

Pension Plan No. 6

of the Transformed Fund of Penzijní společnost České pojišťovny, a. s.

§ 1 Basic Information

- 1.1 Penzijní fond České pojišťovny, a. s., (hereinafter referred to as the "Pension Fund") was a pension fund in accordance with Act No. 42/1994 Coll. to regulate state-contributory supplementary pension insurance and to amend certain acts relating to the implementation thereof as amended by Act No. 61/1996 Coll., Act No. 15/1998 Coll., Act No. 170/1999 Coll., Act No. 353/2001 Coll., Act No. 309/2002 Coll., Act No. 36/2004 Coll. and Act No. 257/2004 Coll. (hereinafter referred to as the "Act").
- 1.2 On 1 Jan 2013, the trade name of Penzijní fond was changed to Penzijní společnost České pojišťovny, a. s. (hereinafter referred to as the "Penzijní společnost").
- 1.3 Penzijní společnost České pojišťovny, a. s., is a pension institution pursuant to Act No. 427/2011 Coll. to regulate supplementary retirement savings and to amend certain acts relating to the implementation thereof.
- 1.4 Penzijní fond České pojišťovny, a. s., as of 1 Jan 2013, earmarked assets and liabilities relating to supplementary pension insurance to Transformovaný fond Penzijní společnosti České Pojišťovny, a. s. (hereinafter referred to as the "Transformed Fund"). By means of the Transformed Fund, Penzijní společnost pursues activities relating to supplementary pension insurance pursuant to the Act to regulate supplementary pension insurance and accepts all liabilities towards the transferred contributors, including recipients of pensions.
- 1.5 Rights and duties of the contributor to the Transformed Fund and the recipient of supplementary pension insurance from the Transformed Fund are governed by the Act to regulate supplementary pension insurance, the agreed pension plan and the supplementary pension insurance policy. Entitlements of the contributor and of the recipient shall remain unchanged with the exception of limitation of the entitlement to transfer financial means to a different fund and changes in the provision of the state contribution.
- 1.6 This pension plan defined on a contributory basis regulates, in accordance with the Act, supplementary pension insurance with a state contribution (hereinafter referred to as the "supplementary pension insurance") in the Transformed Fund.

§ 2 Supplementary Pension Insurance Policy

- 2.1 The contributor to the Transformed Fund under the supplementary pension insurance (hereinafter referred to as the "Contributor") may be
- an individual older than 18 years of age with permanent place of residence in the territory of the Czech Republic, who can conclude a written supplementary pension insurance policy (hereinafter referred to as the "Policy") with Penzijní fond,
 - an individual older than 18 years of age with permanent place of residence in the territory of a different EU member state, if the individual is a contributor to the pension insurance system or the public health insurance system in the Czech Republic, who can conclude a Policy with Penzijní fond.
- 2.2 Under the Policy, Penzijní společnost undertakes to provide the Contributor with supplementary pension insurance benefits under the conditions, in the amount and in the manner defined by this pension plan of the Transformed Fund (hereinafter referred to as the "Pension Plan") and by the Policy. The Contributor undertakes to pay contributions to Penzijní společnost under the conditions, in the amount and in the manner defined by the Pension Plan and the Policy.
- 2.3 The Pension Plan forms an integral part of the Policy. The relationship between the Contributor and Penzijní společnost for this Pension Plan, unless otherwise expressly stated, shall be governed by the Act.

§ 3 Entering into the Policy and Inception of the Supplementary Pension Insurance

- 3.1 The supplementary pension insurance becomes legally effective under the Policy effected between an individual who is legally competent to be the Contributor pursuant to § 2, and Penzijní společnost. The Policy shall become valid on the date of signature by the Parties to the Policy and legally effective on the date defined in the Policy, or on the first day of the month following the signature of the Policy at the earliest.
- 3.2 The working language shall be the Czech language. Should a document concerning the supplementary pension insurance fail to be executed in this language, the Contributor shall attach the officially authenticated translation thereof.
- 3.3 Under the Policy, the Contributor may specify a natural person who will be entitled to the benefit defined in the Pension Plan in case of the Contributor's death, be specific by name, surname, day, month and year, place and country of birth. For the term of their supplementary pension insurance in the Pension Fund and subsequently in Penzijní společnost, the Contributor may change the person's identification. A change in the person's identification shall become legally effective on the date of delivery of the notice to Penzijní společnost. If several persons have been designated, the Contributor shall define the method of distribution of the benefit among the individual persons. If the method of distribution of the benefit among the individual persons is not defined, each person shall be entitled to an equal portion thereof.
- 3.4 The Contributor, who is competent to enter into the Policy with Penzijní společnost pursuant to § 2 para. 2.1 subpara. a) and b), is obliged to attest their permanent residence in the territory of the Czech Republic or their place of permanent residence in the territory of another EU member state upon signature of the Policy. Pursuant to § 2 para. 2.1 subpara. b) it shall also apply that the Contributor is obliged to attest their participation in the public health insurance system or the pension insurance system in the Czech Republic.
- 3.5 In case of disqualification from participation in supplementary pension insurance pursuant to § 2 para. 2.1, the Contributor shall inform Penzijní společnost accordingly without any undue delay or otherwise the Contributor shall be liable for damage sustained.
- 3.6 While negotiating the Policy, the Contributor confirms by their signature that a representative of the Pension Fund or Penzijní společnost informed the Contributor of this Pension Plan and the up-to-date status and that the Contributor provided all details required by Pension Fund/Penzijní společnost in a true and complete manner.

