

INVITATION TO GENERAL MEETING

The Board of Directors of Telefónica Czech Republic, a.s.
with its registered seat at Prague 4, Za Brumlovkou 266/2, Postal Code 140 22, registered in
the Commercial Register maintained by the Municipal Court in Prague under Section B, File 2322, hereby convenes
a

REGULAR GENERAL MEETING to be held on May 19, 2014 at 4:00 p.m. at the address Vyskočilova 1442/1b, 140 00 Praha 4 – Michle

upon request of PPF Arena 2 B.V.,
with its registered office at Strawinskylaan 933, Amsterdam, the Kingdom of the Netherlands,
registered in the Commercial Register administrated by the Chamber of Commerce of the city of Amsterdam,
ID 59029765, as the company's qualified shareholder,

Agenda of the Regular General Meeting

1. **Opening**
2. **Approval of Rules of Procedure of the General Meeting, election of the chairman of the General Meeting, the minutes clerk, minutes verifier or verifiers and person or persons to count the votes**
3. **Resolution on the amendment to the company's Articles of Association**
4. **Conclusion**

Decisive Date:

May 12th, 2014 shall constitute the decisive date for attendance at the General Meeting. The meaning of the decisive date for attendance at the General Meeting lies in the fact that a person listed, as of the decisive date, in the extract from the register (where company shares are registered), which extract shall be procured by the Company (unless it proves that the entry in the registration does not correspond to the actual situation) or a proxy of such person shall have the right to attend the regular General Meeting and exercise shareholder's rights, including voting.

Participation in the General Meeting:

a) Registration and representation at the General Meeting

Registration in the attendance list (hereinafter referred to as the "Registration") will take place on the date of the regular General Meeting from 3:00 p.m. at the venue of the regular General Meeting. Shareholder-individuals shall identify themselves by an identity card during the Registration. Unless set out otherwise hereinbelow, a proxy of a shareholder-individual, in addition to the above, shall present a power of attorney signed by such shareholder. The statutory body of a shareholder-legal entity shall identify themselves by an identity card and shall present an original or an officially verified copy of a document demonstrating the existence of the legal entity and the manner of acting of the statutory body thereof on its behalf. Unless set out otherwise hereunder, the proxy of a shareholder-legal entity shall, in addition to the above, present a power of attorney signed by the statutory body. The signature of the principal (whether of a legal entity or an individual) affixed to the power of attorney must be officially verified.

Unless specified otherwise hereunder, the power of attorney granted for representation of the shareholder at the General Meeting shall be made in writing and it must indicate whether it was granted by the shareholder to the attorney for representation at one or more than one General Meeting of the Company.

To grant a power of attorney, shareholders may also use a form to be made available by the Company from **April 28, 2014** until the date of the General Meeting. The form shall be available to everybody at the Company's registered office in a written form, its electronic form shall be available in the same manner as the Company publishes other supporting documents relating to the General Meeting in question; everybody has the right to request that the form will be sent to him/her at his/her own costs and risk in a written form or electronically (for more information on the above mentioned see the part "Note").

An apostille or another clause or verification required by Czech bodies for similar foreign documents must be affixed to the documents mentioned above, should they be issued by foreign bodies or institutions or provided with their apostilles. Should such documents or apostilles be made in a foreign language, an official translation in Czech language must be affixed thereto.

At the electronic address valnahromada@o2.com, shareholders may notify the Company in an electronic form of a granted power of attorney for representation at the General Meeting, as well as withdrawal thereof by the principal. Where such notification does not enable the Company to check whether statutory requirements of the power of attorney have been met or to unambiguously identify the signed person (in particular where a guaranteed electronic signature based on a qualified certificate issued by an accredited certification services provider is not attached to the notification), the Company shall be entitled but not obliged to request additional information to verify the attorney's empowerment. The shareholders may send the notifications pursuant to first sentence also to the Company's databox, the address (ID) of which is d79ch2h. Such notification must also enable to check whether statutory requirements of the power of attorney have been met and, for the sake of trouble-free processing thereof, it is required that the respective message duly identifies the matter (dmAnnotation) with the text "Plna moc na VH". Where representation of the shareholder is demonstrated in some of the above mentioned manners, the Company shall not request presentation of the written power of attorney during the Registration.

