



Conditions and arrangements for the payment of retained earnings of previous years

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 **3 December 2021** 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 as of the record date, which is **11 November 2021**. The share in the profits shall be paid out as follows:

1. To shareholders – natural persons

By bank transfer to a bank account:

- Upon written notification of bank account details by the shareholder; the notification may be handed in at all branches of Komerční banka in the Czech Republic until the due date for the payment of the share in the profits, i.e., until 03.12.2021. Where the gross amount of the share in the profits exceeds CZK 1,500, the signature on the written notification of the bank details must be attested either officially or by a competent employee of Komerční banka, a. s.
- Shareholders can, upon presentation of their ID 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 03.12.2021.
- On the basis of a written notification of the bank details for the payment of the share in the profits by the administrator of the shareholder's share account.

If represented by another person under a power-of-attorney, the shareholder's signature on the power-of-attorney must also be attested.

2. To shareholders – legal entities

By bank transfer to a bank account based on the submission of the following documents:

An application for the payment of a share in the profits containing the relevant bank account details procured with an officially attested signature of the authorized person holding the relevant title, a recent statement from a competent public registry or another document proving the legal entity's existence, a statement from the beneficial owners registry not older than three months. In addition, if a shareholder is represented by another legal entity or natural person, such representative shall be obliged to 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.

Please address your notification (application) to the head office of Komerční banka, a. s., or hand it in at any sales point of Komerční banka, a. s.

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. Should a shareholder – legal entity with its registered office in the Czech Republic not comply with this obligation and not enter its beneficial owner in the said register, it cannot be paid a share in the profits. In the case that the share in the profits cannot be paid out by the end of the accounting period in which it was decided that the payment would be made for the reason of non-compliance with this obligation, the right to the payment of the share in the profits becomes extinguished at the end of that accounting period.

The share in the profits will be transferred by the Bank no later than 5 business days after the Bank receives the relevant bank account number and requested documents, however, not earlier than on the date due for the payment of the share in the profits.

1. 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 on beneficial ownership and tax domicile”.
- 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 on beneficial ownership and tax domicile”.
- 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 10,000, 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 have the duty to provide the “Declaration on beneficial ownership and tax domicile”.

Furthermore, the “Declaration on beneficial ownership and tax domicile” does not need to be submitted by shareholders who have submitted the “Declaration on beneficial ownership and tax domicile” to Komerční banka, a. s., in the past.

Shareholders have the duty to submit the above-listed documents assuring lower withholding tax rates no later than on 24 January 2022. 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. Shareholders are, nevertheless, entitled to apply for a tax refund within the following three years. 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.

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 - 143, or send an e-mail to [gabriela_charezinska @kb.cz](mailto:gabriela_charezinska@kb.cz).