- 3.7 The Contributor is obliged to inform Penzijní společnost in writing of all facts relevant for the duration of supplementary pension insurance together with a change of the facts which are a condition for the fulfillment of the duty to inform Penzijní společnost pursuant to § 22 para. 22.2 subpara. a), b), c). If the Contributor provides Penzijní společnost with erroneous details, the Contributor shall be liable for damage sustained.
- 3.8 The Transformed Fund is unavailable for new contributors. Possible exceptions are regulated by Act No. 427/2011 Coll. to regulate supplementary pension insurance.

§ 4 Amendments to the Policy

- 4.1 Changes to the Policy, with the exception of a change of personal data and a change of the method of payment and amount of contributions, shall be executed by means of addendum to the Policy.
- 4.2 A change in identification of a natural person during the term of supplementary pension insurance with Penzijní společnost shall be officially authenticated.
- 4.3 Changes to the Policy shall become legally effective on the first day of the calendar month following delivery thereof to Penzijní společnost unless the Contributor and Penzijní společnost agree otherwise. Changes of personal data, changes of the method of payment of contributions and changes stated in § 3 para. 3.3 shall become legally effective on the date of delivery thereof to Penzijní společnost.

§ 5 Reasons for Termination of Supplementary Pension Insurance, Expiry of Supplementary Pension Insurance

- 5.1 The Contributor may terminate the supplementary pension insurance in writing at any time. The notice period shall be two months and it shall start running as of the first day of the month following delivery of the notice of withdrawal to Penzijní společnost. Penzijní společnost is obliged to confirm the acceptance of withdrawal by the Contributor, no later than within 30 days from the date of delivery of the notice of withdrawal, and to inform the Contributor of the date of termination of the supplementary pension insurance.
- 5.2 Penzijní společnost may terminate the supplementary pension insurance only in case the Contributor:
- failed to pay the contributions for at least six calendar months provided that the Contributor was informed at least one month before termination of the supplementary pension insurance of the possibility of termination by Penzijní společnost,
 - stated untrue information affecting the provision of the state contribution or the benefits of the supplementary pension insurance or in case the Contributor concealed facts being decisive for entering into the Policy, or
 - fails to fulfil the conditions imposed on the Contributor by the Act.

The notice period shall be two months and it shall start running as of the first day of the month following delivery of the notice of withdrawal to the Contributor.

- 5.3 It is not possible to terminate the supplementary pension insurance pursuant to para. 5.2 if the Contributor fulfilled the condition of eligibility for pension lying in payment of contributions for the period prescribed by the Pension Plan or if the Contributor fulfilled this condition by the end of the notice period prescribed by the Pension Plan.
- 5.4 The Contributor's supplementary pension insurance shall terminate on the date of:
- execution of payment of the last pension,
 - payment of the lump sum settlement instead of the last pension,
 - on which the Contributor and Penzijní společnost agreed,
 - upon expiry of the notice period,
 - payment of surrender upon termination of legal existence of Penzijní společnost unless any other pension institution assumed the duties of Penzijní společnost,
 - termination of permanent residence of the Contributor in the territory of the Czech Republic,
 - loss of place of permanent residence in the territory of an EU member state, or termination of participation in the pension insurance system or in the public health insurance system in the Czech Republic,
 - death of the Contributor.

§ 6 Types of Benefits

- 6.1 Penzijní společnost shall provide for the following benefits from the supplementary pension insurance:
- pension, which shall refer to the lifelong regular payment of a pecuniary amount, and in the case of survivor's pension, the payment of a pecuniary amount for the prescribed period,
 - lump sum settlement,
 - surrender.
- 6.2 Penzijní společnost shall provide for the following types of pensions:
- retirement pension,
 - long-service pension,
 - disability pension,
 - survivor's pension.
- 6.3 In the Policy, it is always necessary to agree on the provision of retirement pension.
- 6.4 Retirement, long-service and disability pensions are awarded to the Contributor only. A survivor's pension is awarded to the natural person that the Contributor identified in the Policy.

§ 7 Legal Existence of Eligibility to Benefits and Inheritance

- 7.1 The Contributor shall become eligible for retirement pension in the case of fulfillment of all of the following conditions:
- the Contributor has attained the age of 60 years,
 - the Contributor paid contributions at least for a period of 60 calendar months,
 - the Contributor has not been awarded disability pension.
- 7.2 The Contributor shall be eligible for long-service pension, if this type of pension was agreed, provided that the Contributor paid

contributions for a period of at least 180 calendar months and provided that the Contributor has not been awarded disability pension.

