

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 19 April 2016 at 2:00 p.m.

at the address Kongresové centrum Praha, ul. 5. května 65, 140 21 Praha 4
entrance No. 4, Panorama hall, 1st floor (underground C line, Vyšehrad station)

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. The Board of Directors' Report on the Company's Performance and the status of its assets (integral part of the 2015 Annual Report), a summary explanatory report concerning certain matters set out in the company's 2015 Annual Report, conclusions of the 2015 Report on Relations
4. Presentation of the Supervisory Board's surveillance activities including information on the Report on Relations review
5. Approval of the company's 2015 Financial Statements
6. Decision on the distribution of company's profit for 2015 and retained earnings from the previous years
7. Appointment of an auditor to conduct mandatory audit of the company in 2016
8. Resolution on the amendment to the company's Articles of Association
9. Conclusion

Decisive Date:

12 April 2016 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 1:00 p.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 **18 March 2016**. 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, 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 (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):

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.

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, Josef Nuhlíček 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 (The Board of Directors' Report on the Company's Performance and the status of its assets (integral part of the 2015 Annual Report), a summary explanatory report concerning certain matters set out in the company's 2015 Annual Report, conclusions of the 2015 Report on Relations):

Board of Director's statement:

The Board of Directors is submitting its report on the Company's performance and the state of assets pursuant to § 436 Para. 2 of the Business Corporations Act and the Company's Articles of Association. This report is contained in the Company's 2015 Annual report (hereinafter „2015 Annual Report“) in chapter 4. Further, pursuant to the requirement of § 118 Para. 8 of the Act on Business Activities on Capital Market, the Board of Directors is submitting to its shareholders an explanatory report. Information in the summarised explanatory report dealing with issues under § 118 Para. 5 (a)–(k) of the Act on Business Activities on Capital Market, is contained in chapter 6.9 of the 2015 Annual Report. The 2015 Annual Report (see its Appendix) also contains a report on relations developed under § 82 and the Business Corporations Act (conclusions from the Report will be presented at the General Meeting). The full version of the 2015 Annual Report i.e. all cited parts, is available at the company's seat and on the web site. It will also be ready for all shareholders during the General Meeting. No vote on this item is expected

On Item 4 of the agenda (Presentation of the Supervisory Board's surveillance activities including information on the Report on Relations review):

Board of Director's statement:

The subject of this agenda item is the presentation of the results of the Supervisory Board's surveillance activities and the submission of report on the results of the review of the 2015 Report on Relations to be presented by an appointed member of the Company's Supervisory Board pursuant to the requirement of § 83 Para. 1, § 447 Para. 3 and § 449 Para. 1 of the Business Corporations Act. The Board of Directors hereby declares that the Supervisory Board did not raise any reservations on the regular and consolidated financial statements 2015, on the 2015 profit distribution proposal and the 2015 Report on Relations by the Board of Directors. The report of the Supervisory Board is available at the Company's seat and on the web site. It will also be ready for all shareholders during the General Meeting. No vote on this item is expected.

On Item 5 of the agenda (Approval of the company's 2015 Financial Statements):

Draft resolution (1):

The General Meeting approves the regular financial statements of the company for 2015 verified by the auditor and submitted by the company's Board of Directors.

Justification:

The company has the obligation, based on the applicable law, to prepare the regular financial statements for the past accounting period. The Board of Directors is presenting its statement as stipulated in the Business Corporations Act to the General Meeting. The regular financial statements are available to all shareholders at the company's seat and on the company's web site. The regular financial statements offer a truthful and honest picture of the status of and the transactions with the property, assets, obligations and other receivables, as well as about the revenues and costs and the overall financial performance of the company. The auditor expressed an unqualified opinion the regular financial statements. In addition, the regular financial statements were reviewed by the Supervisory Board, which found no discrepancies, and thus recommended the regular financial statements to be approved by the General Meeting (see report of the Supervisory Board, agenda item 4).

Draft resolution (2):

The General Meeting approves the consolidated financial statements of the company for 2015 verified by the auditor and submitted by the company's Board of Directors.

Justification:

The company has also the obligation, based on the applicable law, to prepare the consolidated financial statements for the past accounting period. The Board of Directors is presenting the statements to the General Meeting as stipulated in the Business Corporations Act. The consolidated financial statements are available to all shareholders at the company's seat and on the company's web site. The consolidated financial statements offer a truthful and honest picture of the status of and the transactions with the property, assets, obligations and other receivables, as well as about the revenues and costs and the overall financial performance of the company. The auditor expressed an unqualified opinion the regular financial statements. In addition, the regular financial statements were reviewed by the Supervisory Board, which found no discrepancies, and thus recommended the consolidated financial statements to be approved by the General Meeting (see report of the Supervisory Board on agenda item 4).

