



GENERAL SHAREHOLDERS' MEETING OF KOMERČNÍ BANKA, a.s.,
HELD ON 25 APRIL 2017

DOCUMENT No. 4 B

**Contract to Serve
as a Member and Chairman of the Audit Committee**

~~pursuant to Sections 59 and 60 of Act No. 90/2012 Coll., on business corporations and
cooperatives (hereinafter the "Corporations Act")~~

made between

Komerční banka, a. s., with its registered office at Na Příkopě 33, Municipal No. 969, Prague 1, postal code 114 07, Company Identification No.: 45317054 entered in the Register of Companies maintained with the Metropolitan Court of Prague, in section B, inserted file 1360 (hereinafter referred to as "**the Bank**")

and

Mr./Ms. whose permanent address is....., born on....., (hereinafter referred to as "**the Audit Committee Member**")

(the Bank and the Audit Committee Member jointly as "**the parties**")

WHEREAS:

(A) the Bank's general meeting held on elected Mr./Ms. a member of the Audit Committee for a four-year term (hereinafter referred to as the "**Term**") with effect from.....,

(B) the Audit Committee elected him/her Audit Committee Chairman by its decision No. dated,

(C) the Audit Committee Member accepted ~~in writing~~ his/her candidacy for the membership of the Audit Committee before being elected, and, finally,

(D) the parties consider it necessary to regulate their mutual relationships related to his/her service as the Bank's Audit Committee Member,

the parties have agreed as follows:

1. Duties of the Audit Committee Member

1.1 The Audit Committee Member undertakes to serve as a member of the Audit Committee with caution, ~~professional care and diligence~~ and due care, and in accordance with all binding legal regulations, the Bank's Articles of Association, the Internal Audit Charter

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~~and~~ the Bank's internal regulations ~~and the instructions and principles approved by the Bank's general meeting~~ to protect and assert the rights and interests of the Bank. The Audit Committee Member's duties shall include, in particular, the duties arising from Act No. 93/2009 Coll., the Auditors Act as Amended, and from the Audit Committee Charter. ~~Member shall be obligated especially:-~~

- ~~a) to efficiently defend and promote the Bank's interests;~~
- ~~b) to monitor the process of compilation of financial statements and consolidated financial statements and in this connection also to monitor the integrity of financial information provided by the Bank, especially by revising the consistency and suitability of the accounting methods used in the Bank;~~
- ~~c) to evaluate the effectiveness of the Bank's internal control, of the internal audit and of the risk management systems, to promote the effectiveness of internal audit and to ensure that the Board of Directors and the Supervisory Board will be presented with the recommendation concerning the internal audit;~~
- ~~d) to monitor the process of the statutory audit of financial statements and consolidated financial statements and in this connection also to participate in gaining and evaluating the information which relates to the audit activities, to review the efficiency of the statutory audit and manner by which the Bank's management follows the auditor's recommendation and to cooperate during communication between the auditor and the Bank's management;~~
- ~~e) to assess the independence of the statutory auditor and the auditing company and the provision of additional services to the Bank, to monitor and to assess the objectivity of the auditor or auditing company, to cooperate with the auditor or the auditing company, to gain and evaluate the information which could undermine the independence of the auditor or auditing company, to review the nature and the extent of the additional services provided by the auditor or the auditing company to the Bank;~~
- ~~f) to actively gain and, by using all his/her knowledge and experience, evaluate the materials and information on the auditors and auditing companies and on the basis of that to participate in preparing a recommendation of a suitable auditor or auditing company to the Bank's Board of Directors;~~

The Audit Committee Member further undertakes:

- ~~g)a)~~ to fulfill or to participate, with initiative, duly and on time, in the fulfillment of the tasks assigned to him/her by the Audit Committee, by legal regulations and by the Audit Committee Charter;
- ~~h)b)~~ to duly prepare for the meetings of the Bank's Audit Committee, and to arrange for documents and information necessary for the debates of the Audit Committee and for the performance of his/her duties as an Audit Committee Member;
- ~~i)c)~~ to attend the Bank's general meetings;

~~j) – to fulfill with initiative, duty and on time all other tasks and duties assigned to the Audit Committee Member by legal regulations, the Articles of Association, instructions of general meetings and the Rules of Procedure of the Audit Committee, and to participate, with initiative, duty and on time, in the fulfillment of the tasks and duties arising for the Audit Committee from the legal regulations, Articles of Association and instructions of general meetings.~~

