting period.

Possibility of submitting the payment application electronically

A shareholder who is a natural person must send the documents needed for the payment via his or her data mailbox. The application must be signed with a qualified electronic signature.

As regards shareholders which are legal entities, the application must be sent from the company's data mailbox and signed with a qualified electronic signature of the persons who, according to the manner of acting on behalf of the company stated in the Register of Companies, may act on the company's behalf.

When receiving a document via data mailboxes, KB accepts documents signed with a personal electronic signature based on a qualified certificate. These certificates are generally provided by Postsignum Qualified, I.CA Qualified, eIdentity in the Czech Republic or foreign providers. KB cannot accept personal certificates issued by commercial entities or personal certificates issued as Public, i.e. for example by Postsignum Public, I.CA Public, eIdentity Public, etc.

Withholding tax rates

The withholding tax on the payment of shares in the profits shall apply as follows:

A The tax rate applied to payments made to Czech tax residents shall be 15%. Shareholders shall prove their Czech tax residency by a signed “Declaration of beneficial ownership and tax domicile” (see the Declaration of beneficial ownership and tax domicile form).

B The tax rate applied to payments made to Czech tax non-residents from countries which have entered with the Czech Republic into the Convention for the avoidance of double taxation or into a convention or agreement regulating the exchange of information on tax matters who fail to provide documents under (C) below shall be 15%.

Shareholders shall prove their tax residency in any given state by a signed “Declaration of beneficial ownership and tax domicile” (see the Declaration of beneficial ownership and tax domicile form).

C The tax rate applied to payments made to Czech tax non-residents from countries which have entered with the Czech Republic into the Convention for the avoidance of double taxation shall be set in accordance with the applicable Convention for the avoidance of double taxation.

Shareholders shall prove their tax residency in any given state by a tax domicile certificate and a declaration of the income beneficial owner.

D The tax rate applied to payments made to Czech tax non-residents from countries which have not entered with the Czech Republic into the Convention for the avoidance of double taxation or into a convention or agreement regulating the exchange of information on tax matters and to shareholders who fail to provide the documents required under the points above shall be 35%.

If the gross amount of a shareholder’s share in the profits fails to exceed CZK 30,000, the shareholder will be included into the A or B category based on the information stated in the issuer’s register kept by the central securities depository proving his residency in the Czech Republic or in a country which has entered with the Czech Republic into the Convention for the avoidance of double taxation or into a convention or agreement regulating the exchange of information on tax matters, and will not be obliged to provide a “Declaration of beneficial ownership and tax domicile”.

A shareholder who has already submitted a "Declaration of beneficial ownership and tax domicile" to Komerční banka, a. s., in connection with the payment of dividends in the past is also not obliged to submit a "Declaration of beneficial ownership and tax domicile".

Shareholders have the duty to submit the above-listed documents assuring lower withholding tax rates no later than by 23 June 2023. Should the documents fail to be submitted by this date, the lower withholding tax rate will not be applied to the payment of the share in the profits. Nevertheless, after 23 June 2023, it is possible for shareholders to apply for a tax refund, however, no later than by 15 December 2026. The refund application will be handled within two months of its receipt subject to the delivery of the above-listed documents and the refund application (see the Refund application form).

An application for refund may only be filed by a shareholder registered as the owner of shares in the CSD register or by a custodian/administrator registered as the owner of shares in the CSD register for the ultimate owners whose shares it administers.

II. Based on the resolution of the general meeting held in 2009, the Bank’s Board of Directors shall not plead the statute of limitations in order to bar by lapse of time the payment of any share in profits claimed within 10 years from the date when the share in profits becomes payable. After the lapse of 10 years from the date when the share in profits becomes payable, the Board of Directors has the duty to plead the statute of limitations and to transfer any share in profits that will have not been paid out (taken over by shareholders) to the account of retained earnings of previous years for further decision of the general meeting.

III. For further information on the payment of a share in profit please call Komerční banka, a. s., at +420 955 534 139 - 144, or send an e-mail to gabriela_charezinska@kb.cz.