



## DRAFT PROPOSALS

**for voting in writing outside the General Meeting**  
pursuant to Section 19 Lex COVID

**of O2 Czech Republic a.s.,**  
with its registered office in Prague 4, Za Brumlovkou 266/2,  
postal code 140 22, company ID number 60193336, entered in the Commercial Register kept by the  
Municipal Court in Prague under file number B 2322  
(hereinafter referred to as the "Company"),

**with voting period from 28 May 2021 to 14 June 2021**

---

Concerning item 1 on the order of decisions: Approval of the Company's standalone financial statements for the year 2020

DRAFT RESOLUTION:

**Outside the meeting, the General Meeting approves in writing the standalone financial statements of the Company for 2020 verified by an auditor, which were presented by the Board of Directors in the form of publication on the Company's website ([www.ico60193336.cz](http://www.ico60193336.cz)) under the tab Investor Relations, section Annual and Half-year Reports as part of the Company's Annual Report for the year 2020.**

*Justification: The Company is obliged to prepare standalone financial statements for the past accounting period pursuant to applicable laws, and the Board of Directors presents them to the General Meeting for approval in accordance with the Business Corporations Act. The standalone financial statements are part of the Annual Report for the year 2020 and are available to shareholders on the Company's website. Standalone financial statements provide a true and fair view of the state and movement of property and other assets, payables and other liabilities, as well as costs and revenues and the Company's financial results. The auditor gave an unqualified opinion on the standalone financial statements. The standalone financial statements have been also reviewed by the Supervisory Board, which did not find any irregularities, and therefore recommends them for approval.*

*In connection with the approval of the Company's annual financial statements for 2020 in the context of per rollam decision-making, shareholders are provided with reports and other documents that are normally presented to shareholders at General Meetings of the Company prior to the approval of the financial statements.*

Concerning item 2 on the order of decisions: Approval of the Company's consolidated financial statements for the year 2020

DRAFT RESOLUTION:

**Outside the meeting, the General Meeting approves in writing the consolidated financial statements of the Company for 2020 verified by an auditor, which were presented by the Board of Directors in the form of publication on the Company's website ([www.ico60193336.cz](http://www.ico60193336.cz)) under the tab Investor Relations, section Annual and Half-year Reports as part of the Company's Annual Report for the year 2020.**

*Justification: The Company is obliged to prepare consolidated financial statements for the past accounting period pursuant to applicable laws, and the Board of Directors presents them to the General Meeting for approval in accordance with the Business Corporations Act. The consolidated financial statements are part of the Annual Report for the year 2020 and are available to shareholders on the Company's website. Consolidated financial statements provide a true and fair view of the state and movement of property and other assets, payables and other liabilities, as well as costs and revenues and the financial results for the consolidated whole. The auditor gave an unqualified opinion on the consolidated financial statements. The consolidated financial statements have been also reviewed by the Supervisory Board, which did not find any irregularities, and therefore recommends them for approval.*

*In connection with the approval of the Company's consolidated financial statements for the year 2020 within the per rollam procedure, reports and other documents are available to shareholders, which are as standard presented to shareholders at General Meetings of the Company before the approval of financial statements.*

Concerning item 3 on the order of decisions: Decision on the distribution of the Company's profit for the year 2020

DRAFT RESOLUTION:

**Outside the meeting, the General Meeting in writing approves the distribution of the Company's unconsolidated profit for the year 2020 in the amount of CZK 5,790,018,980.95 after tax as follows:**

<b>1) contribution to the reserve fund</b>	<b>CZK 0.00</b>
<b>2) contribution to the social fund</b>	<b>CZK 8,000,000.00</b>
<b>3) royalties</b>	<b>CZK 0.00</b>
<b>4) dividends</b>	<b>CZK 5,114,996,669.00</b>
<b>5) retained earnings of previous years</b>	<b>CZK 667,022,311.95</b>

**Each share with a nominal value of CZK 10 receives a pre-tax dividend of CZK 17, and a share with a nominal value of CZK 100 receives a pre-tax dividend of CZK 170. The relevant tax is to be withheld (deducted) by the Company under the conditions arising from Czech legislation within the approved Advances.**

