



Telefónica O2 Czech Republic, a.s.

Za Brumlovkou 266/2

140 22 Prague 4

Company ID: 60193336

Recorded in the Commercial Register administrated by the Municipal Court in Prague, Section B, Enclosure 2322

## THE MINUTES OF THE GENERAL MEETING of Telefónica O2 Czech Republic, a.s.

held on April 3, 2009  
at Prague Marriott Hotel, V Celnici 8, 110 00, Prague 1

The convocation of the General Meeting of Telefónica O2 Czech Republic, a.s. (hereinafter referred to as the "Company") was announced in Hospodářské noviny and Obchodní věstník on 4 March 2009. The invitation card was mailed to the shareholders owning the registered share within the period of time set out by law.

**see – Enclosure 1 to the Minutes**

### **Regarding Item 1 of the Agenda:**

The General Meeting was opened at 1.05 p.m by the 1<sup>st</sup> Vice Chairman of the Board of Directors of Telefónica O2 Czech Republic a.s. and CEO and Statutory Representative of Telefónica O2 Slovakia, s.r.o., Mr. Juraj Šedivý. He welcomed all present participants and announced that JUDr. Marie Malá, the public notary, was present and that the joint stock company Centrum hospodářských informací was the technical co-organiser of the General Meeting. After that he presented the report on attendance as at 1 p.m. At the General Meeting, there were 94 shareholders who own or represent shares in the nominal value of CZK 24,085,625,900, which corresponds to 74.78 % of the joint stock company Telefónica O2 Czech Republic's registered capital. The General Meeting had a quorum.

**see – Enclosure 2 to the Minutes**

### **Regarding Item 2 of the Agenda:**

Juraj Šedivý suggested that present shareholders approve the Rules of Procedure given to them at the registration, and elect the General Meeting bodies. The Board of Directors suggested electing Ing. Jan Zelený as Chairman of the General Meeting, PhDr. Marcela Ulrichová as Minutes Clerk, Mgr. Richard Klouček and Ing. Vladimír Brož as Minutes Verifiers and RNDr. Antonín Králík and Václav Novotný as persons to count the votes (scrutineers).

## **Resolution No. 2.1**

**The General Meeting approves the Rules of Procedure of the General Meeting, as proposed by the Board of Directors of the Company.**

## **Resolution No. 2.2**

**The General Meeting elects Mr. Jan Zelený as Chairman of the General Meeting, Ms. Marcela Ulrichová as Minutes Clerk, and Mr. Richard Klouček and Mr. Vladimír Brož as Minutes Verifiers, and Mr. Antonín Králík and Mr. Václav Novotný as persons to count the votes (scrutineers).**

**A shareholder (his name is unidentifiable from the record) asked why he had not received an invitation to the General Meeting (he owns approximately 1200 registered shares)**

*Member of the Board of Directors and General Counsel, Jakub Chytil, replied that the Company published the announcement of the General Meeting in accordance with law and the Company's Articles of Association, therefore the respective shareholder could not have received an invitation to the General Meeting.*

**Shareholder, Vladimír Běhůnek, asked in what part of the General Meeting a discussion was going to take place. Mr. Šedivý replied that shareholders would be able to ask questions or request for explanation in a discussion to each item of the General Meeting agenda.**

Since no counterproposals had been submitted, Mr. Šedivý invited the present shareholders to vote.

Shareholders voted on the approval of the Rules of Procedures and elected the General Meeting bodies **with the Ballot 1**. The Rules of Procedures were approved by 239,574,751 votes, which represent 99.44 % of all present votes. The General Meeting Chairman was elected by 239,571,731 votes, which represent 99.44% of all present votes; the Minutes Clerk was elected by 239,567,249 votes, which represents 99.44% of all present votes, Minutes Verifiers were elected by 239,567,767 votes, which represents 99.44% of all present votes and persons to count votes were all elected by 239,567,249 votes, which represent 99.44 % of all present votes.

The General Meeting approved the Rules of Procedure and elected the General Meeting bodies according to the submitted proposal of the Board of Directors.

**see - Enclosure 3 to the Minutes**

Ing. Jan Zelený, Chairman of the General Meeting, thanked to the present shareholders for the confidence manifested by their votes and stated that all procedural issues on the General Meeting agenda had been accomplished.

Mr. Zelený stated that the next item on the agenda was the "Report by the Board of Directors on business activities of the company and state of its assets as part of the annual report of the company for the year 2008". Pursuant to the Commercial Code, the annual report also included the "Board of Directors' Report pursuant to sec. 66a of the Commercial Code on relations among interconnected entities" that was reviewed by the Supervisory Board and verified by the external auditor as well as the "Summarizing Explanatory Report of the Board of Directors according to Sec. 118 (8) of the Act on Undertaking Business on Capital market". Shareholders received the Annual Report along with other General Meeting materials.

### **Regarding Item 3 of the Agenda:**

Mr. Salvador Anglada, Chairman of the Board of Directors and Chief Executive Officer, presented the "Board of Directors' report on the company's business activities and the state of its assets".

The report was presented in English language.