On Item 6 of the agenda (Decision on the distribution of company's profit for 2015 and retained earnings from the previous years):

Draft resolution:

The General Meeting approves the distribution of unconsolidated profit generated by the company in 2015 worth CZK 4,710,828,846.08 (after tax) as follows:

1) contributions to reserve fund	CZK 0.00
2) contributions to social fund	CZK 8,000,000.00
3) royalties	CZK 0.00
4) dividends	CZK 4,702,828,846.08
5) retained earnings from previous years	CZK 0.00

The General Meeting approves that CZK 260,692,225.92 of the unconsolidated retained earnings from the previous years (in current total amount of CZK 656,877,608.00) should be used as follows:

1) dividends	CZK 260,692,225.92
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The company assets also include treasury shares. Pursuant to § 309 Para. 2 of the Business Corporations Act, the entitlement to share some of the profit from this type of shares shall extinct on the payment date. The company will transfer this unpaid share of profit to the account of the retained earnings from the previous years.

A dividend of CZK 16 (before tax) will be paid to each share with the nominal value of CZK 10. A dividend of CZK 160 (before tax) will be paid to the each share with the nominal value of CZK 100. Under the terms & conditions arising from the Czech law, the relevant tax will be deducted (subtracted) from the above sum before the dividend is paid out.

Those persons who will be the shareholders of the company as at the conclusive day shall have the right for a dividend (hereinafter "Conclusive day for dividend") including their heirs and/or legal successors showing evidence of their entitlements. The respective shareholders will be identified based on the dividend status registered as of the Conclusive day for dividend in an extract from the statutory register enabled by the company (unless the records in the register differ from the actual).

The dividend payment date will be 19 May 2016. The responsibility for the payment of dividends rests with the company's Board of Directors. The costs of the payment transaction will be borne by Česká spořitelna, a.s. and where not regulated by this resolution, the payment shall be carried out in compliance with legal regulations and the company's Articles of Association.

The Conclusive day for dividend will be, in accordance with the company's Articles of Association, 19 April 2016.

Without any undue delay after the General Meeting, the Board of Directors shall publish on the company's web site and mail to the shareholders the resulting resolution of the General Meeting on the dividend payment of including the information on the dividend pay-out schedule, the Conclusive day for dividend, the dividend payment date and the financial institution designated to pay the dividend out. This information must be mailed to the shareholder's at the address of their registered office or their place of residence listed in the securities register administrated in accordance with Act No. 256/2004 Coll., on Business Activities on Capital Market, as amended.

Justification:

In accordance with the Business Corporations Act and the company's Articles of Association, it is the responsibility of the General Meeting to resolve on the distribution of profit including retained earnings from the previous years. The dividend is determined on the grounds of the regular financial statements. The Board of Directors proposes that the profit 2015 and retained earnings from the previous years shall be distributed in amounts compliant with the provisions of the Business Corporations Act and the company's Articles of Association. The amount of the profit to be distributed is stated in the draft resolution. The resolution specifies the amount of dividend per share as well as other details relevant for the pay out of dividend such as the Conclusive day for dividend, the dividend due date and the payment method.

The Board of Directors believes that the proposed dividend is adequate to the financial position and needs of the company, namely the exercising of shareholder rights to receive the dividend in proposed amount will not put the existing or future business of the company at risk. In addition, the proposed dividend pay-out is in line with declared long-term company's dividend policy, based on which the Board of Directors intends to propose distribution of 90% to 110% of net unconsolidated profit. The proposed dividend amount represents distribution of 105% of net unconsolidated profit for 2015. Having reviewed the proposal of the Board of Directors, the Supervisory Board recommends this item be approved by the General Meeting.

Shareholders will be informed about the pay out of dividend in line with the Act on Business Activities on Capital Market, on the company's web site and also by letter mailed to the shareholder's address registered in the securities register.

On Item 7 of the agenda (Appointment of an auditor to conduct mandatory audit of the company in 2016):

Draft resolution:

Based on the proposal from the Supervisory Board and recommendation from the Audit Committee, the General Meeting appoints the auditor KPMG Česká republika Audit, s.r.o. (ID No. 49619187, registered seat Praha 8, Pobřežní 648/1a, Post code 186 00) to conduct mandatory audit of the company for 2016.