- 7.3 The Contributor shall become eligible for disability pension in the case of fulfillment of all of the following conditions:
- the Contributor has been awarded full disability pension from the pension insurance,
 - the Contributor paid contributions at least for a period of 36 calendar months,
 - the Contributor has been awarded retirement pension.
- 7.4 The person designated in the Policy shall become entitled to survivor's pension, if this type of pension was agreed.
- I. If all the following conditions have been fulfilled:
- the Contributor died before submission of the request for payment of retirement, long-service or disability pension or before submission of the request for payment of lump sum settlement instead of the aforementioned pensions,
 - the Contributor had been paying contributions for a period of at least 36 calendar months before he/she died.
- II. After death of the Contributor who was awarded life-long pension provided that the Contributor opted for the type of life-long pension combined with the subsequent provision of survivor's pension.
- III. If the Contributor, who was a recipient of life-long pension combined with the subsequent provision of survivor's pension and who at the same time was paying contributions for the benefit of a different type of pension, died. Payment of survivor's pension shall be dealt with as a concurrence of claims pursuant to para. 7.4 I. and II.
- 7.5 The Contributor shall be entitled to a lump sum settlement instead of pension if the Contributor has become eligible for pension which has not been started to be paid yet.
- 7.6 Eligibility for surrender shall arise on the part:
- of the Contributor who paid contributions for a period of at least 12 calendar months and whose supplementary pension insurance has been terminated by notice or agreement unless the Contributor is paid out pension and unless the financial means have been transferred to supplementary pension insurance with a different pension institution,
 - the natural persons designated in the Policy if the Contributor died and was not paid out pension or paid a lump sum settlement and if eligibility for survivor's pension has not arisen or if all the natural persons designated in the Policy have waived their entitlement thereto in writing.
- 7.7 If the Contributor, who was not paid out pension, died and if eligibility for surrender pursuant to para. 7.6 subpara. b) or for survivor's pension has not arisen, the amount of surrender shall become subject to inheritance proceedings.

§ 8 Legal Existence of Eligibility for Payment of Benefits

- 8.1 The supplementary pension insurance benefits are paid based on a written request of the beneficiary upon fulfillment of the conditions imposed on eligibility for the benefits. The signature on the written request shall be officially authenticated. Official authentication shall refer authentication by the person authorized for the purpose by Penzijní společnost (authorized employees of Penzijní společnost or authorized representatives thereof) as well.
- 8.2 If it is necessary, in respect of eligibility for the benefit, to fulfil any other conditions than attaining the respective age and fulfilling the period of payment of contributions, the request for payment of the benefit shall include an officially authenticated document attesting the legal fact of eligibility for being paid the respective benefit.

§ 9 Retirement Pension and its Combination with Survivor's Pension

- 9.1 Upon fulfillment of the conditions imposed on eligibility for retirement pension, the Contributor is entitled to submit a written request for payment of retirement pension or a lump sum settlement instead of this pension. In the request for payment of retirement pension, the Contributor shall opt from the following types of retirement pension:
- life-long retirement pension – it is paid out to the Contributor up to the end of the Contributor's life,
 - life-long retirement pension with guaranteed payment for a determined period – refers to a combination of life-long retirement pension and survivor's pension, which is paid to the natural persons designated in the Policy in case of the Contributor's death before expiry of the guaranteed period of payment for the remaining part of the period concerned,
 - life-long retirement pension with extended period of payment – refers to a combination of life-long retirement pension and survivor's pension, which is paid out to the natural persons designated in the Policy after the Contributor's death for a predefined period.
- 9.2 Amount of life-long retirement pension shall be determined using the actuarial theory principles at the actuarial interest rate determined in the manner explained in the annex. The amount of retirement pension depends on the sum of the contributions registered for the benefit of the Contributor in respect of retirement pension, state contributions and share in the proceeds from economic activity of Penzijní společnost corresponding with the amount of the contributions to the pension, and on the type of retirement pension, sex and age as from which the life-long retirement pension is awarded (see the annex). The amount of financial means, based on which the pension is determined, shall include the amount of financial means determined by long-service pension unless the Contributor has started to be paid out.

§ 10 Long-Service Pension and its Combination with Survivor's Pension

- 10.1 Upon fulfillment of the conditions imposed on eligibility for long-service pension, the Contributor is entitled to submit a written request for payment of long-service pension or a lump sum settlement instead of this pension. For requests regarding payment of long-service pension, the Contributor shall opt from the following types of long-service pension:
- life-long long-service pension – is paid out to the Contributor up to the end of the Contributor's life,

- b) life-long long-service pension with guaranteed payment for a predefined period – refers to a combination of life-long long-service pension and survivor's pension, which is paid out to the natural persons designated in the Policy in the case of death of the Contributor before expiry of the guaranteed period of payment for the remaining part of the period concerned,
- c) life-long long-service pension with extended period of payment – refers to a combination of life-long long-service pension and survivor's pension, which is paid out to the natural persons designated in the Policy after the Contributor's death for a predefined period.
- 10.2 The amount of life-long long-service pension shall be determined using the actuarial theory principles at the actuarial interest rate determined in the manner explained in the annex. The amount of life-long long-service pension depends on the sum of the contributions registered for the benefit of the Contributor in respect of long-service pension, state contributions and share in the proceeds from economic activity of Penzijní společnost corresponding with the amount of contributions to this pension, and on the type of long-service pension, sex and age as from which the life-long long-service pension is awarded (see the annex).

§ 11 Disability Pension and its Combination with Survivor's Pension

- 11.1 Upon fulfilment of the conditions imposed on eligibility for disability pension, the Contributor is entitled to submit a written request for payment of disability pension or a lump sum settlement instead of this pension. In the request for payment of disability pension, the Contributor shall opt from the following types of disability pension:
- a) life-long disability pension – it is paid out to the Contributor up to the end of the Contributor's life,
- b) life-long disability pension with guaranteed payment for a determined period – refers to a combination of life-long disability pension and survivor's pension, which is paid to the natural persons designated in the Policy in case of the Contributor's death before expiry of the guaranteed period of payment for the remaining part of the period concerned,
- c) life-long disability pension with extended period of payment – refers to a combination of life-long disability pension and survivor's pension, which is paid out to the natural persons designated in the Policy after the Contributor's death for a predefined period.
- 11.2 The amount of life-long disability pension shall be determined using the actuarial theory principles at the actuarial interest rate determined in the manner explained in the annex. The amount of life-long disability pension depends on the sum of contributions registered for the benefit of the Contributor in respect of retirement and long-service pension, which has not been awarded to the Contributor yet, state contributions, share in the proceeds from economic activity of Penzijní společnost, the type of disability pension, sex and age as from which the life-long disability pension is awarded (see the annex). For the calculation of disability pension, all financial means registered for the benefit of the Contributor on the Contributor's personal account shall be taken into account with the exception of financial means allocated for the already pending payment of long-service pension.