**see – Enclosure 4 to the Minutes**

**Shareholder Milan Pospíchal** asked whether the Company's estimated financial and business results for 2009 were going to be adjusted in light of the present economic development in CR, and he also (repeatedly) asked about the estimated net Company profit in 2009.

Salvador Anglada replied that the Company publically indicated the financial outlook of this year's annual consolidated financial results (revenues, OIBDA, operating CF) approximately one month ago, having considered the global economic crisis and its impacts on the Czech economy. Therefore, it is not necessary to change this outlook – despite the currently unfavourable progress of the Czech economy. With respect to Mr. Pospíchal's request regarding the Company's estimated consolidated net profit in 2009, Mr. Anglada, stated that the Company did not provide this information, however, it provided its estimated revenues, profitability (OIBDA) and operating cash flow.

Based on his own experience, **shareholder Vladimír Běhůnek** criticised the system filing complaints in O2 brand shops regarding mobile phones bought in these shops. His second comment had a form of a suggestion that the Company consider providing benefits to its minority shareholders (e.g. mobile phones or free minutes).

In response to the first comment, Salvador Anglada stated that the Company prioritised customer satisfaction, which includes, inter alia, shortening of the time to service activation, however, the presented case definitely does not fit into this concept. The issue of accepting complaints about communications equipment purchased in O2 brand shops shall be reviewed. With respect to the second complaint, Salvador Anglada noted that the Company awards its shareholders (including the minority ones) with dividends.

**Shareholder Jindřich Kubát** asked how the Company's headcount reduction in 2008 affected the aggregate personnel costs and whether this trend shall be pursued in 2009 as well. Further on, Mr. Kubát pointed out the difference between the Company's consolidated and standalone financial statements, when it comes to the amount of the profit and other key financial parameters, and asked which of Telefónica O2 Czech Republic Group companies adversely influenced the level of consolidated profit.

In his reply to the first part of the question, Salvador Anglada stated that the management's target for 2008 as well as for 2009 was to enhance effectiveness of Company operation and to improve quality of customer services, which requires transformation of a number of activities in the Company, induces changes in job contents and in some cases leads to headcount reduction.

Member of the Board of Directors and Vice President, Financial Division, Jesús Pérez de Uriguen, replied to the other part of the question by explanation that the gap in profit indicators of the consolidated financial statements of the Company was caused by the subsidiary Telefónica O2 Slovakia, s.r.o., which, despite its high growth potential, still finds itself in the launch phase – it doubled its revenues on a year-on-year basis, however, in terms of consolidated results, it decreased the OIBDA indicator by 2.4%. Still, in light of the positive trends, successful future progress of the company can be anticipated.

**Shareholder Miroslav Klimeš** filed 3 questions in writing that were answered during the discussion on item 14 and that, considering their content, are part of the information to that item. All of them were answered on behalf of the Company by Jakub Chytil.

With respect to the question ① whether the Company considered sending bills to Company (fixed lines) customers electronically, which should decrease Company's expenditures, Mr. Chytil confirmed that this solution is being on the agenda and that its functioning is being tested in a pilot project. ② Next question dealt with sending marketing offers for telecommunications services to its customers – Mr. Chytil confirmed that recipients (customers) may unsubscribe from getting such information upon request, nevertheless, electronic mailing of offers for Company services belongs to Company's standard marketing tools, the aim of which is to provide as good services to its customers as possible. ③ Next question dealt with the Company's strategy in the area of fixed lines (according to Mr. Klimeš, the Company absolutely resigned from being competitive in this field of telecommunications industry) – Mr. Chytil stated in his reply that the fixed line flat rate had been regulated until 2006, which caused serious troubles for the Company because the price was below Company's costs. Once the regulation was released, the fixed line flat rate was rebalances which resulted in the churn of approximately 300,000 customers. An important contribution to that was the fixed line substitutability for mobile connectivity services.

**Regarding Item 4 of the Agenda:**

Mr. Jaime Smith, Chairman of the Supervisory Board, presented to the General Meeting the results of supervisory activities of the company's Supervisory Board, including information on review of the report on relations among interconnected entities.

The report was presented in English language.

**see – Enclosure 5 to the Minutes**

**Regarding Item 5 of the Agenda:**

Mr. Jesús Pérez de Uriguen, Member of the Board of Directors and Vice President, Financial Division, presented the proposal for the approval of financial statements for 2008 – the regular annual financial statements for 2008 and consolidated financial statements for 2008.

The report was presented in English language.

**Shareholder Slavomil Schneider** asked whether the Company's financial results for 2008 included the profits from the sale of the formed seat of the Company (2 buildings and a lot in Prague 3, Olšanská street).

*Jesús Pérez de Uriguen replied that the respective property transaction was finalised only this year, and therefore it could not have been included in the Company 2008 results. However, in accordance with accounting regulations, the transaction was mentioned in the Annex to the Financial Statements.*

**Shareholder Milan Pospíchal** asked about the current status of litigations, where the Company acts as a defendant, and about adequacy of the set up reserves (and whether they corresponded the current progress and status of the litigations).