The shareholder may also be represented at the General Meeting or in exercising other rights attached to shares by a person entered in the investment tools register or in the book-entry securities register as an administrator or a person authorized to exercise the rights attached to the share. Authorization of the administrator or such person shall be demonstrated by the extract from that register, which extract shall be procured by the Company. Where the shareholder's representation is proven in the above-mentioned manner, the Company shall not request presentation of the written power of attorney. Should the shareholder, pursuant to the first sentence of this paragraph, be interested in being

present at the General Meeting (within the meaning of Art. b.1.) otherwise than through the administrator or another designated person authorized to exercise the rights attached to the share on behalf of the shareholder, they must submit an extract from the statutory register (where the Company's shares are registered) at the registration to demonstrate that they were the company's shareholder on the decisive date.

b) Shareholders' rights and exercise thereof

b.1. Shareholders' rights pertaining to the participation in the General Meeting - general summary

The shareholder shall exercise his/her/its rights at the General Meeting in person, through a person authorized to act on behalf of him/her/it or in representation, unless the law stipulates otherwise; such participating shareholder shall be deemed present at the General Meeting.

The shareholder shall thus be entitled in compliance with the Commercial Code to participate in the General Meeting, to vote at the General Meeting, to request and obtain at or before the General Meeting an explanation of matters concerning the Company or persons controlled by the Company if such explanation is necessary to assess an item on the agenda of the General Meeting, and to raise proposals and counterproposals. Requirements for an explanation shall be made at the General Meeting in suitable form. Shareholders may be requested to make them in writing; such requirement, however, cannot be binding for the shareholder.

b.2. Number of shares and voting rights

The registered capital of the Company amounts to CZK 27,461,384,874 (in words: twenty-seven billion four hundred and sixty one million three hundred and eighty four thousand eight hundred and seventy four Czech crowns) and is divided in 315 648 092 registered common shares with the nominal value of CZK 87 per share and one registered common share with the nominal value of CZK 870. Each CZK 87 of the nominal value of the shares represents one vote; the total number of votes pertaining to company shares equals to 315 648 102.

b.3. Participation in and voting at the General Meeting

The present shareholder (in the sense of point b.1.) shall register upon arrival at the General Meeting (see point a) above). Upon the Registration, the shareholder shall receive materials regarding the individual items of the General Meeting agenda and voting ballots for voting at the General Meeting. The General Meeting shall be deemed as having a quorum if shareholders who have shares with an aggregate nominal value exceeding a half of the share capital of the Company are present (in accordance with rules for shareholders' participation at the General Meeting – see above).

The individual items of the agenda of the General Meeting shall be discussed in the order of the agenda.

Prior to the voting, the chairperson of the General Meeting shall be obliged to ensure that the shareholders are acquainted with all proposals and counterproposals presented by the convening party or by shareholders in respect of the relevant item of the General Meeting agenda. He/she shall also be obliged to ensure that, in compliance with law, the shareholders receive answers at the General Meeting to their requirements concerning the explanation of matters regarding the Company or entities controlled by the Company necessary for the assessment of the relevant item of the General Meeting's agenda, unless such explanation was provided to the shareholders prior to the General Meeting or will be provided subsequently in compliance with the law.

The General Meeting shall decide by the simple majority of the votes of the present shareholders, unless legal regulation or a provision of the Company's Articles of Association sets forth otherwise.

The voting shall take place in compliance with the Company Articles of Association and the Rules of Procedure of the General Meeting, which specify the voting rules stipulated in the Articles of Association and which are approved by the General Meeting (concerning the draft of Rules of Procedure, being one of the documents concerning the agenda of the General Meeting, see the sections "Draft resolutions regarding the General Meeting items and their justification" and "Note" as well).

The voting shall take place by ballots to be signed by the present shareholders. Where a present shareholder is not able to write, the person to count votes shall sign such shareholder's ballot on behalf of him/her. At first, the voting shall take place on the proposal by the convening party and, where such proposal was not approved, votes shall be cast on further proposals and counterproposals regarding the discussed item in the order in which such proposals and counterproposals were presented. When the presented proposal was approved, no votes shall be cast on any other proposals and counterproposals conflicting with the approved proposal.

b.4. Right to present proposals and counterproposals

Where the shareholder wishes to present at the General Meeting counterproposals to the items on the General Meeting's agenda, the shareholder shall be obliged to deliver a written wording of the proposal or counterproposal to the Company at least five working days prior to the date of the General Meeting, unless the proposal deals with a recall or election of corporate bodies members.