§ 12 Survivor's Pension

- 12.1 In case of the Contributor's death, the natural person designated in the Policy is entitled to submit a request for payment of survivor's pension.
- 12.2 Upon fulfilment of the conditions imposed on eligibility for survivor's pension pursuant to § 7 para. 74 subpara. I., survivor's pension is paid out to the natural person designated in the Policy in the form of pension on a temporary basis determined by the natural person.
- 12.3 The amount of survivor's pension pursuant to § 7 para. 74 subpara. I. shall be determined using the actuarial theory principles at the actuarial interest rate determined in the manner explained in the annex. The amount of such survivor's pension depends on the sum of contribution registered for the benefit of the Contributor in respect of retirement and long-service pension, state contributions, the Contributor's share in proceeds from economic activity of Penzijní společnost, during the period, over which the pension will be paid out (see the annex) and in the case of several natural persons designated in the Policy, on the proportion defined by the Contributor.
- 12.4 Upon fulfilment of the conditions imposed on eligibility for survivor's pension pursuant to § 7 para. 74 subpara. II., survivor's pension shall be awarded as pension on a temporary basis:
- a) the natural person designated in the Policy for the remaining part of the stipulated period, if the Contributor stipulated the guaranteed period of payment [§ 9 para. 91 subpara. b), § 10 para. 10.1 subpara. b), § 11 para. 11.1 subpara. b)],
- b) the natural person designated in the Policy for the period determined by the Contributor upon opting for the type of life-long pension, if the Contributor stipulated an extended period of payment [§ 9 para. 91 subpara. c), § 10 para. 10.1 subpara. c), § 11 para. 11.1 subpara. c)].
- 12.5 If survivor's pension is paid out to several persons pursuant to § 7 para. 74 subpara. II., the amount of the survivor's pension shall be determined based on the proportion defined by the Contributor from the amount of the pension paid out to the Contributor prior to the legal effect of entitlement to the survivor's pension.
- 12.6 Should the Contributor fail to define any proportion in the Policy, the amounts of financial means intended for payment of the survivor's pensions are equal for all the natural persons designated in the Policy.
- 12.7 If the natural person designated in the Policy dies before the Contributor dies, the share of the person shall be distributed among the remaining natural persons, if such persons were designated, be specific in the proportion determined by the Contributor in the Policy.

§ 13 Other Benefits

- 13.1 Amount of surrender shall be determined as the sum of contributions paid up by the Contributor and third parties on behalf of the Contributor and the share in proceeds from economic activity of Penzijní společnost corresponding with the amount of such contributions.
- 13.2 In case of legal existence of eligibility for surrender pursuant to § 7 para. 7.6 subpara. b), the surrender shall be distributed among the natural persons designated in the Policy in the proportion defined by the Contributor.
- 13.3 Should the Contributor fail to define any proportion in the Policy, the amounts of financial means intended for payment

of the surrender are equal for all the natural persons designated in the Policy.

- 13.4 If the natural person designated in the Policy dies before the Contributor dies, the share of the person shall be distributed among the remaining natural persons, if such persons were designated, be specific in the proportion determined by the Contributor in the Policy.
- 13.5 The amount of a lump sum settlement provided to the Contributor instead of pension, which has not been awarded yet, shall be determined as the sum of contributions registered for the benefit of the Contributor in respect of this pension, state contributions and share in proceeds from economic activity of Penzijní společnost corresponding with the amount of such contributions.

§ 14 Amount of Contributions

- 14.1 The contribution shall refer to the contribution paid by the Contributor, the contribution paid by the employer and contributions paid by other third parties on behalf of the Contributor.
- 14.2 The amount of the contribution shall be stipulated in the Policy for a calendar month based on the Contributor's option. The Policy shall specify what part of the contribution shall be paid by the Contributor and what part thereof shall be paid by third parties on behalf of the Contributor. The amount of the contribution shall not be lower than CZK 100. The employer's contribution shall only be notified by the Contributor in writing. The Contributor shall not be obliged to determine the amount of the employer's contribution.
- 14.3 The Contributor shall have the right to change the amount of the contribution in the future. With a change of the amount of the contribution, the Contributor shall proceed in accordance with the provisions of § 4 – Changes to the Policy.
- 14.4 The stipulated monthly amount of the contribution intended for long-service pension shall not exceed the stipulated monthly amount of the contribution intended for retirement pension. The proportion of the contribution intended for long-service pension and the contribution intended for retirement pension shall be identical for all contributions paid by the Contributor and third parties on behalf of the Contributor.