*Mr. Chytil replied that all litigations were conducted for the best of the Company (with a standard due care of a manager), and their progress is continuously monitored by the Company's external auditor, especially when it comes the adequacy of the set up-reserves). Mr. Chytil confirmed that the reserves are set up considering potential risks for the Company; nevertheless, the amount of reserves for each litigation is a business secret, because their disclosure could harm the Company (it could give an indication to the other litigation party, how high the Company assesses the risk). The litigations are in various procedural stages and some of them are expected to be resolved, at least in the first instance, this year. As for the execution proceedings against the Company that was associated with dispute with T-Mobile Czech Republic, a.s., dealing with 2001 interconnection costs, it was terminated in April 2008 and the Company may freely dispose of its property.*

Mr. Zelený read the draft resolution to the approval of the company's financial statements for 2008.

**Resolution No. 5a**

**The General Meeting approves the Annual Financial Statements of Telefónica O2 Czech Republic, a.s., for 2008, as audited, and submitted by the Company's Board of Directors.**

**Resolution No. 5b**

**The General Meeting approves the Consolidated Financial Statements of Telefónica O2 Czech Republic, a.s. for 2008, as audited, and submitted by the Company's Board of Directors.**

Since no counterproposals had been submitted, Mr. Zelený invited the present shareholders to vote.

Shareholders voted on the approval of the annual financial statements for 2008 and the consolidated financial statements for 2008 **with the Ballot 2**. 240,825,488 votes voted in favour of the approval of the annual financial statement for 2008, which represents 99.96 % and 240,817,847 votes voted in favour of the consolidated financial statements, which represents 99.96 % of all present votes.

The General Meeting approved the annual financial statements for 2008, as submitted by the Board of Directors.

The General Meeting approved the consolidated financial statements for 2008, as submitted by the Board of Directors.

**see – Enclosure 7 to the Minutes**

**Regarding Item 6 of the Agenda:**

Mr. Jesús Pérez de Uriguen, Member of the Board of Directors and Vice President, Financial Division, presented the proposal on distribution of Company profit for 2008 and retained Company profit from previous years, and as the case may be, other available own resources of the Company, including determination of royalties for 2008.

**see – Enclosure 8 to the Minutes**

Chairman of the General Meeting, Jan Zelený, briefed the General Meeting of the statement of the Company's Supervisory Board to the presented draft resolution of the Board of Directors that the Supervisory Board adopted at its meeting held on 3 April 2009: "The Supervisory Board reviewed the Board of Directors' draft resolution on distribution of Company profit for 2008 and retained Company profit from previous years, and as the case may be, other available own resources of the Company, incl. determination of royalties for 2008, and recommends that the General Meeting approves the draft resolution"

**Shareholder Vladimír Běhůnek** came up with a technical comment (no counterproposal) regarding the dividend payment decisive day, saying that the dividend should be paid out before summer vacations.

**A shareholder (his name is unidentifiable from the record)** asked whether the Company profit for 2008 includes the Company's income from the sale of buildings (Company's real estate) in Prague 3, Olšanská.

Chairman of the General meeting, Mr. Zelený, and subsequently Jesús Pérez de Uriguen replied that the revenues from the sale of the said Company's real estate would be included in financial results of the Company only in 2009. Mr. Pérez de Uriguen added that the Company profit for 2008 includes revenues from the sale of Company's real estate finalised in 2008.

**Shareholder Mr. Maršík** asked about the construction of the aggregate dividend sum and its composition in terms of the sum forming the 2008 Company profit and the amount of retained profit from previous years.

In his response Mr. Zelený confirmed correctness of the data set out in the Board of Directors' proposal.

**Shareholder Martin Müller** asked about the item in the Company's consolidated financial statement "retained profit and other funds" totalling to CZK 21,5 billion and about the dividend policy to be applied in a long-term outlook.

The first part of the question was answered by Jesús Pérez de Uriguen and also by a comment from the assembly (shareholder Jindřich Kubát) – in addition to the Company's annual profit (2008) and retained profit from previous years, the respective item also contains the Company's reserve fund and social fund. With respect to the other part of the question dealing with the Company's future dividend policy, Jesús Pérez de Uriguen replied that the company's long-term intention is to pay out excessive cash balance (i.e. the cash Company does not use for its business activities) to its shareholders in a form of dividends. Nevertheless, the suggested dividend sum shall always be subject to thorough analysis and shall depend on the Company's growth strategy and investment opportunities.

**Shareholder Jindřich Kubát** was interested in the Company's potential to pay out 2009 dividend in the amount proposed at this General meeting, i.e. CZK 50 per share, or in other ways of ensuring resources for the dividend payout.

Mr. Anglada replied that following the to-date dividend policy does not mean that the Company guarantees or declares a concrete amount of dividend. The Company shall make the decision each

year on the grounds of various criteria, in particular, the progress of business results and business outlook and cash flow capacity. After that, Jesús Pérez de Uriguen briefly explained last year's financial operations, when, upon the Supervisory Board's consent, the Company's reserve fund was supplemented from the agio and free reserve fund resources, originally cumulated from contributions from the Company profit, were used to increase capacity for the dividend payout (these funds were returned to the retained profit from previous years). Mr. Chytil added that the Board of Directors only suggests the amount of dividend, since the final resolution on the dividend amount and payment day rests with the shareholders, or as the case may be, the General Meeting.