The Board of Directors shall announce to the shareholders in a manner specified for the convening of the General Meeting the counterproposal of a shareholder with its opinion in accordance with law and the Articles of Association. This shall not apply if the proposal is delivered less than two days prior to the General Meeting should the disclosure cost unreasonably exceed the purpose and content of the counterproposal, or in case the counterproposal contains more than 100 words. Should the counterproposal contain more than 100 words, the Board of Directors shall present the essence of the proposal to shareholders along with their standpoint, and they shall publish the counterproposal at the web sites. The Board of Directors shall be obliged to publish at least the shareholder's proposals or counterproposals at company's internet sites www.ico60193336.cz, provided that they are submitted prior to the General Meeting.

b.5. Right to request inclusion of a certain matter to the agenda

Shareholder(s) holding registered shares the nominal value of which amounts to at least one per cent of the Company's registered capital, may ask the Board of Directors to convene a General Meeting to discuss proposed matters. Each of the proposed matters must be supplemented by a justification or draft resolution. The shareholder(s) shall substantiate such request with a current extract from the statutory register, where the Company's shares are registered; should the shareholder(s) fail(s) to do so, the Company shall be entitled to obtain the necessary extract on its own at the costs of such shareholder(s).

The cited shareholder(s) shall also have the right that the matter proposed by them be included in the General Meeting agenda on condition that a justification or draft resolution is attached to each proposal. Provided that the request was delivered after the publication and distribution of the invitation to the General Meeting, the Board of Directors shall amend the agenda of the General Meeting 5 days before the General Meeting decisive date at the latest in a manner set out by law and the regulations for General Meeting convocation.

b.6. Other rules for exercise of shareholders' rights

The shareholder is obliged to abide by law, be fair, comply with the company's internal rules, incl. the Articles of Association, and to exercise their rights towards the Company in a way that prevents interventions in rights and rightful interests of the Company and other shareholders, which are known or can and shall be known to the shareholders.

Draft resolutions regarding the General Meeting items and their justification:

Regarding Item 2 of the agenda (Approval of the Rules of Procedure of the General Meeting, election of the chairman of the General Meeting, the minutes clerk, minutes verifier(s) and person(s) to count the votes):

Draft Resolution:

The General Meeting approved the Rules of Procedure of the General Meeting as submitted by the Board of Directors.

Justification:

The Rules of Procedure are an instrument anticipated by the Company's Article of Association and they have been used as a standard at all General Meetings so far. The submitted version is based on the company's best practice and the latest amendments to legislation.

The draft Rules of Procedure of the General Meeting form an inseparable part hereto as Annex 1.

Draft resolution:

The General Meeting elects Petr Kasík as Chairman of the General Meeting, Zuzana Dušková as Minutes Clerk, Jakub Chytil and Eva Stočková as Minutes Verifiers and Messrs Milan Vácha and Martin Hlaváček as scrutineers.

Justification:

The nominations to corporate bodies are implied by mandatory requirements and the Articles of Association and follow the company's practices. The Board of Directors considers the nominees suitable candidates in the respective offices, given their experience and expertise.

Regarding Item 3 of the agenda (Resolution on the amendment to the Company's Articles of Association):

Draft resolution:

The General Meeting resolves to amend the Articles of Association in the following way:

1. The article Basic Provisions shall now read:

"The joint-stock company O2 Czech Republic a.s. (hereinafter referred to as the "Company") was founded by a single action by the National Property Fund of the Czech Republic."

2. In Art. 1(1) the text "Telefónica Czech Republic, a.s." is substituted with the text "O2 Czech Republic a.s."

3. Art. 5(3) shall now read:

"A shareholder shall be entitled to a proportion of the Company profits (a dividend), approved for distribution by the General Meeting on the basis of the Company's financial results, without prejudice to other persons as per the Article 35(2) also receiving a proportion of the profits. The shareholder's proportion shall be determined as a ratio between the nominal value of the shareholder's shares to the nominal value of shares of all shareholders."