§ 15 Rules and Method of Payment of Contributions, Procedure in case of Failure to Pay and Late or Incorrect Payment of Contributions

- 15.1 The Contributor cannot pay the contribution to supplementary pension insurance in several pension institutions.
- 15.2 The contributions are paid for calendar month and are registered in domestic currency. The contribution is regarded as paid in a timely manner, if the contribution is credited by the end of the calendar month to the account of Penzijní společnost administered by its depository. The contribution paid for a longer period shall be regarded as paid up in a timely manner, if the contribution is credited by the end of the first calendar month of such a period on the account of Penzijní společnost administered by the depository thereof.
- 15.3 The first contribution shall be paid for the calendar month as of which the Policy became legally effective.
- 15.4 The contributions or part thereof may be paid by a third party on behalf of the Contributor. The Contributor is obliged to inform Penzijní společnost of the aforementioned in writing in advance. In the case of payment of the contribution or a part thereof by a third party, the Contributor is obliged to secure identification of the payer for the executed payments using the payment symbols defined in the Policy.
- 15.5 The contributions paid by the Contributor or a third party (with the exception of the employer) cannot be paid in advance. Excess payment of the contribution paid by the Contributor or a third party (with the exception of the employer) shall be transferred to the following period. The employer's payment to the Contributor's supplementary pension insurance paid in the respective calendar month shall be regarded by Penzijní společnost as the contribution for the respective month unless such payment is designated by the Contributor as the contribution for the following period.
- 15.6 Failure to pay contributions shall be regulated by § 5 para. 5.2 subpara. a). A late contribution shall not be regarded as paid up in a timely manner pursuant to para. 15.2. A contribution paid by the Contributor and a third person, with the exception of the employer, of an incorrect (which means lower than stipulated) amount shall be subject to request for state contribution provided that the sum of such contributions amounts to at least CZK 300. For a contribution paid to an amount lower than CZK 300, state contribution shall not be requested.
- 15.7 Any month in which the contribution paid was lower than CZK 100 shall not be included in the period necessary for legal effect of eligibility for the benefits pursuant to § 7.
- 15.8 Should a contribution for an amount lower than the stipulated one be credited to the account of Penzijní společnost administered by its depository, it shall be distributed for the benefit of retirement and long-service pension in the proportion defined in the Policy.

§ 16 State Contributions

- 16.1 The contributors are provided state contributions from the state budget.
- 16.2 For every calendar month, every contributor, who has paid the contribution for the respective month in a timely manner (pursuant to § 15 para. 15.2), is eligible for a single state contribution in the amount of at least CZK 300 (in addition to the employer's contribution).
- 16.3 Should the Contributor fail to pay the contribution for the calendar month in time, the Contributor shall not be eligible for the state contribution for the respective month.
- 16.4 The state contribution shall be divided among the individual pensions in the proportion of the contributions paid up for the benefit of the individual pensions.
- 16.5 No state contribution is provided for the contribution paid by the employer on behalf of its employees.
- 16.6 Provision of the state contribution for the benefit of the Contributor to the supplementary pension insurance shall be governed by Act No. 427/2011 to regulate supplementary retirement savings, be specific for the first time for the first quarter of 2013. The Contributor, whose contribution to the supplementary pension insurance paid for the calendar month immediately following the date of legal effect of the aforementioned act fails to be in the amount of at least CZK 300, shall not be eligible for the state contribution. The aforementioned shall not affect eligibility for state contributions arising from this act to regulate supplementary pension insurance until legal effect of this act.

§ 17 Conditions Imposed on Postponement and Suspension of Payment of Contributions

- 17.1 In particularly serious cases, the Contributor may request Penzijní společnost for the postponement of payment of contributions.
- 17.2 Penzijní společnost shall decide on such a request for postponement of payment of contributions pursuant to para. 17.1 of the Pension Plan within the time limit of one month as of the date of delivery of the request concerned. If Penzijní společnost fails to inform the Contributor within the specified time limit that the request is rejected, it shall be understood that the request has been accepted.
- 17.3 The Contributor may terminate postponement of payment of contributions at any time. The Contributor shall inform Penzijní společnost of such termination in writing. If the Contributor, within one month as from termination of the postponement period, makes up for the contributions for the postponement period, the time of postponement shall be included in the time necessary for eligibility for benefits stated in § 7. The Contributor shall not be eligible for state contribution for the time of postponement.
- 17.4 The Contributor is entitled to request Penzijní společnost in writing for suspension of payment of contributions. The time of suspension shall not be included in the time necessary for eligibility for benefits stated in § 7.
- 17.5 Penzijní společnost shall decide on such a request for suspension of payment of contributions pursuant to para. 17.4 of the Pension Plan within the time limit of one month as of the date of delivery of the request concerned. If Penzijní společnost fails to inform the Contributor within the specified time limit that the request is rejected, it shall be understood that the request has been accepted.
- 17.6 The Contributor may terminate suspension of payment of contributions at any time. The Contributor shall inform Penzijní společnost of such termination in writing. The Contributor shall not be eligible for state contribution for the time of suspension.

§ 18 Suspension of Supplementary Pension Insurance

- 18.1 The supplementary pension insurance of the Contributor shall be suspended on the date, which the Contributor stated in their written notice of suspension of the supplementary pension insurance, however, on the first day of the month following the date of delivery of the notice to Penzijní společnost at the earliest.
- 18.2 The Contributor may suspend the supplementary pension insurance pursuant to para. 18.1 only provided that:
- a) the Contributor paid contributions to the supplementary pension insurance for a period of at least 36 calendar months upon the first suspension, or
- b) the Contributor paid contributions for a period of at least 12 calendar months in the case of any further suspension of the supplementary pension insurance with Penzijní společnost.
- 18.3 The time, for which the supplementary pension insurance was suspended, shall not be included in the term of insurance. For the period of suspension of the supplementary pension insurance, the Contributor is credited shares in proceeds from the economic activity of the Transformed Fund.