Regarding the item of the Company's (both consolidated and standalone) financial statements "profit from sales of long-term assets" amounting to CZK 855 million, in particular, **shareholder Milan Pospíchal** asked for an explanation what the item consisted in, i.e. which assets were concerned.

Mr. Pérez de Uriguen replied that in 2008, a large number of redundant realties owned by the Company was sold and that the revenues from this transaction were included in the Company's financial results for 2008.

#### **Resolution No. 6**

The regular General Meeting approves the unconsolidated profit of Telefónica O2 Czech Republic, a.s. (hereinafter "Company") for 2008 in the amount of CZK 13,092,928,908.44 after tax to be distributed as follows:

1)	contribution to the reserve fund	0.00 CZK
2)	contribution to the social fund	23,000,000.00 CZK
3)	royalties	0.00 CZK
4)	dividends	1,3,069,928,908.44 CZK

Additionally, the General Meeting approves the unconsolidated retained profits from previous years (in the current total amount of CZK 5,309,102,151.87) in the amount of CZK 3,034,566,091.56 to be used as follows:

1)	contribution to the reserve fund	0.00 CZK
2)	contribution to the social fund	0.00 CZK
3)	royalties	0.00 CZK
4)	dividends	3,034,566,091.56 CZK

Further, the General Meeting proposes to the Regular General Meeting that the unconsolidated retained profits of previous years in the total amount of CZK 2,274,536,060.31 shall remain undistributed.

A dividend of CZK 50.00 before tax shall thus be paid to each share with the nominal value of CZK 100, and a dividend of CZK 500.00 before tax shall be paid to each share with the nominal value of CZK 1,000. Under the conditions arising from the Czech legal regulations, the relevant tax shall be deducted (subtracted) by the Company before effecting the payment.

Those persons will have the title to dividend who will be the shareholders of the Company as at the conclusive day (hereinafter "conclusive day for dividend"), or their heirs or legal successors, provided that they prove the existence of their title. In the case of book-entry bearer shares, these are the shareholders registered as at the conclusive day for dividend in the register of book-entry securities kept by the Securities Centre, in the section determined for the issuer. In the case of registered shares, it is the shareholder registered as at the conclusive day for dividend in the list of shareholders kept by the Company.

The conclusive day for dividend shall be 9th September 2009.

The dividend shall be payable on 7th October 2009. The payment of the dividend shall be the responsibility of the Board of Directors of the Company, and the payment shall be effected at the costs of the Company and in compliance with legal regulations and the Articles of Association. The Board of Directors of the Company shall notify the shareholders of the date, venue and method of payment of the dividend and of the conclusive day for dividend in the manner set forth by the Articles of Association and by the Act on Convocation of General Meeting.

**Without undue delay after holding this regular General Meeting, the Board of Directors shall send to the shareholders holding the registered share a notification of the date, venue and method of payment of the dividend and of the conclusive day for dividend, in writing at the address given in the list of shareholders.**

*Shareholder Petr Vozábal asked whether it was possible to propose different dividend conclusive day and day of payment.*

*Chairman of the General Meeting, Jan Zelený, replied that a shareholder is entitled to file their suggestion as a counterproposal, where they must specify the differences from the proposal submitted by the Company's Board of Directors. Mr. Zelený added that in compliance with the Rules of Procedure, the counterproposal shall be voted on, if the General Meeting fails to approve the proposal submitted by the Board of Directors (an entity convoking the General Meeting).*

*In that respect, **shareholder Petr Vozábal filed a counterproposal** – the dividend conclusive day shall be 20 April 2009, the dividend shall be paid out on 15 May 2009.*

**See – Enclosure 9 to the Minutes**

Firstly, Mr. Zelený invited shareholders to voting on the Board of Directors' proposal.

Shareholders voted on the approval of the proposal on distribution of Company profit for 2008 and retained Company profit from previous years, and as the case may be, other available own resources of the Company, including determination of royalties for 2008 **with the Ballot 3**. 240,865,755 votes voted in favour of the approval, which represents 99.98 % of all present votes. The General Meeting approved the resolution on distribution of Company profit for 2008 and retained Company profit from previous years, and as the case may be, other available own resources of the Company, including determination of royalties for 2008.

**see – Enclosure 10 to the Minutes**

#### **Regarding Item 7 of the Agenda:**

Being authorised by the Board of Directors of the Company, the General Meeting Chairman presented the proposal for approval of amendment to the Articles of Association.

The draft amendment to the Articles of Association has been available to shareholders duly for a period of time set out by law before the today's General Meeting. Moreover, all shareholders received this document along with the draft resolution to on the registration. For the sake of an effective use of time, the Board of Directors thus recommends not presenting the whole document verbally. He asked whether any shareholder had a comment thereto.