Justification:

Pursuant to Act 93/2009 of Coll., on audits, as amended, and in compliance with the company's Articles of Association, the appointment of auditor falls under the competence of the General Meeting. Following recommendations from the Audit Committee, the Supervisory Board proposes to appoint KPMG Česká republika Audit, s.r.o. as the external auditor. The Audit Committee in its recommendation stated that KPMG Česká republika Audit, s.r.o., which carried out the statutory audit of the company for the year 2015, performed properly all of the services of the statutory audit,

fulfilled all the requirements of the statutory auditor independence, has sufficient knowledge in the field of telecommunications in the region and in the field of listed companies audit. Thus appointment of KPMG Česká republika Audit, s.r.o. as an auditor also for the year 2016 will ensure the proper conduct of the statutory audit. Based on this recommendation, the Supervisory Board proposes to the General Meeting to appoint KPMG Česká republika Audit, s.r.o. as the auditor for 2016.

On Item 8 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 as follows:

1. **In Art. 3 the new point 11A will be added after point 11 with the following wording:**
„11A. Performance of the activity of a non-bank provider of consumer credit or an independent intermediary or a tied agent who mediates in the consumer credit.”
2. **In Art. 3 the dot at the end of point 12 will be deleted and new points 13 and 14 will be added with the following wording:**
„13. Insurance mediation.
14. Performance of the activity of a tied insurance intermediary, a subordinated insurance intermediary, an insurance agent or an exclusive insurance agent.”
3. **Art. 8 (1) (m) shall now read:**
“approve 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,”
4. **Art. 10 (2) shall now read:**
“The attending shareholders shall be registered in an attendance list which contains the business name and the registered office of the legal entity or the name and the domicile of the natural person who is a shareholder, or also his proxy, the nominal value of the shares which authorize their holders to vote, or indication that no voting rights are attached to the shares. The convener shall provide for the registration of the shareholders the attendance list. If the convener refuses to enter a certain person in the attendance list, such fact shall be stated in the attendance list, with the reasons for refusal. The accuracy of the attendance list shall be confirmed by the signatures of the convener of the General Meeting or by a person nominated by him.”
5. **Art. 13 (2) shall now read:**
“Proposals and declarations submitted to the General Meeting for discussion and the list of attendance at the General Meeting shall be attached to the record.”
6. **In Art. 20 (3) (m) the dot at the end will be replaced by comma and new letter (n) will be added, which shall now read:**
“propose an auditor to the General Meeting.”
7. **Art. 28 (7) shall now read:**
“If a member of the Audit Committee dies, resigns from office, is dismissed or the term of office expires otherwise, a substitute member of the Audit Committee in the predetermined rank order will become ordinary member of the Audit Committee. If the vacant office cannot be manned with the substitute member of the Audit Committee as described above, the Audit Committee continues to be quorate and requirements for the Audit Committee's composition and members stemming from legal regulations are fulfilled, the General Meeting shall not be obliged to elect a new member of the Audit Committee.”
8. **Art. 28 (8) shall now read:**
“If a member of the Audit Committee dies, resigns from his/her office, is dismissed or the term of his/her office expires otherwise, the vacant office cannot be manned with the substitute member of the Audit Committee (see point (7) above) and the Audit Committee is at the same time no longer quorate or the requirements for the Audit Committee's composition and members stemming from legal regulations are not fulfilled, the General Meeting shall elect new members of the Audit Committee within three months.”
9. **In Art. 42 current para (4) will be deleted, current para (5) will be newly marked (4) and current para (6) will be newly marked (5) , while reference included to “para (3) to (5)” will be replaced by reference to “para (3) and (4)”.**

Justification:

The reason for the proposed amendment to the Company's Articles of Association is primarily the modification of the company's subject of business (activity) “consumer credit providing and mediation” and extension of the subject of business (activity) with insurance mediation.