§ 19 Conditions Imposed on Postponement of Payment of Retirement, Long-Service and Disability Pension

- 19.1 If the Contributor has become eligible for retirement (or long-service or disability) pension and if the Contributor failed to submit a written request for payment of pension, the payment of retirement (or long-service or disability) pension shall be postponed. Postponement of payment of pension shall last until a written request for payment is submitted by the Contributor. Postponement of payment of pension shall not affect the rights and duties of the Contributor and Penzijní společnost.
- 19.2 Eligibility for pension shall not expire upon a lapse of time and the Contributor shall remain to participate in the supplementary pension insurance with Penzijní společnost with all entitlements arising from the Contributor's Policy, be specific until payment of the pension the Contributor opted for.

§ 20 Conditions for Transfer of Financial Means

Transfer of Means from a Third Party Pension Fund / Pension Institution

- 20.1 Penzijní společnost shall assume financial means from supplementary pension insurance with a third party pension institution provided that:
- a) the Contributor's supplementary pension insurance has expired and the Contributor has not been eligible for pension and has not been paid out surrender and in addition, the Contributor has effected the supplementary pension insurance policy with the Pension Fund under this Pension Plan,
- b) the legal existence of the transformed fund of a third party pension institution has expired and the Contributor has asked for transfer to the Transformed Fund of Penzijní společnost České pojišťovny, a. s.
- Another possibility of transfer of financial means may be defined by the Act to regulate supplementary retirement savings.
- 20.2 The time of payment of contributions to the supplementary pension insurance with a third party pension institution shall be included and the distribution of the financial means from the supplementary pension insurance with the previous pension institution between retirement pension and long-service pension, if stipulated, shall be assumed by Penzijní společnost.

Transfer of Means to a Third Party Pension Fund / Pension Institution

- 20.3 It is not possible to submit a request for transfer of financial means to supplementary pension insurance administered by a third party pension fund pursuant to sect. 24 of the Act to regulate supplementary pension insurance.
- 20.4 Transfer of the Contributor's financial means from the Transformed Fund may only be possible:
- a) to the contributors fund of Penzijní společnost České pojišťovny, be specific upon fulfilment of the following conditions: the Contributor's supplementary pension insurance has expired, the Contributor has not become eligible for pension and the Contributor has not been paid out surrender and the Contributor has entered into the supplementary pension insurance policy with Penzijní společnost České pojišťovny and Penzijní společnost České pojišťovny has agreed with such a transfer, which may be expressed by implementation of such transfer of financial means as well,

- b) to the transformed fund of a third party pension institution in the case of the merger of transformed funds or in the case of expiry of legal existence of the Transformed Fund, be specific upon fulfillment of the following conditions:
the Contributor's supplementary pension insurance has expired and the Contributor has not become eligible for pension and the Contributor has not been paid out surrender and the Contributor has entered into the supplementary pension insurance policy with a third party transformed fund and the successor pension institution has agreed with such a transfer,
- c) another possibility of transfer of financial means may be defined by the act to regulate supplementary retirement savings.
- 20.5 Penzijní společnost shall transfer financial means within the time limit of three months as from the date of expiry of supplementary pension insurance.
- 20.6 Upon transfer of the Contributor's financial means from the transformed Fund to the contributors fund, Penzijní společnost is obliged to register the itemised transferred financial means based on the Contributor's contributions, contributions provided by the employer, state contributions and shares in proceeds from economic activity of the Transformed Fund; the originally administered contributions of third parties shall be registered under the Contributor's contributions with the exception of the employer's contributions, which shall be continued to be administered separately. In the case of such a transfer, the savings time shall include the attained term of insurance pursuant to the Act to regulate supplementary pension insurance.

§ 21 Principles on which Contributors, including Recipients of Pensions, Participate in Proceeds from Economic Activity of the Transformed Fund

- 21.1 Penzijní společnost is obliged to distribute the profits of the Transformed Fund in accordance with the regulations of the Transformed Fund.
- 21.2 Contributors participate in the profits of the Transformed Fund proportionately to the amount of the financial means registered for their benefit in the year, for which the profits are being distributed. Shares in the proceeds from the economic activity of the Transformed Fund intended for the benefit of the contributors are credited within one month as of approval of the annual financial statement of the Transformed Fund by the Board of Directors of Penzijní společnost.
- 21.3 Shares in proceeds from economic activity of the Transformed Fund for the contributors who were awarded pension are credited in the form of valorisation of the pensions. The proceeds are credited to the sum of financial means intended for payment of pensions in the same manner as for the contributors (pursuant to para. 21.2). The proceeds are reduced by a proportion corresponding to the amount of actuarial interest rate used for the calculation of pensions. All paid out pensions are subsequently increased by the percentage equal to the average amount of the financial means intended for payment of pensions exceeding the sum of the average amounts of technical provisions of all recipients of pensions (pursuant to subpara. 3 of the Pension Plan), however, by the rate of return credited to the contributors reduced at most by the actuarial interest rate. The increased pension shall start to be paid out within three months as of approval of the annual financial statement of the Transformed Fund by the Board of Directors of Penzijní společnost.
- 21.4 For every contributor to Penzijní společnost it shall register the balance of contributions separately for retirement and long-service pension structured into the Contributor's contributions, the Contributor's contributions subject to deductions from the income tax base requested by the Contributor, contributions paid by the employer, state contributions, other contributions and shares in proceeds from the economic activity of the Transformed Fund.
- 21.5 Penzijní společnost shall register the amount of technical provisions for the payment of pensions of the contributors receiving pensions.
- 21.6 Upon postponement of payment of retirement and long-service pension, upon suspension or postponement of payment of contributions and upon suspension of the supplementary pension insurance, the Contributor shall be credited proceeds from the economic activity of the Transformed Fund.

