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**Proposed resolutions of the regular general meeting
of Komerční banka, a. s., held on 19 June 2003**

Resolution No. 1

The general meeting approves the Rules of Procedure and Voting of the general meeting of Komerční banka, a. s., in accordance with the proposal submitted by the Board of Directors.

Resolution No. 2

The General Meeting elects:

Mr. Ladislav Petrásek as the chairman of the General Meeting

Ms. Jolana Zábršová as the minute clerk

Ms. Ilona Lehovcová and Mr. Jaroslav Hoch as the minutes verifiers

Mr. Radomil Kochánek and Mrs. Daniela Marková as scrutineers.

Resolution No. 3

The general meeting approves the Board of Directors' reports regarding the Bank's business activity and the Bank's assets for the year 2002 submitted and presented by the Board of Directors.

Resolution No. 4

The general meeting approves the Annual Financial Statements of Komerční banka, a. s., for the year 2002 as stated in the 2002 Annual Report of Komerční banka, a. s.

Resolution No. 5

The general meeting decided to distribute the profit of Komerční banka, a. s., for the year 2002 in a total amount of CZK 9,229,086, 152.01 as follows:

Distribution of profit	Amount in CZK
Contribution to the Reserve Fund	461, 454, 307.60
Dividends	1,520,394,080.00
Contribution to the Social Fund	88,133,175.00
Retained earnings	7,159,104,589.41

The amount of the dividend per share amounts to CZK 40.00 before taxation. The dividend can be claimed by each shareholder holding a share of Komerční banka, a. s., with the ISIN CZ0008019106 as of 19 July 2003. The dividend shall be due on 19 August 2003.

The general meeting decided that a part of the profit the year 2002 reserved for the dividend devolving upon Bank's own shares should be transferred to the account of retained earnings from previous years. The amount of this part of the profit will be determined based on the number of proper shares held by Komerční banka, a. s., on the date decisive for the dividend payment; that is, on 19 July 2003. The dividend on the profit of the year 2001 devolving upon Bank's own shares and amounting to CZK 1 569 911 should be transferred to the account of retained earnings from previous years.

Resolution No. 6

The general meeting approves the Consolidated Financial Statements of Komerční banka, a. s., for the year 2002 as stated in the 2002 Annual Report of the Komerční banka, a. s.

Resolution No. 7

The general meeting decided to make the following amendments to the current Bank's Articles of Association:

*The current wording of **Section 2, Business Activities of the Bank**, shall be amended by adding Subsection 2 as follows:*

The Bank shall further carry on business activities for business enterprises that provide supporting banking services and for financial institutions that are controlled by the Bank. The extent of the business activities shall cover:

- a) accounting consultants' activities, book-keeping,*
- b) procurement of deals,*
- c) road transportation*
- d) engineering activities in investment production,*
- e) administration and maintenance of real property,*
- f) organisation of specialised courses, training, and other educational programs including teaching,*
- g) business, financial, organisational, and economic consultants' activity*
- h) data processing, databank services, web administration.*

One last sentence shall be added to **Section 5** Subsection 4 as follows:

Persons that are designated by the CNB in the statutory register of securities, persons not mentioned therein, or persons empowered by these persons may not attend the General Meeting.

Section 6 Subsection 6 shall be amended as follows:

Where dividends are remitted to legal entities by a non-cash transfer, the Bank shall remit the dividends no later than within five working days of receiving the required documents, however, on the dividend due date at the earliest. The required documents shall be as follows: a request for the dividend payment containing the relevant banking details and an updated and officially verified statement from the Commercial Register (or a similar document evidencing registration with the relevant state authority). The signature of the shareholder's statutory body (or its representative) subscribed at the request for the dividend payment must be attested. In addition, if a shareholder is represented by another legal person or natural person, such representative shall be obliged to deliver officially verified powers of attorney from all entities so represented and its updated and officially verified excerpt from the Commercial Register. If the excerpt from the issuer's register only states the information about the share's administrator, the shareholder shall be obliged to submit an updated account statement of the security's holder. The Bank shall not assume responsibility for the accuracy and completeness of the data stated by the shareholder.

The current wording of **Section 8, Powers of the General Meeting**, Paragraphs g) and l) shall be amended as follows:

- g) decide to issue bonds of the Bank if the law requires so;*

- l) *decide on merger of the Bank, provided that a prior consent of the Czech National Bank has been given;*

The current wording of **Section 12, Powers of the Supervisory Board**, Subsection 1 shall be amended as follows:

The Supervisory Board shall oversee the exercise by the Board of Directors of their powers and the carrying on of the business activities of the Bank. The Supervisory Board shall oversee the efficiency and effectivity of the internal management and control system of the Bank as a whole.