**see – Enclosure 11 to the Minutes**

#### **Resolution No. 7**

**The General Meeting resolves on an amendment to Company's Articles of Association whereby the current text (containing Basic Provisions and Articles 1 through 41) shall be replaced with amended text (containing Basic Provisions and Articles 1 through 41, including Articles 26a through 26f), as proposed by the Company's Board of Directors.**

Since no other proposals or counterproposals were submitted to the Board of Directors within the period of time set out by law, and none of the present asked for explanation, the General Meeting Chairman invited to voting.

Shareholders voted on the approval of amendment to the Articles of Association **with the Ballot 4**. 240,687,895 votes voted in favour of the approval, which represents 99.93 % of present votes.

The General Meeting approved the amendment to the Articles of Association, as submitted by the Board of Directors.

**see – Enclosure 12 to the Minutes**

### **Regarding Items 8 and 9 of the Agenda:**

Mr. Zelený stated that no proposal for a recall of Supervisory Board members was submitted and presented the proposal by the Board of Directors for election of members of the Supervisory Board.

He stated that Mr. Anselmo Enriquez Linares was co-opted as a substitute member of the Supervisory Board until the day of the General Meeting in accordance with Art. 21 (6) of the Articles of Association after resignation of Andrew Harley, who left her post in the Supervisory Board of Telefónica O2 Czech Republic, a.s. and in accordance with Art. 21(4) of the Articles of Association the tenure of her office terminated on the day when it was discussed, i.e. on 24 July 2008; Mr. Eduardo Andres Julio Zaplana Hernández-Soro was co-opted as a substitute member of the Supervisory Board until the day of the General Meeting in accordance with Art. 21 (6) of the Articles of Association after resignation of Mr. Petr Zatloukal, who left his post in the Supervisory Board of Telefónica O2 Czech Republic, a.s. on 23 June 2008, and in accordance with Art. 21(4) of the Articles of Association, the Supervisory Board discussed his resignation on 21 April 2008; Mr. Enrique Used Aznar was co-opted as a substitute member of the Supervisory Board until the day of the General Meeting in accordance with Art. 21 (6) of the Articles of Association after resignation of Mr. Vivek Dev, who left his post in the Supervisory Board

of Telefónica O2 Czech Republic, a.s. and in accordance with Art. 21(4) of the Articles of Association, the tenure of his office terminated on the day when it was discussed, i.e. on 24 February 2009.

Mr. Zelený also stated that all the nominees met all legal qualifications to become Supervisory Board members and had confirmed their consent with being nominated to this body of Telefónica O2 Czech Republic, a.s.

Brief resumes of the candidates were available to the General Meeting.

***see – Enclosure 13 to the Minutes***

#### **Resolution No. 9.1**

**The General Meeting elects a new member of the company's Supervisory Board**

**Eduardo Andres Julio Zaplana Hernández-Soro, born on 3 April 1956, domiciled at Paseo de la Castellana, N° 138-8º, 280 36 Madrid, the Kingdom of Spain.**

#### **Resolution No. 9.2**

**The General Meeting elects a new member of the company's Supervisory Board**

**Enrique Used Aznar, born on 2 June, 1941, domiciled at C/ Arroyofresno, 24, 280 35 Madrid, the Kingdom of Spain.**

#### **Resolution No. 9.3**

**The General Meeting elects a new member of the company's Supervisory Board**

**Anselmo Enriquez Linares, born on 2 October 1964, domiciled at 16 Richardsons Mews, London, W1T 6BS, United Kingdom.**

Since no other proposals or counterproposals were submitted, Jan Zelený invited to voting.

Shareholders voted on election of Anselmo Enriquez Linares, Eduardo Andres Julio Zaplana Hernández-Soro and Enrique Used Aznar as members of the Supervisory Board **with the Ballot 6**. 238,858,718 votes voted in favour of the election of Eduardo Andres Julio Zaplana Hernández-Soro, which represents 99.17 % of present votes. 238,862,682 votes voted in favour of the election of Enrique Used Aznar, which represents 99.17 % of present votes. 238,858,214 votes voted in favour of the election of Anselmo Enriquez Linares, which represents 99.17 % of present votes.

The General Meeting elected Anselmo Enriquez Linares, Eduardo Andres Julio Zaplana Hernández-Soro and Enrique Used Aznar as members of the Supervisory Board.

***see – Enclosure 14 to the Minutes***



### **Regarding Item 10 of the Agenda:**

Being empowered by the Board of Directors, the General Meeting Chairman presented the draft resolution on the amendment to the rules for remuneration of members of the Company Supervisory Board.

***see – Enclosure 15 to the Minutes***

#### **Resolution No. 10**

**The General meeting resolves on changes of the rules governing remuneration of members of the Supervisory Board of the Company whereby the current text shall be replaced with amended text, as proposed by the Company's Board of Directors. Remuneration, to which the right has arisen pursuant to the current text of the rules, shall be rendered in accordance with the current text; remuneration pursuant to the amended text shall not be rendered to the extent, to which it may be rendered for the same period in accordance with the current text**

Since no other proposals or counterproposals were submitted, the General meeting Chairman invited to voting.

Shareholders voted on the approval of the amendment to the rules for remuneration of members of the Company Supervisory Board **with the Ballot 7**. 240,739,528 votes voted in favour of the approval, which represents 99.95 % of present votes.