**Those persons who are the shareholders of the company as at the record date shall have the right to a dividend (hereinafter the "Record Date"), including any heirs and/or legal successors who can prove their entitlements. The respective shareholders will be identified on the basis of the dividend status registered as of the Record Date in an extract from the statutory register provided by the Company (unless the records in the register differ from the actual reality).**

**The dividend payment date will be 21 July 2021. The responsibility for the payment of dividends rests with the company's Board of Directors. The payment transaction will be carried out at the expense of the company 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.**

**In accordance with the company's Articles of Association, the Record Date will be 21 June 2021.**

*Justification: According to the Business Corporations Act and the Company's Articles of Association, the decision on the distribution of the Company's profit and retained earnings from previous years falls within the competence of the General Meeting. Therefore, the shareholders of the Company may also decide on it by means of a per rollam decision, in accordance in particular with the provisions of Section 19 (1) of the Act on Measures to Mitigate the Impact of the Coronavirus Epidemic and in connection with Section 418 et seq. of the Business Corporations Act. The share of the profit is derived from the standalone financial statements. The Board of Directors proposes the distribution of profit for 2020 in an amount that meets the requirements of the Business Corporations Act and the Company's Articles of Association. The amount of the Company's distributed profit is stated in the proposed resolution. In the opinion of the Board of Directors, the proposed distribution of profit corresponds to the financial situation and needs of the Company. The proposed dividend is in the same amount as last year. The Supervisory Board has reviewed the proposal of the Board of Directors and recommends it to shareholders for approval.*

Concerning item 4 on the order of decisions: Decision on the distribution of the Company's share premium

DRAFT RESOLUTION:

**Outside the meeting, the General Meeting approves in writing the distribution of a part of the Company's share premium in the actual amount of CZK 4,806,069,651.19 to shareholders as follows:**

- the Company's share premium will be distributed (reduced) in the amount of CZK 1,203,528,628.00,**
- for each share with a nominal value of CZK 10, an amount of CZK 4 before tax will be paid,**
- the amount of CZK 40 before tax will be paid for the share with a nominal value of CZK 100,**
- under the conditions arising from Czech legislation, the relevant tax will be deducted (deducted) by the Company before the payment is made,**
- the payment will be made on the basis of a statement from the statutory register, which will be procured by the Company on 21 June 2021 (unless it is proven that the date in the register does not correspond to the factual situation as of that date),**
- the amount to be paid will become due on 21 July 2021. The Board of Directors is responsible for the payment of the share of the share premium and the payment will be made at the Company's expense through Česká spořitelna, a.s. In matters not regulated**

**by this resolution, the payment will be carried out in particular in accordance with legal regulations and the Company's articles of association.**

*Justification: According to the Company's audited standalone financial statements for 2020, the Company's share premium is part of the Company's equity. As of 31 December 2020, its amount reached a total of CZK 4,806,069,651.19. Based on thorough analysis, the Board of Directors of the Company concluded that the distribution of part of the share premium among the shareholders is justified in the given case. The proposal is also based on analysis of the Company's results in the previous period, the current situation of the balance sheet and expected future results of the Company performed by the Company's Board of Directors, including investment plans and an estimate of cash flow generation. With regard to the foregoing, the Board of Directors came to the conclusion that the proposed payment of part of the share premium corresponds to the financial situation and needs of the Company, and will not limit the current or intended future operations of the Company. At the same time, the payment of part of the share premium represents another source of income for all shareholders.*

Concerning item 5 on the order of decisions: Appointment of an auditor to perform the statutory audit of the Company for the year 2021

DRAFT RESOLUTION:

**Outside the meeting and on the basis of a proposal from the Supervisory Board and the Audit Committee, the General Meeting appoints the audit firm KPMG Česká republika Audit, s.r.o., Company ID No. 49619187, with its registered office in Prague 8, Pobřežní 648 / 1a, Postal Code 186 00, to perform a statutory audit of the Company for accounting period corresponding to the calendar year 2020 and that the audit contract of KPMG Česká republika Audit, s.r.o. be extended accordingly**