4. Art. 8(1)(m) shall now read:

"approve contracts for transfer or pledging or mortgaging of a business establishment or any such part thereof that would result in a material change in the structure of the establishment or a material change in the subject of the business or operations of the Company,"

5. The opening paragraph of Art. 14(4) shall now read:

"The Board of Directors or any member of the Board of Directors may legally act or take any action resulting in any of the following, only with consent from the Supervisory Board:"

6. Art. 14(4)(d) shall now read:

"acquisition or alienation of an ownership interest or any other disposal of an ownership interest (including mortgage)"

7. In Art. 14(4), new point (e) is inserted behind (d). The new point (e) shall read:

"exercising a voting or any other right of a partner, member or similar to participate in the management of a legal person of interest, if the exercising of such right concerns matters which are material for the business or other operation of such legal person of interest, or which could result in a material (either positive or negative) effect on the results of such legal person of interest, its assets or reputation; a legal person of interest is such legal person which the Company owns or in this case controls or such in which the Company holds, either directly or through another person, an ownership interest;"

Original points (e)-(p) shall be marked as (f)-(q).

8. The original Art. 14(4)(e), which shall now be (f), shall now read:

"investment made or any expenditure incurred by the Company if the amount of such investment or expenditure equals (after the deduction of relevant taxes) at least CZK 100 million; and (i) the value of such investment or expenditure is considered in the sum of all and any performances related to it through substance or purpose, or in the sum of all similar performances, between the Company and the same counterparty or a counterparty from the same group of persons connected through personnel or property, for the whole duration of the relationship to which the performance relates, and (ii) if the investment or expenditure had already been approved as a whole, a consent with taking individual steps within the framework of the investment or expenditure is not required;"

9. The original Art. 14(4)(h), which shall now be (i), shall now read:

"conclusion, amendment or termination of a contract of sale, lease or tenancy of the Company assets, or the setting up of a security with respect of these assets in cases when the acquisition price of the assets or its present book value according to the Company books equals at least CZK 100 million (whereas the price or value shall be determined in a sum using the procedure as per point (f) above);"

10. The original Art. 14(4)(k), which shall now be (l), shall now read:

conclusion, amendment or termination of agreements to receive or provide funding, or on the issue, signature or acquisition of a security or any other financial instrument which serves the purpose of providing funding in a total volume exceeding CZK 100 million (whereas the price or value shall be determined in a sum using the procedure as per point (f) above) to the Company or by the Company to a third party;"

11. The original Art. 14(4)(l), which shall now be (m), shall now read:

“conclusion, amendment or termination of a contract or the making of any other legal action in connection with to securing the Company’s or third party’s obligations charged to the Company, or any charge on the Company assets (expressed either as absolute or relative right) if the secured obligations aggregately equal at least CZK 100 million, unless the Company makes such legal or other actions in the usual course of its business and the Supervisory Board had in the past given its consent to such terms, and at the same time the security or charge on assets is being made under terms and conditions which are customary for the situation in question;”

12. Art. 14(5)(d) shall now read:

“take active steps to ensure that in cases when a situation factually similar to a situation as per point 4(e) above is to materialize at a legal person of interest, the situation materializes as a result of relevantly exercised voting or other rights of a partner, member or similar who is connected with the legal person of interest through direct or indirect ownership interest in such a person, unless it happens with the consent of the Supervisory Board or it is precluded by the nature of the matter;”

13. In Art. 14, a new point (7) is inserted behind the original point (6). The new point (7) shall read:

“The Board of Directors is obliged to inform the Supervisory Board of any such situation without undue delay after it happens, of any situation meeting the substance described in points (4)(f), (4)(i), (4)(l) or (4)(m) if the amount involved exceeds CZK 50 million and falls under CZK 100 million.”

The original points (7)-(10) shall be marked as (8)-(11).

14. The original Art. 14(7), now (8), shall read:

“The Board of Directors’ disclosure duty as per point (6) or (7) above is deemed fulfilled if the information or any associated documents had been made available to all members of the Supervisory Board.”

15. The original Art. 14(8), now (9), shall read:

“Unless otherwise stipulated in the law, the Supervisory Board can request additional information or documents above the scope of points (6) or (7) above from the Board of Directors.”