- 1.2 The Audit Committee Member is obliged to exert his/her best efforts to discharge obligations and perform tasks pertaining to the service as an Audit Committee Member which he/she can be reasonably required to discharge and perform given the professional knowledge and experience of an Audit Committee Member, and to inform the Audit Committee of all facts which could have an impact on the discharge of the Member's obligation imposed by this contract, with such information to be communicated beforehand if possible, or, if not possible, without undue delay.
- 1.3 The Audit Committee Member is obliged to keep confidential all facts and information which he/she learns while serving as an Audit Committee Member or in connection therewith and which constitute a business or banking secret or which are otherwise labelled as confidential. Moreover, the Audit Committee Member is obliged to keep confidential all information and facts which the Bank agreed to keep confidential in a contract with a third party provided that the Audit Committee Member was or must have been aware of such contractual arrangement. The Audit Committee Member's confidentiality duty and the duty to preserve confidentiality applies even to information on the Bank's employees, unless the law or the Bank's internal regulations imply otherwise. The duties imposed on Audit Committee Members in this clause survive, and continue to apply after, the expiry hereof. This does not apply if the Board of Directors releases the Audit Committee Member from the confidentiality duty.
- 1.4 Should the Audit Committee Member acquire any property benefit as a result of a breach of his/her duty under 1.3 hereof, the Audit Committee Member undertakes to immediately surrender any such benefit to the Bank or to transfer the acquired rights to the Bank and, should the breach cause any harm to the Bank (including non-property harm), he/she shall compensate the Bank for such harm.
- 1.5 The Audit Committee Member shall be obliged to respect the provisions of the generally binding legal regulations, especially of Act No. 90/2012 Coll., the Corporations Act as Amended, which regulate conflicts of interest of Supervisory Board members. The Audit Committee Member is also obliged to respect the legal regulations regulating conflicts of interest to the extent applicable to the Supervisory Board members.
- 1.6 The Audit Committee Member shall be obliged to release and hand over to the Bank all things and items made available by the Bank which the Audit Committee Member used in serving as an Audit Committee Member, and all data on any carriers whatsoever and copies and originals of all documents and other background materials if all the foregoing is associated with such person's serving as an Audit Committee Member; the Audit



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Committee Member is required to do so within 30 days after his/her service as an Audit Committee Member terminates.

- 1.7 The Audit Committee Member is required to ensure that his/her office passes duly when he/she ceases to serve as an Audit Committee Member. The Audit Committee Member is especially obliged, in connection with ceasing to serve as an Audit Committee Member, to inform the Bank of the measures necessary to avoid any harm (including non-property harm) imminent for the Bank as a result of any unfinished activities associated with his/her service as an Audit Committee Member. Even after this Contract terminates, the Bank may reasonably request the Audit Committee Member to provide any other information associated with his/her serving as an Audit Committee Member.
- 1.8 If the Audit Committee Member breaches any of his/her duties imposed by this contract or applicable law, ~~especially the Corporations Act~~, he/she must compensate the Bank for any harm (including non-property harm) he/she may have so caused.
- 1.9 To perform the duties under this contract as an Audit Committee Member of the Bank, he/she is granted especially the following rights and powers:
 - a) to inspect, based on a decision of the Audit Committee, all documents and records concerning the Bank's activities,
 - b) to attend all meetings of the Audit Committee and general meetings.

2. Bank's Obligations

- 2.1. In connection with enabling the Audit Committee Member to duly serve as an Audit Committee Member, the Bank agrees to provide him/her with all documents, records and information regarding the Bank's operations which are necessary for due service as an Audit Committee Member.
- 2.2. The Bank agrees to reimburse the Audit Committee Member for the costs associated with serving as an Audit Committee Member and to provide him/her with other benefits as per clause 4 hereof.
- 2.3. The Bank undertakes to enable the Audit Committee Member to duly serve as an Audit Committee Member on the Bank's premises and undertakes to create suitable conditions for duly serving as an Audit Committee Member. The Bank's premises assigned to the Audit Committee Member are to be equipped so that the Audit Committee Member can duly discharge his/her duties and perform tasks resulting from serving as an Audit Committee Member.
- 2.4 The Bank is obliged to guarantee the cooperation of its employees in the due performance of service by an Audit Committee Member.

3. Compensation

- 3.1 The parties agree that the Audit Committee Member shall not be entitled to any compensation for his/her service as a member of the Audit Committee. The Audit Committee Member's right to compensation under clause 5.4 and 5.5 of this contract for serving as a chairman of the Audit Committee remains unaffected by this clause.

4. Reimbursement of Expenses and Fringe Benefits

- 4.1 The Audit Committee Member shall be entitled to the reimbursement of the following expenses provided they are properly documented by the relevant accounting documents:
- a. the expenses spent on domestic and foreign trips made in connection with his/her service as a member of the Audit Committee insofar as imposed by the provisions of Act No. 262/2006 Coll. the Labour Code, as amended, applicable to the reimbursement of travel expenses; the place of regular performance of Audit Committee Member's service is Prague;
 - b. other possible expenses spent purposefully in connection with his/her service as an Audit Committee Member.
- 4.2 The Bank provides the Audit Committee Member with a mobile phone for the term of his/her service as an Audit Committee Member, for both company and private purposes. Maximum purchase price for the mobile phone is CZK 10,000. If the Bank provides the Audit Committee Member with a mobile phone, it agrees to pay all costs of the telecommunications services associated with using the mobile phone in the Czech Republic, for both company and private purposes; as regards use outside the Czech Republic, the Bank agrees to pay only the costs resulting from using the mobile phone for business purposes. The Bank agrees to bear all expenses relating to maintenance of the mobile phone.