Currently, the company has a trade authorisation for consumer credit provisioning and mediation under the existing law no. 145/2010 Coll., on Consumer Credit and Amending Certain Laws. It uses this authorisation to sell Extra Karta product - i.e. a credit card, which is a joint product of the company and Home Credit a.s. and which is offered to contract (postpaid) customers to reduce their churn. Currently, the Czech Parliament is considering a new draft law on Consumer Credit (presented by the Government to the Chamber of Deputies on 22 December 2015, and marked as Parliamentary print 679/0), which, among others, defines the authorization for the provision and mediation of consumer credit differently and narrowly, tightens conditions for obtaining such an authorisation and confers supervision of compliance with statutory obligations in this sector to the Czech national Bank in place of trade offices (hereinafter the “draft”). If the draft is adopted in its current wording, the existing trade authorisation of the company will be abolished. In order to allow the company to continue providing or mediating in the consumer credit without any interruption under the new legislation, in accordance with section 169 para 1 of the draft, it is necessary to submit a request to the Czech National Bank for the authorisation of these activities under the new law in three months following its entry into force. In relation to consumer credit mediation, it is possible to obtain the authorisation either to independent performance of such an activity (an intermediary is then allowed to take action simultaneously for several credit providers, but at the price of undertaking a stricter responsibility and meeting higher regulatory requirements, particularly a compulsory insurance and a higher staff expertise), or to tied performance of such an activity (in such a case an intermediary is allowed to work merely for a single credit provider or for one independent intermediary). The aim of the proposed resolution is to retain the company's authorization for consumer credit provisioning and mediation even after the adoption of the draft in this area – the resolution will allow the Board of Directors, later this year and without convening the next General Meeting, to file with the Czech National Bank the request for the authorisation in accordance with the legislation to be adopted in future. Addition of a new point, which mentions individual alternatives of the extent

of such an authorisation eligible for the company under the prospective regulation on consumer credit, allows the Board of Directors in its decision-making to take into account the future shape of the law, Czech National Bank requirements for obtaining the authorisation, as well as specific business objectives and possible future market opportunities.

The Board of Directors intends to obtain authorisation for the company to mediate insurance pursuant to law no. 38/2004 Coll., on Insurance Intermediaries and Insured Loss Assessors (hereinafter the "Law on Insurance Intermediaries"). This authorisation will allow the company to offer insurance products, like travel insurance or vehicle liability insurance, to its existing customers in connection with electronic communications services. This new activity shall help to achieve a better customer base utilisation, increase company revenue on top of revenue from telecommunications activities (declining particularly due to roaming regulation within the EU) and also motivate customers to keep a more permanent and stronger relationship with the company through comprehensive customer care and increasing number of products, offered by the company and used by its customers. In order to allow the company to start the insurance mediation business, it is necessary to submit a request to the Czech National Bank for the authorisation of this activity under the Law on Insurance Intermediaries. This authorisation may be obtained either to independent performance of insurance mediation (an intermediary is then allowed to take action simultaneously for several insurers, and to mediate even in the products that are competing with each other, but at the price of undertaking a stricter responsibility and meeting higher regulatory requirements, particularly a compulsory insurance and a higher staff expertise), or to tied performance of such an activity (in such a case, an intermediary is allowed to work only for a single insurer or for one independent intermediary or to mediate in the products that are not competing with each other). Current types of insurance intermediaries (a tied insurance intermediary, a subordinated insurance intermediary or an exclusive insurance agent for tied performance of the activity and an insurance agent for independent performance of the activity) and specific conditions for their business, however, might be modified this year by the amendment to the Law on Insurance Intermediaries, whose draft has already been submitted to the Parliament as Parliamentary print 415/0, and following its completion, it should be presented again later this year by the Minister of Finance pursuant to Government resolution no. 534 of 1 July 2015. The aim of the proposed resolution is to approve the extension of the objects of the company in the company's Articles of Association with insurance mediation, and thus allow the Board of Directors, according to the current market situation, to decide with due diligence to obtain the authorisation for this activity and to start its performance. Adding two points to the Articles of Association - one general and the other one stating individual alternatives of the extent of such an authorisation eligible for the company under the current regulation on insurance mediation - allows the Board of Directors in its decision-making to take into account any future changes to the law, the requirements of the Czech National Bank to obtain the authorisation, as well as specific business objectives and possible future market opportunities.

Other proposed changes only formally modify selected parts of Articles of Association, particularly with regard to the amendment of the law governing the accounting and the auditors' activities (including – in the company case – mandatorily established Audit Committee) or more closely align the wording of the Articles of Association with applicable laws.

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 **18 March 2016** (other stated differently below) 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 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 for sending such form in its electronic version);
- the right to obtain, at the company's website the draft amendment to the company's Articles of Association; 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 the 2015 regular and consolidated financial statements of the company and the Annual Report containing among others also the Board of Directors' Report on the Company's Performance and the status of its assets and the Report on Relations; these documents will be available at the company's website also at least 30 days after the General Meeting date;
- the right to obtain, at the company's website any other document relating to the agenda of the General Meeting, unless the law stipulates otherwise;
- 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;
- 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 Annex - Rules of Procedure - forms the inseparable part of the invitation

Board of Directors of O2 Czech Republic a.s.