The General Meeting approved the resolution on rules for remuneration of members of the Company Supervisory Board.

***see – Enclosure 16 to the Minutes***

### **Regarding Item 11 of the Agenda:**

Being empowered by the Board of Directors, the General Meeting Chairman presented the draft resolution on the amendments to the rules for provisioning of non-claim perquisites to members of the Company's Supervisory Board.

***see – Enclosure 17 to the Minutes***

#### **Resolution No. 11**

**The General meeting resolves on the amendments to the rules for provisioning of non-claim perquisites to members of the Supervisory Board of the Company whereby the current text shall be replaced with amended text, as proposed by the Company's Board of Directors. Perquisites, which cannot be rendered pursuant to the amended text of the rules any more, shall not be rendered; perquisites pursuant to the amended text shall not be rendered to the extent, to which they have already been rendered for the same period in accordance with the current text.**

Since no other proposals or counterproposals were submitted, the General meeting Chairman invited to voting.

Shareholders voted on the approval of the resolution on the amendments to the rules for provisioning of non-claim perquisites to members of the Company's Supervisory Board **with the Ballot 8**. 240,730,856 votes voted in favour of the approval, which represents 99.95 % of all present votes.

The General Meeting approved the resolution on the amendments to the rules for provisioning of non-claim perquisites to members of the Company's Supervisory Board.

***see – Enclosure 18 to the Minutes***

### **Regarding Item 12 of the Agenda:**

Being empowered by the Board of Directors, Chairman of the General Meeting presented a proposal for approval of agreements on performance of the office of members of the Supervisory Board.

**see – Enclosure 19 to the Minutes**

#### **Resolution No. 12**

**The General Meeting approves conclusion of the agreement on the performance of the office of a member of the Supervisory Board between the Company and Mr. Eduardo Andres Julio Zaplana Hernández-Soro, Enrique Used Aznar, Anselmo Enriquez Linares, Pavel Herščík, Tomáš Fírbach, Petr Gazda, Dušan Stareček and Lubomír Vinduška.**

Since no other proposals or counterproposals were submitted, General Meeting Chairman invited to voting.

**With the Ballot 9**, shareholders voted on the approval of agreements on the performance of the office of a member of the Supervisory Board.

240,765,308 votes voted in favour of the approval of the agreement with **Eduardo Andres Julio Zaplana Hernández-Soro**, which represents 99.96 % of all present votes.

240,765,322 votes voted in favour of the approval of the agreement with **Enrique Used Aznar**, which represents 99.96 % of all present votes.

240,769,790 votes voted in favour of the approval of the agreement with **Anselmo Enriquez Linares**, which represents 99.96 % of all present votes.

240,765,487 votes voted in favour of the approval of the agreement with **Pavel Herščík**, which represents 99.96 % of all present votes.

240,764,983 votes voted in favour of the approval of the agreement with **Tomáš Fírbach**, which represents 99.96 % of all present votes.

240,764,969 votes voted in favour of the approval of the agreement with **Petr Gazda**, which represents 99.96 % of all present votes.

240,769,451 votes voted in favour of the approval of the agreement with **Dušan Stareček**, which represents 99.96 % of all present votes.

240,765,487 votes voted in favour of the approval of the agreement with **Lubomír Vinduška**, which represents 99.96 % of all present votes.

The general Meeting approved agreements on the performance of the office of a member of the Supervisory Board.

**see – Enclosure 20 to the Minutes**

**Shareholder (the name is unidentifiable from the record)** asked for an explanation of a contractual penalty in the amount of CZK 100,000 in case of violating the competition ban with respect to the compensation for the assumption of the non-competition commitment provided after the membership in the Supervisory Board is terminated (in the amount of six average flat pays according to the Rules for remuneration of Supervisory Board members that falls to a Supervisory Board member in the month preceding the one, in which the respective Supervisory Board member leaves their office in the Company's Supervisory Board).

*Mr. Chytil explained that in case of violation of the competition ban as set out in the agreement on the performance of the office of a member of the Supervisory Board /SuB/, a contractual penalty amounting to CZK 100,000 is imposed on the violator (former SuB member), who is concurrently obligated to return the non-competition commitment compensation to the Company.*

#### **Regarding Item 13 of the Agenda**

Chairman of the General Meeting, Mr. Zelený, stated that having approved the amendments to the Articles of Association as a part of item 7 of the GM agenda, the General Meeting established the Audit Committee as an independent six-member body of the Company. The Board of Directors suggests to the General Meeting that members of the dissolved Audit and Control Committee, i.e. Messers. **Jaime Smith Bastera, Alfonso Alonso Durán, Ángel Vilá Boix and Pavel Herščík, and Ms. Maria Pilar López Álvarez**, as well as **Mr. Enrique Used Aznar**, a newly elected member of the Supervisory Board, become members of the Audit Committee. **The Board of Directors nominates no substitute members of the Audit Committee.**

Mr. Zelený stated that all the nominees met all legal qualifications to become Audit Committee members and have confirmed their consent with being nominated to this body of Telefónica O2 Czech Republic's. Mr. Zelený also informed shareholders that the Company's Board of Directors nominated no substitute members of the Audit Committee.