The current wording of **Section 12, Powers of the Supervisory Board**, Subsection 2 Paragraphs k), n) and o) shall be amended as follows:

- k) *provide the Board of Directors with its prior position on status, conception, and annual plan of activities of the Internal Audit Unit;*
n) *evaluate the effectivity of the internal management and control system of the Bank as a whole,*
o) *define the principles of remuneration of the Director of Internal Audit.*

Section 16, Committees of the Supervisory Board, Subsection 3 shall be amended as follows:

Members of the Supervisory Board Committees shall be members of the Supervisory Board and shall be elected and recalled by the Supervisory Board.

The current wording of **Section 16** Subsection 5, Audit Committee, Paragraph b) shall be amended as follows:

- b) *co-operate with the Internal Audit Unit of the Bank and external auditors of the Bank, and make use of the facts thereby ascertained for its supervising activities.*

The current wording of **Section 17**, Board of Directors, Subsection 1) shall be amended as follows:

The Board of Directors is a statutory body which manages the Bank's activities and acts in its name. The Board of Directors shall ensure business management, including proper maintenance of the accounting records of the Bank. The Board of Directors shall further ensure the implementation of the internal control system, systematically monitor its functionality, and create conditions for the independent and objective performance of compliance and of the internal audit.

The current wording of **Section 19**, Powers of the Board of Directors, Subsection 1 Paragraph d), j), m), v), w), x) shall be amended as follows:

- d) *submit to the General Meeting a Report on the Bank's Business Activities, the state of the Bank's assets, and to do so at least once for each accounting period;*
j) *define, approve, and make a regular evaluation of the Bank's overall strategy, to approve annual plans and budgets as well as strategic and annual plans of legal entities controlled by the Bank under the Banking Act;*
m) *decide on the issue of bonds of the Bank with the exception of decisions on the issue of bonds for which the decision of the General Meeting is required by the law;*
v) *approve the Bank's organisation structure and to make a regular assessment of its functionality;*

- w) *approve the principles of the personnel and remuneration policy;*
- x) *approve the Internal Audit's statute.*

Moreover, the current wording of **Section 19** Subsection 2 Paragraph e) shall be left out.

The title of **Article VII** shall be amended and be External Audit.

The current wording of **Section 21** Subsection 1 shall be amended as follows:

The Bank shall be obliged to ensure that auditors primarily:

- a) *verify the Bank's Financial Statements;*
- b) *verify the management and control system of the Bank including the risk management system;*
- c) *compile Auditor's Report on verification of the Bank's Financial Statements and systems in compliance with par. b) of this provision.*

in compliance with the generally binding legal regulations and with International Accounting Standards.

The current wording of **Section 40**, Structure and Organisation of the Bank , shall be amended as follows:

1) *The general organisational division of Komerční banka is as follows:*

- a) *Head Office;*
- b) *Sales Network.*

Head Office of Komerční banka

The powers of the Head Office of the Bank shall include, in particular, carrying on business activities of the Bank by means of provision of products and services to clients, and by carrying out other activities relating to the management, methodological guidance and co-ordination of all organisational units of the Bank. The Head Office units shall be entitled to include into their powers (both temporarily and permanently) any matters which fall within the powers of the Sales Network units. The Head Office shall be formed by organisational units of the Head Office. Details shall be set forth in the internal regulations.

Various Bank Committees can be established at the Head Office. The Board of Directors shall decide about the establishment and dissolution of the Bank Committees. The membership of the Bank's committees and its changes are approved by the Chief Executive Officer.

Sales Network

The Sales Network shall be formed by organisational units of the Sales Network, in particular the sales points and the Sales Network management units in the regions which carry out the sale of products and services in the respective region or a part thereof. Powers of the organisational units are specified in the internal Bank regulations and by authorisations and resolutions of the Board of Directors or officers of the Bank authorised therefor by the Board of Directors.

(2) Internal regulations

The basic internal regulations of the Bank elaborate the corresponding provisions of the Articles of Association that pertain to the organisational structure and management of the Bank. The regulations can be amended based on the decision of the Board of Directors if the Bank's needs so require and if the organisational structure of the Bank laid down by the Articles of Association is respected. The range of powers of the different organisational parts of the Bank within the framework of the basic organisational division of the Bank mentioned above and the division of the basic parts into different organisational units (including the specification of their range of powers, authorities, obligations, and liabilities) shall be specified in more details also in other internal regulations of the Bank.

The current wording of **Section 41**, Authorities and Responsibilities of the Bank Executive Officers, Subsections 1, 3 and 4 shall be amended as follows:

(1) Pursuant to the Banking Act, the Chief Executive Officer and his Deputy Chief Executive and those of the executive officers directly subordinated to the two that are responsible for the management of the different Bank Arms specified in the internal regulations shall be the Bank's executive officers.

