

# INVITATION TO GENERAL MEETING

The Board of Directors of O2 Czech Republic a.s.  
with its registered seat at Prague 4, Za Brumlovkou 266/2, Postal Code 140 22, recorded in  
the Commercial Register maintained by the Municipal Court in Prague under Section B, File 2322, hereby convenes

## REGULAR GENERAL MEETING

to be held on 8 December 2015 at 11:00 a.m.  
at the address TOP HOTEL Praha, Blažimská 1781/4, 149 00 Praha 4 – Chodov

### 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 verifiers and persons to count the votes
3. Approval of the contribution of a part of the enterprise into its subsidiary O2 IT Services s.r.o. and approval of the Agreement on the contribution of a part of the enterprise
4. Resolution on purchase of the Company's own shares
5. Election of a member of the Audit Committee
6. Approval of an Agreement on performance of the office of the Audit Committee member
7. Conclusion

### Decisive Date:

1 December 2015 shall constitute the decisive date for attendance at the General Meeting ("Decisive date"). 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 ("Registration") will take place on the date of the regular General Meeting from 10:00 a.m. at the venue of the regular General Meeting. A shareholder-individual shall identify himself by an identity card during the Registration. Unless set out otherwise herein below, a proxy of a shareholder-individual, in addition to the above, shall present a power of attorney signed by such a shareholder. The statutory body of a shareholder-legal entity shall identify himself 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 6 November 2015. The form shall be available to everybody at the company's registered seat 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 address [valnahromada@o2.cz](mailto:valnahromada@o2.cz), 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 the first sentence also to the company's data-box, 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 registered in the investment tools register or in the book-entered 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 legal regulations 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 or to exercise rights of the shareholder at the General Meeting, and to raise proposals and counterproposals. Requests for an explanation shall be made at the General Meeting in a 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 3,102,200,670 (in words: three billion one hundred and two million two hundred thousand six hundred and seventy Czech crowns) and is divided in 310,220,057 registered common shares with the nominal value of CZK 10 per share and one registered common share with the nominal value of CZK 100. Each CZK 10 of the nominal value of the shares represents one vote; the total number of votes pertaining to company shares equals 310,220,067.

### **b. 3. Description of the 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 will be discussed in an order displayed on 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 or for exercise of shareholders' rights at the General Meeting, 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 member.

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 the 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 website [www.ico60193336.cz](http://www.ico60193336.cz) (ref. „Investor relations“ section „General Meetings“ („Company website“). The Board of Directors shall be obliged to publish at least the shareholder's proposals or counterproposals at the company's website provided that they are submitted prior to the General Meeting.

### **b. 5. Right to request addition of a certain matter to the agenda**

Shareholder(s) holding registered shares in 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 added to 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 the law and the regulations for the convention of the General Meeting.

## **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 on individual items of the General Meeting including justification:**

**On Item 2 of the agenda** (Approval of Rules of Procedure of the General Meeting, election of the chairman of the General Meeting, the minutes clerk, minutes verifiers and persons to count the votes):

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#### Draft Resolution (1):

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

#### Draft resolution (2):

**The General Meeting elects Petr Kasík as Chairman of the General Meeting, Michaela Kršková as Minutes Clerk, Eva Stočková and Michael Granát as Minutes Verifiers and Messrs Petr Brant, Milan Vácha and Martin Hlaváček as scrutineers.**

#### Justification:

The nominations to General Meeting bodies are implied by mandatory requirements and the company's 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.

**On Item 3 of the agenda** (Approval of the contribution of a part of the enterprise into its subsidiary O2 IT Services s.r.o. and approval of the Agreement on the contribution of a part of the enterprise):

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#### Draft Resolution:

**The General Meeting approves the contribution of the Professional Services division as a part of the enterprise of O2 Czech Republic a.s., with its registered seat at Prague 4, Za Brumlovkou 266/2, Postal Code 140 22, identification number 60193336, recorded in the Commercial Register maintained by the Municipal Court in Prague under Section B, File 2322, into O2 IT Services s.r.o., with its registered seat at Prague 4, Za Brumlovkou 266/2, Postal Code 140 00, identification number 02819678, recorded in the Commercial Register maintained by the Municipal Court in Prague under Section C, File 223566, under the conditions described in detail in the draft Agreement on the contribution of a part of the enterprise as submitted to the General Meeting; the General Meeting approves a conclusion of the Agreement on the contribution of a part of the enterprise based on the proposal submitted to the General Meeting.**

#### Justification:

As of 2016, the Board of Directors intends to integrate two separate business units currently operating within the O2 group. These two units, Professional Services division as a part of the enterprise and current provider of IT services to O2 group, company O2 IT Services s.r.o., identification number 02819678 (hereinafter „O2 ITS“), which is wholly owned subsidiary of the company, deal with similar business activities.

Professional Services division has a relevant architectural and implementation capacity, know-how and key commercial functions in IT field. However, the company is procedurally and organizationally focused mainly on provision of telecommunication services. On the other hand, O2 ITS possesses significant technological and operational capacity and know-how, but does not have competencies in the area of commercial functions. Thus, from a business perspective, the integration of current Professional Services division and O2 ITS represents a logical step.

The relevant analyses lead to a conclusion, that the most suitable form of this reorganisation would be a contribution of Professional Services division as a part of the enterprise into O2 ITS with the share capital increase of this company.

As a result of the contribution, the stake of the company in O2 ITS will nominally increase, from current CZK 200,000 to CZK 200,000,000, i.e. by CZK 199,800,000. With respect to the requirement of the Business Corporations Act to evaluate every contribution in kind to a limited liability company, E & Y Valuations s.r.o., with its registered seat at Prague 1 – Nové Město, Na Florenci 2116/15, Postal Code 110 00, identification number 16190581, prepared and expert valuation No. 31/21779182/15 as of 23 October 2015, based on which the price (value) of the Professional Services division reaches to CZK 867,900,000 as of 31 August 2015. The difference between the amount by which the (only) stake of the company in O2 ITS, and so the share capital of O2 ITS, and the total price of Professional Services division will be used for creation of the reserve fund of O2 ITS.

Whereas the Board of Directors of the company considers inclusion of the Professional Services division into O2 ITS as a substantial change of its enterprise, not only with respect to the value of this division (value of transferred contracts) and importance of ICT area for O2 group, but also because this inclusion will result into change in the organisational structure of the company, it is necessary to approve this contribution by the company's General Meeting, in accordance with Art. 8 Para 1 (m) of the company's Articles of Association and § 421 Para 2 (m) of the Business Corporations Act. Therefore the Board of Directors submits to the General Meeting to approve the realisation of the contribution of the Professional Services division into O2 ITS and a draft Agreement on the contribution of a part of the enterprise (Professional Services division), which shall be concluded between the company and O2 ITS.

The Board of Directors of the company and representatives of O2 ITS assume that O2 ITS as an integrated company will continue after the completion of this process to act as a provider of IT services for O2 group and at the same time as a supplier of IT services and solutions for external market. Execution of this intra-group reorganisation will lead to strengthening of general competence of O2 group in the ICT area and consolidation of the position of strong player on ICT services market. Draft Agreement on the contribution forms an inseparable part hereto as Annex 2.

**On Item 4 of the agenda** (Resolution on purchase of the Company's own shares):

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Draft resolution:

**The General Meeting grants its consent to the company to purchase own shares under the following conditions:**

- a) **The maximum number of shares that may be acquired by the company: 31,022,005 ordinary booked shares of the company, while the nominal value of each share as of the day of adoption of this resolution is CZK 10**
- b) **Allowed acquisition period: 5 years commencing on the day of adoption of this resolution**
- c) **Minimum acquisition share price: CZK 10**
- d) **Maximum acquisition share price: CZK 297**
- e) **Maximum total acquisition price of all shares, which the company can acquire based on this resolution: CZK 8 billion,**

**whereby this consent replaces the consent to purchase the company's own shares granted by the General Meeting on 19 April 2012.**

Justification:

On 19 April 2012, the General Meeting approved the company's own shares acquisition program, i.e. a process which had been expressly allowed by the law, and which is still allowed by the law, and which is considered the standard in context of foreign as well as Czech practise. The acquisition period was approved until 2017. Since the date of the approval of the company's own shares acquisition program, the conditions for its execution substantially changed.

Within this program, the Board of Directors finds advantages both for the shareholders and the company. Therefore it proposes to approve a program with new parameters. The expected advantages from the company's perspective shall consist in a possibility to flexibly manage a capital and financial structure of the company; at the same time from the shareholders' perspective, the program shall enable expansion of cash payment in benefit of those shareholders, who decide to exercise this option, or an increase of the value for those shareholders who decide to keep their shares.

Eventual approval of the proposed company's own shares acquisition program by the General Meeting does not affect further legal requirements and limits which the Board of Directors has to follow, whether in relation to the capital markets, or in relation to the shareholders or the company itself (specifically the shareholders equal treatment obligation or obligation to act with due care).

**On Item 5 of the agenda** (Election of a member of the Audit Committee):

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Draft resolution:

**The General meeting elects Mr. Michal Brandejs, born on 21 February 1967, resident at Bartákova 110/34, Prague 4, a member of the Audit Committee.**

Justification:

The Board of Directors proposes a candidate for the Audit Committee member in relation to the vacancy following the resignation of Mr. Ondřej Chaloupecký, whose office has terminated on 17 October 2015. The Board of Directors considers the proposed candidate as suitable with respect to his qualification and experience.

**On Item 6 of the agenda** (Approval of an Agreement on performance of the office of the Audit Committee member):

Draft resolution:

**The General Meeting approves entering into the Agreement on performance of the office of the Audit Committee member between the company and Mr. Michal Brandejs, born on 21 February 1967, resident at Bartákova 110/34, Prague 4, as submitted to the General Meeting.**

Justification:

The Agreement on performance of the office represents a standard instrument setting out rights and responsibilities of the company and the member of the Audit Committee and acts as one of the motivation instruments for execution of the office of a member of the Audit Committee. The draft agreement is based on a standard template of the agreement that the company has been using so far, incl. remuneration and other perquisites, and that respects the company's practices. A draft template of the Agreement based on which the Agreement on performance of the office shall be concluded (after relevant identification data are filled in), forms an inseparable part hereto as Annex 3.

**Note:**

In connection with the items on the agenda of the General Meeting, shareholders or other persons identified by the law shall have the following rights as of **6 November 2015** until the date of the General Meeting (incl.):

- the right to obtain on business days from 9:00 a.m. to 4:00 p.m. at 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 company's website [www.ico60193336.cz](http://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.cz](mailto:valnahromada@o2.cz) for sending such form in its electronic version);
- the right to obtain at the company's website the expert valuation No. 31/21779182/15 prepared by E & Y Valuations s.r.o. as of 23 October 2015 and any other document pertaining to the agenda of the General Meeting unless otherwise stipulated by law; the document will also be available for inspection from 9:00 a.m. to 4:00 p.m. at the company's registered seat;
- the right to obtain, at the company's website, draft resolutions of the General Meeting, including the shareholders' relevant proposals or counterproposals, and the position of the company's Board of Directors on individual items on the agenda of the General Meeting; in addition, such information and documents are available for inspection on business days from 9:00 a.m. to 4:00 p.m. at the company's registered seat;
- the right to get acquainted with the total number of company's shares and related votes at the company's website;

- the right to get acquainted with the text of this invitation to the Regular General Meeting at the company's website; additionally, the invitation may be published in other information sources.

**Annexes:**

The below annexes form an inseparable part of the invitation:

Annex 1: Rules of Procedure of the General Meeting

Annex 2: Draft Agreement on the contribution of a part of the enterprise including its Annexes

Annex 3: Draft template Agreement on performance of the office of the Audit Committee member

**Board of Directors of O2 Czech Republic a.s.**