§ 22 Informing of the Amount of Financial Means

- 22.1 Penzijní společnost shall send to contributors once a year a written notice containing information on the amount of all financial

means (hereinafter referred to as the "Written Notice") which Penzijní společnost registers for the benefit of the contributors' entitlements arising from the supplementary pension insurance and on the status of such entitlements.

- 22.2 The Written Notice shall be sent to the contributors within one month as of the date of the decision of the Board of Directors of Penzijní společnost and it shall include in particular the following:
a) the Contributor's Policy number,
b) the Contributor's name and surname,
c) the Contributor's personal identification number,
d) the amount of contributions registered by Penzijní společnost for the benefit of the Contributor separately for retirement and long-service pension in the following structure: the Contributor's contributions, the Contributor's contributions subject to deductions from the income tax base requested by the Contributor, contributions paid by the employer, state contributions, other contributions, number of months included in the time necessary for eligibility for benefits, change of the amount of minimum instalment of the pension,
e) amount of the Contributor's share in proceeds from the economic activity of the Transformed Fund, including details on the amount of the credited percentage of valorisation of the Contributor's financial means,
f) report on economic activity of the Transformed Fund, including the overview of deposition and investment of financial means administered by the Transformed Fund and the amount thereof and the number of its contributors.
- 22.3 For resending or the sending of a second and/or follow-up Written Notice concerning the amount of all financial means of the Contributor registered by Penzijní společnost for the benefit of the Contributor arising from the supplementary pension insurance, Penzijní společnost is entitled to request reimbursement in full from the contributors for the expenses incurred relating to the distribution of such Written Notice.
- 22.4 The information stated in para 22.2 subpara. d) shall not concern the contributors who have already been awarded pension. Penzijní společnost may define other essentials pertaining to the Written Notice.

§ 23 Rules and Methods of Payment Benefits

- 23.1 The retirement, long-service, disability and survivor's pensions are paid out on a monthly, quarterly, bi-annual or annual basis.
- 23.2 The Contributor may only opt for such a pension and such a method of payment where the individual instalment of pension amounts to at least CZK 500. If the balance of the Contributor's financial means as of the date of commencement of payment of the pension fails to provide for the annual pension in the amount of at least CZK 500, Penzijní společnost shall pay a lump sum settlement based on the Contributor's request. Penzijní společnost may increase the minimum instalment of the pension for newly awarded pensions by a maximum amount equal to inflation for the period as from the last change of such an amount.
- 23.3 In the request for payment of pension, the Contributor may opt for the amount of the first instalment, however, to a maximum amount equivalent to one third of the financial means intended for payment of the respective pension. The amount of the pension is then calculated from the amount reduced by this first instalment. Where the total amount of financial means of the Contributor registered for the benefit of the pension reduced by the first instalment fails to secure the first minimum pension (para. 23.2), the Contributor shall be calculated the minimum pension and the remaining portion of the financial means shall be intended for the first instalment.
- 23.4 The natural person designated in the Policy may opt in the cases specified in § 7 para. 7.4 subpara. 1 only for such a method of payment of survivor's pension where it allows for the individual instalment to be at least CZK 500. Penzijní společnost may increase the minimum instalment of the survivor's pension for newly awarded pensions by a maximum amount equal to inflation for the period as from the last change of such an amount.
- 23.5 The first instalment of the pension shall be paid out in the calendar month following the beginning of the legal existence of eligibility for payment of the pension.
- 23.6 Penzijní společnost is entitled to check whether the beneficiary is still eligible for payment of benefits.
- 23.7 Surrender shall be paid no later than within three months as from the date of delivery of a written request for payment.

If the Contributor requests payment of surrender before the supplementary pension insurance expired, the surrender shall be paid within three months as of the date of expiry of the supplementary pension insurance at the latest.

- 23.8 Lump sum settlements shall be paid no later than by the end of the calendar quarter following the month for which the last contribution was paid. The Contributor who became eligible for a lump sum settlement and who suspended the supplementary pension insurance before he/she became eligible there for, shall be paid the lump sum settlement no later than within three months as of the date of delivery of a written request for payment.
- 23.9 Benefits are rounded down to the nearest Czech crown.
- 23.10 As at the date of payment of lump sum settlement and surrender, the total amount of the benefit is not known as the amount of shares of the contributors in proceeds from the economic activity of Penzijní společnost for the respective year is not known and in some cases it is not known for the previous year either. Additional payments of benefits shall be paid without any undue delay after crediting shares in proceeds from the economic activity of Penzijní společnost for the benefit of the contributors. In the case of transfer of financial means to a third party pension institution, additional payments are solved in the same manner. The calculation of the pension amount shall include state contribution as well for which the Contributor is eligible and which has not yet been registered for the Contributor's benefit. Crediting of proceeds shall be governed by § 21 para. 21.3.
- 23.11 Penzijní společnost is obliged to pay the benefit to the Contributor or the natural person designated in the Policy, who has become eligible for the supplementary pension insurance benefit and who does not have their permanent place of residence in the territory of the Czech Republic, upon their request to the respective foreign country, to the amount and within time limits defined by the Pension plan.
- 23.12 Penzijní společnost is obliged to pay the benefit to the Contributor or the natural person designated in the Policy, who has become eligible for the supplementary pension insurance benefit and who does not have their place of residence in the territory of an EU member state, upon their request to the respective foreign country, to the amount and within time limits defined by the Pension plan.
- 23.13 A benefit returned due to non-existence of the account, non-collection by the recipient within the defined time limit, moving out or death of the recipient of the benefit shall be deposited on the account of Penzijní společnost. The benefit shall be paid again based on a written request of the recipient of the benefit, or the respective natural person or heir.
- 23.14 Benefits shall be paid in the domestic currency unless agreed otherwise.