5. Audit Committee Chairmanship

- 5.1. For the term of service of the Audit Committee Member as an Audit Committee Chairman, he/she is obliged to call and conduct the Audit Committee meeting, formulate the conclusions for each point on the meeting's agenda and sign the minutes of the Audit Committee meeting.
- 5.2 For the term of service of the Audit Committee Member as an Audit Committee Chairman, he/she is obliged to fulfill with initiative, duly and on time all other tasks and duties assigned to him/her in connection with his/her service as the Audit Committee Chairman by legal regulations, the Articles of Association, the Bank's internal regulations, ~~instructions of general meetings and the Rules of Procedure of~~ the Audit Committee Charter.

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- 5.3. If the Audit Committee Member ceases to serve as an Audit Committee Chairman but continues to serve as an Audit Committee Member, the rights and obligations under this contract remain unaffected. Clause 5 hereof will, however, not apply to the relationship between the Bank and the Audit Committee Member.
- 5.4. The fixed compensation of the Audit Committee Member shall be CZK 20,000 (in words: *twenty thousand Czech crowns*) for each month of his/her membership in the Audit Committee. The maximum amount of the fixed compensation can be CZK 240,000 (in words: *two hundred and forty thousand Czech crowns*) a year. The fixed compensation will be paid within 30 days from the end of the month for which the compensation is paid, at the latest, by wire transfer to the Audit Committee Member's account, with such account number to be announced by the Audit Committee Member to the Bank in writing.
- 5.5. The Audit Committee Member shall be entitled to compensation for attendance at Audit Committee meetings in the amount of CZK 10,000 (in words: *ten thousand Czech crowns*) per each Audit Committee meeting. This compensation shall be paid within the time and in the way specified in clause 5.4 above. The compensation under this clause may be paid to the Audit Committee Member for the maximum of 6 meetings in one year. The maximum amount of the compensation for attendance at Audit Committee meetings can be CZK 60,000 (in words: *sixty thousand Czech crowns*).
- 5.6. If the Audit Committee Member does not serve as an Audit Committee Chairman for the full calendar month, he/she is entitled to a proportional amount of the compensation according to clause 5.4 above calculated according to the number of days for which he/she served as the Audit Committee Chairman.

6. Termination, Re-Election

- 6.1. This contract has been entered into for the term of service of an Audit Committee Member. This contract terminates at the moment the Audit Committee Member ceases to serve as an Audit Committee Member, unless this contract provides otherwise. If the Audit Committee Member is re-elected, this contract will renew under the same terms and conditions unless the Bank and the Audit Committee Member agree otherwise.
- 6.2. The Audit Committee Member ceases to serve as an Audit Committee Member on the last day of the term of service for which he/she was elected by the general meeting. In addition, the Audit Committee Member may also cease to serve as an Audit Committee Member, subject to the requirements imposed by applicable laws, if:
- a) he/she is removed by the general meeting;
 - b) he/she resigns in accordance with the Audit Committee Charter;
 - c) he/she dies;
 - d) he/she stops serving as a member of the Supervisory Board;
 - e) other circumstances apply as set forth by applicable law.
- 6.3. If the Audit Committee Member ceases to serve as an Audit Committee Member, his/her chairmanship terminates.



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7. Closing Provisions

7.1 This contract is governed by the Czech legal order. Any changes or complements hereto shall only be made in writing and attached as a supplement hereto. The party proposing the change shall allow at least one month for the addressee to accept the proposal.

~~7.2 This contract takes effect on the day of approval by the Bank's general meeting.~~

7.32 This contract supersedes and replaces all previous contracts and agreements made between the Bank and the Audit Committee Member or Chairman prior to the signature hereof and regulating the Audit Committee Member's or Chairman's service.

7.34 This contract is executed in two copies of which each party shall receive one. Both copies shall have the validity of the original.

7.54 In the event that a provision hereof is found or becomes invalid or unenforceable, it shall not affect (up to the maximum extent allowed by the applicable legal regulations) the validity and enforceability of the remaining provisions hereof. In such a case, the contracting parties undertake to replace the invalid or unenforceable provision by a valid and enforceable provision, which will have, to the maximum possible level, the same and legally admissible meaning and effect as was the intent of the provision to be replaced, within two weeks from the day when the respective decision stating the invalidity or non-enforceability of the given provision became final and conclusive.


7.65 Any disputes arisen from this contract or in relation thereto, including disputes concerning its validity or duration, shall be preferentially resolved by negotiation conducted in good faith between the contracting parties. If the dispute fails to be resolved by such negotiation, the final decision shall be taken in arbitration proceedings before the Arbitration Court with the Czech Economic Chamber and the Czech Agrarian Chamber in Prague by three arbitrators appointed according to the Rules and regulations of this arbitration court (hereinafter referred to as the "arbitration rules"). The arbitration proceedings will be conducted in accordance with the arbitration rules, which are included into this clause by form of reference and thus become part of this contract. The place of the arbitration proceedings shall be Prague. The language of the arbitration proceedings shall be Czech.


The parties entered into this contract in Prague on [] [] in witness whereof they signed its two copies.



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On behalf of the Bank:


Chairman of the Board of Directors


Member of the Board of Directors

Audit Committee Member:

