

Dear Madam / Dear Sir,

Thank you for choosing Komerční banka as well as its products and services.

It is our objective to provide quality products and services to you; consequently, we must amend or append our business terms and conditions from time to time.

The most significant changes in the business terms and conditions and KB Pricelist effective as of 14 April 2020 are as follows:

- **Do you actively use multi-banking?** Then you will be happy to learn that the limit for third-party disposal of your financial funds is no longer capped at CZK 300,000. Such transactions are now only limited by the overall daily limit defined for your account transactions via online banking.
- **We have introduced new payment options directly from a savings account.** You can newly transfer funds from your savings account to your credit card account.
- If you actively use your card for **mobile phone payments, we will not cancel** your plastic card even **after the deadline for its activation expires.**
- **We have adjusted the fee** for the first reminder sent in connection with deposit products, authorised overdrafts, consumer loans, mortgage loans, and business loans. It now amounts to CZK 350.
- Due to high costs associated with cash handling and processing (e.g. security or transport), **we have adjusted fees charged in connection with several cash services provided at our branches.**

Tip: Would you like to avoid high cash services fees? Simply use our internet banking as well as our extensive network of ATMs, including deposit ATMs, to save money.

For a complete overview of all the changes proposed by us see the following pages of this letter.

Yours sincerely,

Komerční banka

The scope and form of this notification are defined by law.

All clients with a payment services contract in force receive a complete list of changes. However, only the changes concerning the banking products and services, for which you have a contract in force, apply to you. The proposed changes or additions to contractual documents will be deemed to have been accepted by you, unless rejected in writing. If you are a KB client and/or KB client's legal guardian, this proposal is addressed to you as a KB client and a legal guardian of an underage client. You may reject this proposal in writing by 13 April 2020 and deliver your rejection to the Bank by the same date.

In such case, you may also terminate the relevant contract, free of charge and effective immediately. To ensure your unambiguous identification, your proposal rejection or contract termination notice, as appropriate, must be drafted in the presence of a KB employee or feature an officially certified signature. If you were to reject the proposed changes or additions without terminating the relevant payment services contract, your banking products would be subject to different terms and conditions. However, we cannot ensure this situation due to technical reasons and - as such - we would not be able to provide the relevant products in compliance with your original contract. Therefore, we would be forced to terminate the relevant payment services contract with effect in accordance with the General Business Terms and Conditions. Nevertheless, we firmly believe that this will not be the case and you will continue using our services to your full satisfaction.

OVERVIEW OF CHANGES TO THE GENERAL BUSINESS TERMS AND CONDITIONS EFFECTIVE AS OF 14 APRIL 2020

We have revised Article 3.4 that governs the recording of communication, extending the obligation to retain the relevant recordings in the last sentence of the Article. The new wording of the Article shall be as follows: **Recording the communication.** *In compliance with legislation governing the provision of investment services, all telephone calls with clients and electronic communication are recorded; copies of such recordings shall be available upon request for the period of five years or, where required by competent authorities, for the period of up to seven years. The Bank shall be entitled to retain and archive telephone calls and electronic communication for a longer period, if permitted by law. The communication is recorded and archived even if the relevant transaction was not executed or the relevant investment service was not provided.*

In compliance with international regulations on prevention of corruption, we have added new provisions in Article 3.5:

The Client undertakes to adopt appropriate measures and to prevent any conduct (either directly or through another person) that could be construed as acceptance of bribes, bribery or indirect corruption in compliance with the applicable legislation.

Article 5.3 newly states that the Bank may also accept different verification methods of principal's signature on a power of attorney other than an officially certified signature or certification by a bank employee.

The change in Article 14.1 is made with a view to increase your security and it concerns the cancellation of a specimen signature or revocation of other rights of disposal to an account. In the event the Bank indisputably establishes that a certain person is no longer authorised to act on behalf of the Client, it may revoke such person's right of disposal, even in connection with internet banking.

You can now terminate the Payment Services Contract at any branch. This is newly specified in the provisions of Articles 18.1 and 18.2.