Brief resumes of the candidates were available at the General Meeting.

**See – Enclosure 21 to the Minutes**

#### **Resolution No. 13.1**

**The General Meeting elects a new member of the company's Audit Committee**

**María Pilar López Álvarez**, born on 13 June 1970, domiciled at C/Mozart, 5 8° D, 28008 Madrid, the Kingdom of Spain.

#### **Resolution No. 13.2**

**The General Meeting elects a new member of the company's Audit Committee, Alfonso Alonso Durán**, born on 8 August 1957, domiciled at Pozuelo de Alarcón, c/Mercedes de la Cardinieri 14, 282 23 Madrid, the Kingdom of Spain.

#### **Resolution No. 13.3**

**The General Meeting elects a new member of the company's Audit Committee, Ángel Vilá Boix**, born on 29 July 1964, domiciled at Chalet H, c/Laguna Grande n°.2, 280 34 Madrid, the Kingdom of Spain.

#### **Resolution No. 13.4**

**The General Meeting elects a new member of the company's Audit Committee, Jaime Smith Bastera**, born on 6 September 1965, domiciled at c/Comunidad de Canarias, 61, Urbanización Soto Cabañas, Las Rozas, 282 30 Madrid, the Kingdom of Spain.

#### **Resolution No. 13.5**

**The General Meeting elects a new member of the company's Audit Committee, Pavel Herščík**, born on 30 January 1951, domiciled at Jeřabinova 293/1, 150 00 Prague 5, Motol, Czech Republic.

#### **Resolution No. 13.6**

**The General Meeting elects a new member of the company's Audit Committee, Enrique Used Aznar**, born on 2 June 1941, domiciled at C/ Arroyofresno, 24, 280 35 Madrid, the Kingdom of Spain.

***Shareholder Milan Pospíchal** asked about the essence and reasons of the establishment of the Audit Committee and the dissolution of the Supervisory Board's Audit and Control Committee.*

*Mr. Chytil explained in his reply that the former Audit and Control Committee was one of the Supervisory Board Committees, while the newly established Audit Committee is an independent corporate body. In effect, the Company's controlling mechanisms shall be supervised even more*

*thoroughly by the corporate bodies. As for law-related reasons, the change has been a reaction to the Czech Auditors Act (transposition from the Unitarian law – Directive 2006/43/ES - on statutory audits of annual accounts and consolidated accounts) that has been already approved by the Czech Parliament. Telefónica O2 Czech Republic, a.s. is the first company in CR that established the Audit Committee, which is in line with the Company's best practice to apply all corporate governance "news" before other Czech joint-stock companies. As for effectiveness, with this step the Company eliminated the necessity to convoke an extraordinary General meeting at the end of this year in this matter (note: the Auditors Act obligates liable persons to harmonise their structure with this law till the end of 2009).*

**Shareholder Slavomil Schneider** asked whether the new Audit Committee would be independent of all other corporate bodies, which Mr. Chytil confirmed.

Since no other proposals or counterproposals were submitted, Jan Zelený invited to voting.

**With the Ballot 10**, shareholders voted on the election of Ms. Maria Pilar López Álvarez and Messrs. Jaime Smith Basterra, Alfonso Alonso Durán, Ángel Vilá Boix, Pavel Herščík and Enrique Used Aznar as members of the Audit Committee.

238,855,474 votes, which represents 99.17 % of all present votes elected Maria Pilar López Álvarez as a member of the Audit Committee.

238,851,006 votes, which represents 99.17 % of all present votes elected Alfonso Alonso Durán varez as a member of the Audit Committee.

238,851,510 votes, which represents 99.17 % of all present votes elected Angel Vilá Boix as a member of the Audit Committee.

238,851,510 votes, which represents 99.17 % of all present votes elected Jaime Smith Basterra as a member of the Audit Committee.

238,855,635 votes, which represents 99.17 % of all present votes elected Pavel Herščík as a member of the Audit Committee.

238,851,006 votes, which represents 99.17 % of all present votes elected Enrique Used Aznar as a member of the Audit Committee.

The General Meeting elected Ms. Maria Pilar López Álvarez and Messrs. Jaime Smith Basterra, Alfonso Alonso Durán, Ángel Vilá Boix, Pavel Herščík and Enrique Used Aznar as members of the Audit Committee.

**See – Enclosure 22 to the Minutes**

#### **Regarding Item 14 of the Agenda**

Being empowered by the Board of Directors, Chairman of the General Meeting presented a draft Resolution on the approval of the rules for remuneration of members of the Audit Committee.

**See – Enclosure 23 to the Minutes**

#### **Resolution No. 14**

**The General Meeting approves the rules for remuneration of members of the Audit Committee as proposed by the Board of Directors of the Company.**

Questions of shareholder Miroslav Klimeš, the subject of which was associated with Item 3 of the General meeting agenda were answered during the discussion on this item. In order to comply with the principle of orderliness, in this General Meeting Minutes, they were included in the item with a relevant subject-matter.

**See – Enclosure 24 of the Minutes**

Since no other proposals or counterproposals were submitted, Jan Zelený invited to voting.