16. Art. 20(3)(b) shall now read:

“elect and recall members of the Board of Directors;”

17. Art. 20(3)(i) shall now read:

“to discuss and give the Board of Directors consent to the legal acts stipulated in Article 14(4) or 14(5); the Supervisory Board can grant its general consent to a specific group of cases;”

18. Art. 20(3)(j) shall now read:

“to be informed regularly on a continuous basis by the Board of Directors, in particular about issues stipulated in Art.14(6) or Art.14(7),

19. The opening paragraph of Art. 34(1) shall now read:

“Unless required otherwise by the law, members of the Board of Directors shall act on behalf of the Company in one of the following ways:”

20. Art. 35(4) shall now read:

“Unless set forth otherwise in accordance with the law, dividends, royalties or shares of the other Company’s resources shall be due within three months following the date on which a resolution of the General Meeting regarding distribution of profits or other resources of the Company was adopted.”

21. Art. 35(5) shall now read:

Unless determined otherwise by a General Meeting resolution or an agreement with a shareholder or by law, the Company shall pay the dividend at its own costs and risk at the address of a shareholder listed in the statutory register, where the company’s shares are registered and which substitutes the list of shareholders (Article 4 (4)) as of the record date. Unless otherwise provided in accordance with the law, the dividend conclusive day is the thirtieth day preceding the due date of the dividend.

22. The headline of Art. 36 shall now read:

“Creation and Use of the Reserve Fund and Other Funds”

23. In Art. 38(1)(g), the full stop at the end is substituted with a comma, and a new point (h) is inserted, which shall read:

“if new shares are issued as part of increasing the share capital, they will have the same right to a proportion of profits attached to them as the original shares.”

Explanation:

The principal reason for the proposed amendment to the Company’s Articles of Association is the change of the company name to O2 Czech Republic a.s. The other proposed changes relate to the determination of the dividend conclusive day and the clarification of and adjustment to some of the controlling powers of the Supervisory Board with respect to the Board of Directors. Finally, some other minor changes have been brought on by the legislative changes which came into effect as of 1 January 2014.

The Board of Directors presents the proposal submitted in the request of the qualified shareholder for convocation of this General Meeting and it has no objections.

Note:

In connection with the items on the agenda of the General Meeting, shareholders or other persons identified by law shall have the following rights as of **28 April 2014** until the date of the General Meeting (incl.):

- the right to inspect, on business days from 9:00 a.m. to 4:00 p.m. in the Company’s registered seat, the draft amendment to the Articles of Association;
- the right to receive, on business days from 9:00 a.m. to 4:00 p.m. in the Company’s registered seat, a written copy of the form of power of attorney mentioned above in point a) in the section “Participation in the General Meeting” (and, as the case may be, to request at their own cost and risk that the form be sent to them);

- the right to obtain at the electronic address www.ico60193336.cz under link "Investor relations", section "General Meetings" the form of the power of attorney mentioned above in point a) in the section "Participation in the General Meeting" (or to ask at the electronic address valnahromada@o2.com for sending such form in its electronic version);
- the right to obtain at the electronic address www.ico60193336.cz under link "Investor relations", section "General Meetings" each document concerning the agenda of the General Meeting, unless the law stipulates otherwise; in addition, such documents are available for inspection on business days from 9:00 a.m. to 4:00 p.m. in the Company's registered seat;
- the right to obtain at the electronic address www.ico60193336.cz under link "Investor relations", section "General Meetings" draft resolutions of the General Meeting, including the shareholders' relevant proposals or counterproposals, and a standpoint of the Company's Board of Directors to the individual items of the General Meeting's agenda; in addition, such information and documents are available for inspection on business days from 9:00 a.m. to 4:00 p.m. in the Company's registered seat;
- the right to get acquainted with the total number of Company's shares and votes related at the electronic address www.ico60193336.cz under link "General Meetings";
- the right to get acquainted with the text of this invitation to the General Meeting at the Company's web sites www.ico60193336.cz, section "Investors Relations", section "General Meetings". In addition to that the invitation may be published in other information sources.

Annex:

The following Annex form inseparable parts hereof:

1. The draft Rules of Procedure of the General Meeting

Board of Directors of Telefónica Czech Republic, a.s