OVERVIEW OF CHANGES IN THE PAYMENT SYSTEM NOTICE EFFECTIVE AS OF 14 APRIL 2020

We only clarified the wording of Article 22.1:

SEPA Direct Debit Mandate. The Bank shall execute the SEPA Direct Debit from the Account of the Client – Debtor, i.e., shall deduct the required amount from the Account, based on the SEPA Direct Debit Mandate issued by the Client *to the Bank*. If the Client – Debtor fails to issue the SEPA Direct Debit Mandate *to the Bank*, the SEPA Direct Debit from the Client's Account shall be disabled and the Bank shall not provide the SEPA Direct Debit from the Account of the Client – Debtor.

Changes in Articles 45.1, 45.2, 45.7, 45.15, 45.17, and 52.2 apply to the multi-banking service – when you transfer funds using another bank's internet banking or third-party application. This service was previously subject to a limit that was lower than the limit for payments made via KB internet banking. We are now removing this limit (so-called limit for users of the Payment Initiation Service).

OVERVIEW OF CHANGES TO THE TERMS AND CONDITIONS APPLYING TO SAVINGS ACCOUNTS FOR CONSUMERS EFFECTIVE AS OF 14 APRIL 2020

In the light of changes to Article 2.1, we may agree on opening and maintaining your savings account at any branch (i.e. other than your home branch).

Article 2.2 now newly states that you may transfer funds from your savings account to your credit card account.

Moreover, provisions concerning KB Spořicí konto (no longer available) have been deleted.

OVERVIEW OF CHANGES TO THE TERMS AND CONDITIONS APPLYING TO DEBIT CARDS, PERSONAL CREDIT CARDS, AND VIRTUAL DEBIT CARDS EFFECTIVE AS OF 14 APRIL 2020

The proposed changes apply to holders of MasterCard and Visa cards.

The provisions of Article 1.7 of the Terms and Conditions applying to Debit Cards and Article 7.8 of the Terms and Conditions applying to Personal Credit Cards now state that your non-activated card will not be cancelled if you actively use your Digital Card.

The provisions of Articles 1.10, 2.3, 4.4, 4.10, 8.1, and 9.4 of the Terms and Conditions applying to Debit Cards, Articles 1.2, 4.4, 4.6, 4.9, and 9.4 of the Terms and Conditions applying to Virtual Debit Cards, and Articles 7.12, 8.4, 10.4, 10.10, and 14.1 of the Terms and Conditions applying to Personal Credit Cards were only clarified – without any effect on the rights and obligations arising from such Articles.

The following provisions were added to Article 4.11 of the Terms and Conditions applying to Debit Cards, Article 4.10 of the Terms and Conditions applying to Virtual Debit Cards, and Article 10.11 of the Terms and Conditions applying to Personal Credit Cards to reflect the applicable European legislation:

Information about the difference - shown as a percentage - between our exchange rate and the reference exchange rate of the European Central Bank is available below the Exchange Rate List on our website.

The provisions of Article 6.1 of the Terms and Conditions applying to Debit Cards and Article 12.1 of the Terms and Conditions applying to Personal Credit Cards now state that the terms and conditions applying to Extra Services are available on our website.

The no-longer used logos “Mastercard SecureCode” and “Verified by Visa” were deleted in the definition of “3D Secure” in Article 11.1 of the Terms and Conditions applying to Debit Cards, Article 11.1 of the Terms and Conditions applying to Virtual Debit Cards, and Article 18.1 of the Terms and Conditions applying to Personal Credit Cards.

OVERVIEW OF CHANGES IN THE KB PRICELIST EFFECTIVE AS OF 14 APRIL 2020
Changes in the KB Pricelist for all client segments