(3) The Chief Executive Officer shall take decisions on priorities concerning the Bank management. Within the scope of instructions of the Bank's Board of Directors, he shall charge other executive officers of the Bank with duties and shall co-ordinate their activities, take decisions on the Bank activities within the scope of the approved business plan and strategy of the Bank and instructions of the Board of Directors, and shall ensure performance thereof by means of charging other Bank employees with duties; he shall ensure communication between the Bank executive officers and the Board of Directors and the Supervisory Board in accordance with the legal regulations, Articles of Association and internal regulations of the Bank and instructions of the Board of Directors. Details of the powers, authorities and liabilities of the Chief Executive Officer shall be governed by the Bank's internal regulations.

(4) The other Bank's executive officers shall, in particular, take part in the executive management (control) of the Bank, co-ordinate activities of subordinated employees and, for this purpose, support the Board of Directors, supervise fulfilment of the Bank's business plan and strategy as well as the tasks assigned by the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive. They shall ensure communication with the subordinated employees and within the Bank in accordance with legal regulations, the Articles of Association and internal regulations of the Bank, instructions of the Board of Directors or the Chief Executive Officer of the Bank. Details of the powers, authorities and liabilities of the Chief Executive Officer and of and the other Bank's executive officers shall be governed by the Bank's internal regulations.

The current wording of **Section 42**, Authorities and Liabilities of Other Employees of the Bank, Subsection 2 shall be amended as follows:

(2) Banking deals within the Bank may be transacted by employees specified in the internal regulations of the Bank. Such employees shall be liable for the performance of their respective obligations to their respective superior employees, in accordance with legal regulations and internal regulations. The powers and obligations of the employees entitled to transact banking deals shall include in particular the following operations:

- a) *when transacting banking deals, to proceed independently within the scope of their respective powers, the job definition, and other internal regulations of the Bank, in accordance with the legal regulations in force, the Articles of Association of the Bank, internal regulations of the Bank, instructions given by the executive officers or, as the case may be, by other senior employees, taking into account the interests of the Bank in order to achieve the best possible profit;*
- b) *according to the instructions of the executive officers of the Bank or, as the case may be, senior employees, and in accordance with the legal regulations, the Articles of Association of the Bank and the internal regulations of the Bank, to prepare data for the banking deals, should the same be necessary for the conclusion of such banking deals;*
- c) *to transact business with clients of the Bank and when doing so, to protect the good reputation of the Bank and just interests of the Bank and the clients;*
- d) *to act on behalf of the Bank within the scope of their powers and job definition within the scope determined by the internal regulations of the Bank to the extent common when discharging the duties and authorities assigned.*

The authorities and liabilities of the employees entitled to transact banking deals shall be specified in more details in the internal regulations of the Bank.

The current wording of **Section 43**, Organisation of the Internal Management and Control System, shall be amended as follows:

(1) The Internal Management and Control System (hereinafter the "IMCS") shall include all activities through which it will be ascertained whether the activities carried out and the results achieved correspond to the planned and determined activities and results, whether they comply with the Bank's overall strategy while spending optimal costs, and whether they comply with the corresponding laws and regulations. The IMCS shall further integrate all operations and activities that guarantee that the information used by the Bank for its decision-making processes and provided to third parties shall be up-to-date, reliable, and complete. The IMCS includes all organisational units of the Bank.

(2) The IMCS shall be a process implemented by the Board of Directors, by respective executive officers, by other Bank's employees, and by members of all Bank's bodies all of which are responsible therefor. The Board of Directors shall be finally responsible for creating, maintaining, and evaluating an adequate and efficient IMCS. The monitoring and evaluation of the IMCS is made on all management levels and by the Internal Audit Unit and makes a part of everyday banking activities. The requirements dealing with the IMCS shall be specified in the internal regulations of the Bank.

(3) Basic elements of the IMCS shall be as follows:

- a. *supervisory and management bodies and supervisory environment*
 - a1) *Board of Directors of the Bank*
 - a2) *Executive officers*
 - a3) *Supervisory Board and its Audit Committee*
 - a4) *Internal Audit Unit*
 - a5) *Compliance Unit*
- b. *risk management*
- c. *checks and separation of irreconcilable functions*
 - c1) *check carried out by the executive officers on all levels of the Bank*
 - c2) *checks carried out by specialised units integrated into various parts of the Bank*
 - c3) *checks made by the of Internal Control Unit*
 - c4) *physical checks focusing on Bank's assets (tangible assets, securities, etc.)*
 - c5) *checks made by every employee while performing his job*
- d. *information system and communication*

- e. *monitoring and evaluating the efficiency and effectivity of the IMCS and correction of defects*

(4) Extent of authorities, powers, and liabilities of the different elements of the IMCS shall be governed by the internal regulations of the Bank.