**With the Ballot 11**, shareholders voted on the approval of the rules for remuneration of members of the Audit Committee. 240,742,682 votes voted in favour, which represents 99, 95% of all present votes.

The General Meeting approved the rules for remuneration of members of the Audit Committee.

**See – Enclosure 25 of the Minutes**

**Regarding Item 15 of the Agenda:**

Being empowered by the Board of Directors, Chairman of the General Meeting presented the draft resolution on the approval of the rules for provisioning of non-claim perquisites to members of the Audit Committee.

**See – Enclosure 26 to the Minutes**

**Resolution No. 15**

**The General Meeting approves the rules for provision of non-claim perquisites to members of the Audit Committee as proposed by the Board of Directors of the Company.**

Since no other proposals or counterproposals were submitted, Jan Zelený invited to voting.

**With the Ballot 12**, shareholders voted on the approval of the rules for provisioning of non-claim perquisites to members of the Audit Committee. 240,746,633 votes voted in favour, which represents 99, 95% of all present votes.

The General Meeting approved the rules for remuneration of members of the Audit Committee.

**See – Enclosure 27 to the Minutes**

**Regarding Item 16 of the Agenda:**

Being empowered by the Board of Directors, Chairman of the General Meeting presented the proposal for approval of agreements on performance of the office of members of the Audit Committee.

**see – Enclosure 28 to the Minutes**

**Resolution No. 16**

**The General Meeting approves conclusion of the agreement on the performance of the office of a member of the Audit Committee between the Company and Ms. Maria Pilar López Álvarez, Mr. Alfonso Alonso Durán, Ángel Vilá Boix, Jaime Smith Basterra, Pavel Herščík and Enrique Used Aznar.**

Since no other proposals or counterproposals were submitted, General Meeting Chairman invited to voting.

**With the Ballot 13**, shareholders voted on the approval of agreements on the performance of the office of a member of the Audit Committee with Ms. Maria Pilar López Álvarez, Mr. Alfonso Alonso Durán, Ángel Vilá Boix, Jaime Smith Basterra, Pavel Herščík and Enrique Used Aznar.

240,763,567 votes voted in favour of the approval of the agreement with Maria Pilar López Álvarez, which represents 99.96 % of all present votes.

240,763,571 votes voted in favour of the approval of the agreement with Alfonso Alonso Durán, which represents 99.96 % of all present votes.

240,763,553 votes voted in favour of the approval of the agreement with Ángel Vilá Boix, which represents 99. 96 % of all present votes.

240,768,035 votes voted in favour of the approval of the agreement with Jaime Smith Basterra, which represents 99. 96 % of all present votes.

240,763,228 votes voted in favour of the approval of the agreement with Pavel Herščík, which represents 99.96 % of all present votes.

240,763,611 votes voted in favour of the approval of the agreement with Enrique Usued Aznar, which represents 99.96 % of all present votes.

The General Meeting approved the agreements on performance of the office of members of the Audit Committee.

**see – Enclosure 29 to the Minutes**

**Chairman of the General Meeting summarised the course of the General Meeting and closed it at 3.45 p.m.**

3 April 2009

Jan Zelený in his own hand  
Chairman .....

Marcela Ulrichová in her own hand  
Minutes Clerk .....

Vladimír Brož in his own hand                      Richard Klouček in his own hand  
Minutes Verifiers ..... and .....

Enclosures:

1. Copy of the announcement on the General Meeting convocation and the announcement on the amendment to the General Meeting's agenda
2. Shareholders Attendance Lists and the Report on Attendance as at 1 p.m.
3. Report on Voting Results – Ballot 1
4. Report by the Board of Directors on business activities of the company and the state of its assets and the Company's Annual Report 2008
5. Report by the Supervisory Board
6. Proposal for the approval of financial statements
7. Report on Voting Results – Ballot 2
8. The proposal for the distribution of profit
9. Counterproposal – P. Vozábal
10. Report on Voting Results – Ballot 3
11. The amended Articles of Association
12. Report on Voting Results – Ballot 4
13. Proposal for election of members of the Supervisory Board
14. Report on Voting Results – Ballot 6
15. Draft resolution on the amendment to the Rules for Remuneration of members of the Supervisory Board.
16. Report on Voting Results – Ballot 7
17. Draft resolution on the amendments to the rules for provisioning of non-claim perquisites to members of the Company's Supervisory Board
18. Report on Voting Results – Ballot 8
19. Draft proposal for the approval of agreements on performance of the office of a member of the Supervisory Board
20. Report on Voting Results – Ballot 9
21. Draft proposal for Election of members of the Audit Committee
22. Report on Voting Results – Ballot 10
23. Draft resolution on the approval of the rules for remuneration of members of the Audit Committee
24. Request for explanation – M. Klimeš
25. Report on Voting Results – Ballot 11
26. Draft resolution on approval of the rules for provisioning of non-claim perquisites to members of the Audit Committee
27. Report on Voting Results – Ballot 12
28. Draft proposal for the approval of agreements on performance of the office of a member of the Audit Committee
29. Report on Voting Results – Ballot 13