

DOCUMENT No. 2B**EXPLANATORY REPORT ON THE DRAFT AMENDMENTS TO THE ARTICLES OF ASSOCIATION****S. 5 (5) of Article Rights and Obligations of Shareholders**

Subsection (5): To speed up vote counting, the amended wording introduces the possibility of voting via an electronic voting device. Voting by ballot remains a possibility. The decision is up to the Board of Directors.

S. 5a Correspondence Voting

Shareholders are given the possibility of voting before the general meeting within the time limit and according to the rules that will be stated in the notice of general meeting. The shareholder or his proxy thus will not have to physically attend the general meeting. The decision on allowing this voting will be up to the Board of Directors. The provision can be used also for voting at future general meetings.

S. 9 Powers of the General Meeting

Paragraph (c): The general meeting keeps the power to elect two-thirds of the Supervisory Board members. Employees have the right to elect one third of these members (S. 448 of the Corporations Act).

Paragraph (y): This provision dealing with the flexible component amount of the compensation of persons whose work has a substantial influence on the Bank's risk profile corresponds with the amended Banking Act (S. 9a).

S. 12 Constituting Quorum and Casting Votes at the General Meeting

Subsections (1) and (3) have been revised to comply with the requirement of the amendments to the Banking Act /S. 9a (3) and (4)/ as to the quorum of the general meeting and the need to achieve a qualified majority of votes to take decisions on the flexible compensation amount exceeding 100 percent of the fixed compensation amount.

S. 14 Election and Removal of Members of the Supervisory Board

The amendments anchor the election and removal of a third of the Supervisory Board members by employees. They say that the rules for the election and removal of these Supervisory Board members shall be defined by the Bank's election rules approved by the Board of Directors. The possibility of being co-opted only applies to Supervisory Board members elected by the general meeting /S. 454 (1) of the Corporations Act/. The amended wording sets a time limit to call a new election in the case that a position on the Supervisory Board staffed by an employee representative becomes vacant.

S. 17 Committees of the Supervisory Board

Subsection (2) anchors the possibility of electing an Audit Committee member from the membership of not only the Supervisory Board, but also of third parties.

S. 20 Powers of the Board of Directors

Paragraphs (zc) and (zd): Extended by the inclusion of the Board of Directors' power to approve the election rules for the election of the Supervisory Board members elected by employees and to call and organize this election. The law does not stipulate any rules for the election of the Supervisory Board members elected by employees. The adoption of the election rules is mainly the business of the company. (It is the company that bears the consequences of not staffing a position on the

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Supervisory Board; a failure to elect a Supervisory Board member may result in the company's dissolution by court). The Board of Directors' duty to approve the election rules can be deduced from the powers of the Board of Directors as a governing body as well as from the duty of its members to serve with due care. To avoid any potential conflict, the provision says that the election rules must be discussed with employee representatives.

S. 39 Closing Provision

The moment of effect of the amended Articles of Association is set as the moment of the amendments approval. This means that, once the amendments to the Articles of Association are approved, the general meeting can vote on the other agenda items using the electronic voting device. The date of effect of the revision of the provisions of S. 9 (c) and S. 14, which deal with the election and removal of Supervisory Board members elected by employees is suspended until 14 January 2019.