*Justification: According to the Act on Auditors and the Company's Articles of Association, the appointment of the Company's auditor to perform the statutory audit falls within the competence of the General Meeting. In keeping with the provisions of Section 44 (a)(d) of the Act on Auditors, the Audit Committee, recommended to the Supervisory Board to propose the appointment of KPMG Česká republika Audit, s.r.o. as an external auditor, and thus to extend the audit contract of the said audit firm. In its recommendation, the Audit Committee stated that KPMG Česká republika Audit, s.r.o., which performed the statutory audit of the Company for the accounting period corresponding to the calendar year 2020, had performed all statutory audit services properly, met all requirements for statutory auditor independence, has sufficient expertise in the field telecommunications and in the field of audit of companies whose shares are listed for trading on a regulated market, and thus, by appointing KPMG Czech Republic Audit, s.r.o., proper conduct of the statutory audit for the accounting period corresponding to the calendar year 2021 will be ensured. The Audit Committee further stated that the extension of the audit contract of KPMG Česká republika Audit, s.r.o. for the said accounting period is in accordance with the limits for the duration of an audit contract pursuant to Regulation (EU) No. 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities. Based on this recommendation, the Supervisory Board proposes to appoint KPMG Česká republika Audit, s.r.o. as the auditor for the accounting period corresponding to the calendar year.*

Concerning item 6 on the order of decisions: Approval of the Remuneration Report on remuneration paid to members of the Board of Directors and the Supervisory Board

DRAFT RESOLUTION:

**Outside the meeting, the General Meeting approves in writing the Remuneration Report on the remuneration paid to members of the Board of Directors and the Supervisory Board as proposed by the Company's Board of Directors and published together with this proposal.**

*Justification: In accordance with Section 121o (1) of Act No. 256/2004 Coll., the Company has prepared a report on the remuneration of the members of the Board of Directors and the Supervisory Board. In accordance with Article 20(3)(m) of the Articles of Association, the Board of Directors submitted the Report to the Supervisory Board for examination, which found no deficiencies. Pursuant to Article 121(o)(3) of Art. of the Act, the Board of Directors presents this Remuneration Report to the General Meeting at the same time as the proposal to approve the financial statements for the financial year for which the Remuneration Report is prepared.*

Concerning item 7 on the order of decisions: Decision to amend the Company's Articles of Association

**DRAFT RESOLUTION:**

**The General Meeting decides in writing outside the meeting, with effect from 1 July 2021, on partial amendments to the Company's Articles of Association as follows:**

- (i) in Part III. COMPANY BODIES AND THEIR REMUNERATION, Article 7 The General Meeting and Its Status, new paragraphs 3. and 4. are added as follows:**
- 3. The General Meeting may also take decisions within its competence by means of a decision outside the meeting pursuant to Sections 418 to 420 of the Business Corporations Act (hereinafter referred to as "per rollam decision"), whereby per rollam decision is permissible if the General Meeting is required by law or the Articles of Association of the Company to be held or if, in the opinion of the Board of Directors, its holding is justified by the interests of the Company or the shareholders and at the same time:**
- a) a decision or other binding measure has been issued by a public authority which prevents or, in the opinion of the Board of Directors, substantially impedes the holding of a General Meeting of the Company; or**
  - b) the holding of the General Meeting (session) is or, in the opinion of the Board of Directors, is imminently prevented or substantially impeded by an emergency or situation, including. a natural emergency (in particular a flood, atmospheric disturbance or earthquake), a civilisational emergency (in particular an accident involving the release of hazardous substances or a terrorist attack) or an emergency caused by other influences (in particular an epidemic or pandemic), or as a result of the recovery from the consequences of such an event (including a situation where, as a result of any of those emergencies, critical infrastructure is substantially disrupted or the availability of premises adequate for the holding of a General Meeting is substantially restricted); or**
  - c) in the opinion of the Board of Directors, it is in the interest of the Company (while respecting the rights and interests of the shareholders) that the relevant matter be decided by means of a per rollam decision.**