KB Pricelist item	Fee applicable as of 14 April 2020	Change
Cash transactions		
Withdrawals		
Cash withdrawal at a branch in the same currency as the account currency	CZK 80	<i>Fee change (originally CZK 75)</i>
Deposits		
Cash deposit by a third party (max. 50 coins) ¹⁾	CZK 100	<i>Fee change (originally CZK 75)</i>
1) A third party is a person who is not the account holder and is neither listed in a specimen signature list pertaining to the account into which funds are deposited, nor presents cash slip bearing a stamp imprint of the account holder's company. A third person shall pay the fee in cash.		
Other services		
Cash deposit in CZK over the counter into accounts kept with other banks	CZK 299	<i>Fee change (originally CZK 149)</i>
Monthly volume of processed cash funds		
Monthly volume of processed cash funds between CZK 2 million and CZK 5 million (incl.)	0.10% ¹⁾	<i>New band introduced</i>
Monthly volume of processed cash funds over CZK 5 million	0.15% ²⁾	<i>No change</i>
1) If the sum of cash transactions executed by the owner and/or a third party in connection with all current accounts of a client exceeds CZK 2 million (or equivalent thereof in another currency) per calendar month, we shall charge a fee of 0.1% on the volume of cash transactions between CZK 2 million and CZK 5 million (incl.) (or equivalent thereof in another currency) in the following month. Cash transactions shall mean deposits and withdrawals made over the counter or in sealed envelopes, through night safes and/or through KB ATMs, including cashed cheques.		
2) If the sum of cash transactions executed by the owner and/or a third party in connection with all current accounts of a client exceeds CZK 5 million (or equivalent thereof in another currency) per calendar month, we shall charge a fee of 0.15% on the volume of cash transactions exceeding the aforementioned limit (or equivalent thereof in another currency) in the following month. Cash transactions shall mean deposits and withdrawals made over the counter or in sealed envelopes, through night safes and/or through KB ATMs, including cashed cheques.		
KB is entitled to charge the fees specified under 1) or 2); if such fees are in fact charged, the client shall pay them on a monthly basis in the currency of the relevant account, always on the 5th business day of the following month. The bank is entitled to debit the fees from an account of a client (who is not an individual/consumer) by a single transaction no later than the last day of the same month. If the client has not selected any account for the settlement of fees, the Bank shall debit them from any account maintained for such client, at its own discretion. If the fees are debited from a foreign currency account, KB's mean exchange rate effective on the last business day of the month for which the fees are calculated shall be used for converting the fee from CZK.		
Cheques		
Foreign cheques and domestic cheques payable with other banks		
Prompt cashing of foreign welfare cheques to a KB account	CZK 100 + foreign banks' expenses	<i>Fee change (originally CZK 100)</i>

Changes to the KB Pricelist for entrepreneurs, enterprises, and municipalities served by branches, and to the KB Pricelist for enterprises and municipalities served by Corporate and Business Divisions

KB Pricelist item	Fee applicable as of 14 April 2020	Change
Cash transactions		
Other services		
Monthly volume of processed cash over CZK 0.5 million from cash transactions of a client, whose business purpose is defined by Section 17a(2) of Act No. 21/1992 Coll., on Banks, or by Section 4 of Act No. 277/2013 Coll., on Currency exchange	Individually ¹⁾	<i>New fee</i>
<p>1) If the sum of cash transactions executed by the owner and/or a third party in connection with all current accounts of a client exceeds CZK 0.5 million (or equivalent thereof in another currency) per calendar month, the entire volume of identified cash transactions of the client executed for the purpose of such client's own commercial financial activities shall be subject to a fee in the following month; such fee shall be agreed on an individual basis, based on the recommendation made by CKB 8600 Cash services to a relationship manager, who shall ensure that an amendment to an account agreement is concluded without any undue delay. Cash transactions shall mean deposits and withdrawals made over the counter or in sealed envelopes, through night safes and/or through KB ATMs, including cashed cheques.</p> <p>KB is entitled to charge the above fee; if such fee is in fact charged, the client shall pay it on a monthly basis in the currency of the relevant account, always on the 5th business day of the following month. The bank is entitled to debit the fee from an account of a client no later than the last day of the same month. If the client has not selected any account for the settlement of fees, the Bank shall debit the fee from any account maintained for such client, at its own discretion. If the fee is debited from a foreign currency account, KB's mean exchange rate effective on the last business day of the month for which the fee is calculated shall be used for converting such fee from CZK. If such fee is not agreed, the fee for the processing of monthly volume of cash funds shall remain in force.</p>		

Together with the changes to the KB Pricelist, we are also revising the Fee Information Document.