§ 24 Transfer of Entitlements from the Pension Plans of Nový ČP Penzijní fond, a. s.

All obligations stated in this paragraph were defined only for the contributors who, upon the merger of Nový ČP Penzijní fond, a. s., with the Pension Fund, did not refuse the supplementary pension insurance with the Pension Fund. The exact wording is provided in the full wording of Pension Plan No. 6 of the Pension Fund.

§ 25 Legal Acts

- 25.1 The Contributor's legal acts shall be binding on Penzijní společnost upon delivery thereof to Penzijní společnost.
- 25.2 Legal acts relating to the supplementary pension insurance shall be executed in writing.

§ 26 Legal Effect of the Pension Plan

- 26.1 The Pension Plan shall become legally effective on the date of incorporation of the merger of the pension funds in the Commercial Register.

§ 27 Final Provisions

- 27.1 The Pension Plan was approved, within the meaning of the Act, by the Ministry of Finance of the Czech Republic on 16 August 2004 under Reg. No. 32/82 942/2004-327.
- 27.2 Changes to the Pension Plan, within the meaning of the Act to regulate supplementary retirement savings, were approved by the decision of the Czech National Bank on 6 September 2012 under Reg. No. 2012/8555/570.

Annex to the Pension Plan of the Transformed Fund of Penzijní společnost České pojišťovny

1. Indication

- K – total amount of the Contributor's financial means registered for the benefit of the respective pensions at the date of award of the pension possibly reduced by the amount of the first payment of the pension
- P – amount of the annual pension as of the date of award of the pension
- P² – amount of the bi-annual pension
- P⁴ – amount of the quarterly pension
- P¹² – amount of the monthly pension
- P^{akt} – current amount of pension
- x – age at which the pension starts to be paid
- r – time as from the beginning of payment of the pension in years
- i – actuarial interest rate
- v – discount quotient, $v = (1 + i)^{-1}$
- s – guaranteed time of payment in years
- t – extended time of payment in years
- t' – time as from the Contributor's death
- rV_x – technical provision for the payment of the pension to the Contributor at the age of x+r, who is paid the pension as from the age of x
- rV – technical provision for the payment of the survivor's pension in the year r of payment
- a_x – initial value of the unit life-long pension of the insured person at the age of x
- s|a_x – initial value of the unit life-long pension of the insured person at the age of x with postponed beginning of payment by s years

a_n – initial value of the unit pension paid for the period of n years
A_x – unit initial value of the life-long insurance with the insured person's death at the age of x

The current amount of the actuarial interest rate shall be determined by a decision of the Board of Directors of the company depending on the achieved economic results.

For the calculation of the commutation numbers D_x, N_x, C_x, M_x the current experience tables of the Czech Statistical Office for males and females shall be used with modification by the selection coefficients f_x depending on age x and independent of sex. The values of the f_x coefficients fall within the range of <0,4, 1> and they are defined on the basis of the expected development of mortality. The selection coefficients f_x shall be approved by the Board of Directors of the company. The modified experience tables shall be sent for acknowledgement to the Ministry of Finance of the Czech Republic and the Ministry of Labour and Social Affairs of the Czech Republic and shall be available in the registered office of Penzijní společnost.

The resulting mortality q_x is determined as follows: q_x = f_x · q_x^{CSO}, where q_x^{CSO} refers to mortality from the current experience tables of the Czech Statistical Office for age x.

2. Basic Formulas

$$a_x = N_x / D_x$$

$$s|a_x = N_{x+s} / D_x$$

$$A_x = M_x / D_x$$

$$a_n = (1 - v^n) / (1 - v)$$

3. Amount of Annual Pension

- 3.1 Amount of life-long pension
- $$P = K / a_x$$
- $$rV_x = a_{x+r} P^{akt}$$
- 3.2 Life-long pension with guaranteed payment for a predefined time of s years
- $$P = K / (s|a_x + a_x)$$
- $$rV_x = (s-r)|a_{x+r} + a_{x+r} P^{akt} \quad \text{for } r < s, \quad \text{otherwise } rV_x = a_{x+r} P^{akt}$$
- 3.3 Life-long pension with extended time of payment by t years
- $$P = K / (a_x + a_t A_x)$$
- $$rV_x = (a_{x+r} + a_t A_{x+r}) P^{akt} \quad \text{if the Contributor is alive,}$$
- $$\text{otherwise } rV = a_{t+r} P^{akt} \quad \text{for } t' < t$$
- 3.4 Pension paid on a temporary basis for a period of n years (applies to the survivor's pension pursuant to § 7 para. 7.4)
- $$P = K / a_n$$
- $$rV = a_{n+r} P^{akt} \quad \text{for } r < n$$

4. Method of Calculation of Short-Term Pension

$$p^{(m)} = (1 / m) P$$