Section 44, Internal Audit, shall be newly included as follows:

(1) The Internal Audit Unit has a special position within the Bank's organisational structure. The Internal Audit Director, organisationally subordinated to the Bank's Chief Executive Officer, is appointed and recalled by the Bank's Board of Directors after a prior consent of the Supervisory Board. The Internal Audit Unit exercises its activity independently of the Bank's executive activities. The activity of the Internal Audit can only be performed upon the request of and tasks to the Internal Audit can only be assigned by the following bodies of the Bank:

- *Chief Executive Officer and Chairman of the Board of Directors*
- *Bank's Board of Directors*
- *Supervisory Board and its Audit Committee*
- *Director of Internal Audit*

The Director of Internal Audit shall notify the audit findings to the Bank's Board of Directors, the Audit Committee, and the Supervisory Board.

(2) The Internal Audit carries out an independent, objective, assuring, and consultancy activity aiming at the increase in the value and at the perfection of the process in the organisation. The Internal Audit helps the organisation to attain its goals by setting forth a systematic methodical approach to the assessment and enhancement of the effectivity of the risk management, of the management and control systems, and of the organisation administration and management. This basic scope of the Internal Audit's activities is exercised by carrying out the following activities: formal audits, independent risk assessment, submission of managerial reports, special projects and examinations, and monitoring and corrective actions tracking.

(3) The detailed extent of powers and the activities of the Internal Audit Unit are governed by the Bank's Internal Audit Statute that shall be approved by the Bank's Board of Directors after a prior position of the Supervisory Board. The Internal Audit shall have the following powers to carry on its activity:

- a) *The Internal Audit shall abide by its own procedures and assessment criteria to carry on auditor's activities.*
- b) *The Internal Audit shall abide by its own procedures and assessment criteria to carry on auditor's activities.*
- c) *The Internal Audit shall have access to all Bank's documents, information, and papers on the audited entity, including information and documents generated by the audited entity itself. However, the rights stemming from the corresponding legislation have to be respected.*
- d) *Auditors can make copies of all documents containing relevant information and can record the running of discussions. However, the rights stemming from the corresponding legislation have to be respected.*
- e) *The Internal Audit can request the co-operation of any Bank's employee within the framework of the performance of auditor's activities.*
- f) *Within the framework of the continued monitoring of the Bank's activity, the Internal Audit can request from any Bank's unit current information on the activities of this Bank's unit, on any breach of internal or external rules, on the result of the supervision of an external entity*

- g) *The Internal Audit shall have the right and obligation to find out information on the fulfillment of the measures recommended in the auditor's report or in the report on the supervision of an external entity.*
- h) *The Director of Internal Audit shall have a right to notify the audit findings to all entities with substantial interest in the Bank's operation, such as the Board of Directors, the Audit Committee, and the Supervisory Board. If the findings might have a substantial negative impact on the Bank's performance, the Director of Internal Audit has a right to initiate an extraordinary meeting of the Supervisory Board.*

(4) Serious shortcomings of the IMCS discovered in any manner shall be notified to the Bank's Board of Directors, to the Audit Committee, and to the Supervisory Board.

Resolution No. 8:

I) The general meeting approves the pecuniary and in-kind consideration for members of the Supervisory Board starting from the year 2003 in accordance with the amounts stated in the table below:

	Supervisory Board Chairman	Supervisory Board Member
Pecuniary consideration		
Fixed annual remuneration	CZK 600,000	CZK 240,000
Annual remuneration for the attendance (for the maximum of 6 meetings a year)	CZK 225,000	CZK 90,000
In-kind consideration		
Use of a cellular phone	no	yes

II) The general meeting approves the pecuniary consideration for members of the Board of Directors starting from the year 2003 in accordance with the amounts stated in the table below

	Fixed annual remuneration for the discharge of office	Annual bonus for the discharge of office
Alexis Juan	CZK 3 600 000	CZK 0 – 4 800 000
Guy Poupet	CZK 2 460 000	CZK 0 – 3 000 000
Peter Palečka	CZK 2 460 000	CZK 0 – 3 000 000
Matúš Púll	CZK 2 460 000	CZK 0 – 3 000 000
Philippe Rucheton	CZK 2 460 000	CZK 0 – 3 000 000
Olivier Flourens	CZK 2 460 000	CZK 0 – 3 000 000
Patrice Cheroutre	CZK 2 460 000	CZK 0 – 2 000 000

The awarding of the annual bonus and of its amount shall be subjected to the decision of the Supervisory Board.