

Information on 2015 dividend payment taxation of O2 Czech Republic a.s.

Dear shareholders,

Based on the resolution adopted by the General Meeting held on April 19, 2016, starting from May 19, 2016, the 2015 dividend payment in the amount of CZK 16 per each share before tax will be paid by Česká spořitelna, a.s. Shareholders will be entitled to receive the dividend if they held the stock of O2 Czech Republic a.s. at the record date, i.e. April 19, 2016.

O2 Czech Republic a.s. will withhold the tax due on such dividend and pay it to the tax administration authority in accordance with applicable legal regulations and based on the declared tax residency of the beneficial owner.

If the beneficial owner is a **Czech tax resident**, the following tax rate shall apply in case of delivery of the below mentioned documents:

- i) Physical person: 15 per cent
 - Filled-in application for payment enclosed to the information letter, or declaration of Czech tax residency, or signature of the form if paid at Česká spořitelna's branches
- ii) Company: 15 per cent
 - Filled-in application for payment enclosed to the information letter, or declaration of Czech tax residency

If the beneficial owner is a **tax resident of another state**, the following tax rate shall apply in case of delivery of the below mentioned documents:

- a) Shareholder is a resident of the state with which the Czech Republic has concluded Double Tax Treaty: reduced rate of 0-15 per cent in accordance with relevant treaty
 - Tax residence confirmation and beneficial owner's declaration, OR
 - Tax residence confirmation and filled-in application for payment enclosed to the information letter
- b) Shareholder is a tax resident of the state with which the Czech Republic has concluded Double Tax Treaty: 15%
 - Filled-in application for payment enclosed to the information letter, OR
 - Affidavit on tax residence and beneficial owner's declaration
- c) Shareholder is a resident of the state with which the Czech Republic has concluded a Tax Information Exchange Agreement for the income tax area or another international agreement: 15%
 - Filled-in application for payment enclosed to the information letter, OR
 - Affidavit on tax residence and beneficial owner's declaration
- d) Shareholder is a Czech pension fund or pension institution from the EU state or the EEC: 0%
 - Documents according to article a), b) or c), AND
 - The exemption (0% tax rate) can only be applied if confirmation issued by relevant regulating authority about the status of the Pension Institution is provided as well; otherwise the taxation will be applied according to rules stipulated in articles a), b) and c)
- e) Shareholder is a tax resident of non-contractual state: 35%
 - application of 35 per cent tax rate if the shareholder will not prove that he is a tax resident of the contractual state under the points a) to c)
- f) Shareholder does not provide documents according to articles a) to c): 35%

For the application of the reduced tax rate under the points a) to d), all required documents has to be delivered by **May 16, 2016**, otherwise a basic rate of 35 per cent shall apply.

For the subsequent reduction of the applied tax rate, the shareholder shall provide also a list of all custodians or other entities that forward the dividend payment from Česká spořitelna to them and provide Česká spořitelna with the declarations of such entities confirming the reception and pay-out of dividend.

Please note that the deadline for the subsequent reduction of the applied withholding tax, if appropriate, shall be, according to Section 237 of 280/2007 Coll., Tax Administration Act, 60 days from the first payment day – i.e., **until July 18, 2016**. Applications after this deadline will not be taken into account

We also enclose **templates** of the above mentioned declarations. The above mentioned information will also be stated in an information letter that you will receive soon.