**4. The following rules shall apply to per rollam decisions:**

- a) the Board of Directors or any other person authorized to convene the General Meeting shall submit the draft resolution(s) to all shareholders of the Company in the manner in which the General Meeting of the Company is convened (Error! Reference source not found. (Error! Reference source not found.));**
- b) the person authorised to convene a General Meeting shall ensure that at least 15 days before the date of submission of the proposal(s) for the resolution(s) referred to in point (a) of this paragraph (such date being hereinafter referred to as the "date of submission"), a notice of such intention is published on the Company's website, setting out, in particular, information about the date of submission, the proposals themselves and the relevant documents relating to such proposals, or the manner in which shareholders may view such proposals and documents (such notice being hereinafter referred to as the "per rollam notice");**
- c) the record date for per rollam decisions shall be the seventh day preceding the date of submission;**
- d) no later than the date of submission, the ballot papers must be available to the shareholders;**
- e) the deadline for receipt of shareholder comments on the draft resolutions shall be specified in the per rollam notice and shall be at least 15 days from the date of submission;**
- f) the per rollam notice shall also specify, in accordance with the law and these Articles of Association, the other conditions of the per rollam decision, in particular the manner in which the shareholder may indicate their approval of the proposed decision (information on the ballot papers and how to obtain them); and**
- g) all draft resolutions delivered to the shareholders pursuant to point (a) of this paragraph, as well as the per rollam notice, shall be available on the Company's website at least until the results of the per rollam decision are announced in accordance with the procedure under Section 420 (1) of the Business Corporations Act.**
- (ii) in Part V. FINANCIAL MANAGEMENT OF THE COMANY, Article 35 Distribution of Profit or Any Other Company Funds and Coverage of Losses, the wording of paragraph 5 is amended to read as follows:**

- 5. The Company will pay the share of the profit or other own resources to those persons who were shareholders or otherwise entitled persons on the record date for the exercise of their claim. This record day precedes the due date by 30 days, unless otherwise specified in accordance with the law. At the same time, the Company will make every effort to take into account other rules that apply to it when determining this record date, in particular stock exchange rules (e.g., if required by stock exchange rules, then this record date will not be earlier than the third trading day of the stock exchange following the day on which the General Meeting of the Company approved the disbursement, and that the Company publishes on the Company's website a notice of a decision to that effect at least two trading days before the record date). Unless otherwise specified in**

**accordance with the law, the Company will pay the shareholder or other entitled person a share in the profit or other own resources at its own expense and risk through a Czech or foreign bank, or a savings or credit union or a securities dealer.**

*Justification: The proposed amendment to Article 7 of the Articles of Association now allows for per rollam decisions to be taken by the General Meeting of the Company in accordance with Section 418 et seq. of the Business Corporations Act. At present, per rollam decisions by the General Meeting are allowed on the basis of Section 19 of Act No 191/2020 Coll., on certain measures to mitigate the impact of the SARS CoV-2 coronavirus epidemic on persons involved in legal proceedings, aggrieved persons, victims of crime and legal persons and on amendments to the Insolvency Act and the Code of Civil Procedure, as amended (hereinafter referred to as 'Lex COVID'). However, according to Article 18(2) of the Lex COVID, passing decisions per rollam is only allowed until 30 June 2021, regardless of the duration of the emergency measures during the pandemic. After this period, the Company's General Meeting would not have a mandate to take decisions per rollam unless the Articles of Association were amended.*

*The proposed amendment to the Articles of Association (Article 7(3)) therefore defines the cases in which it can be assumed that a General Meeting would be prevented, substantially impeded or could otherwise benefit from a per rollam decision. In addition to the epidemiological situation, it also illustratively lists other situations in which the General Meeting could decide per rollam (e.g. natural emergencies). In order to cover less foreseeable situations, the draft amendment contains a catch-all provision according to which the General Meeting may decide per rollam if such a decision would be in the Company's interest (Article 7(3)(c)).*

*The proposed amendment to the Articles of Association also specifies the procedure for adopting per rollam decisions (in Article 7(4)). This procedure is based on the experience with per rollam decisions at the 2020 General Meeting and aims to refine the conditions of the decision-making process to ensure timely information and protection of shareholders' (investors') rights.*

*The proposed new wording of Article 35(5) of the Articles of Association is partly in response to the amendment to Part VI of the Stock Exchange Rules (available at <https://www.pse.cz/pravidla-a-predpisy-burzy-cennych-papiru-praha>), according to which the Company must ensure that the record date for the right to a dividend or dividend advance will not be a date earlier than the third trading day of the Stock Exchange following the date on which the relevant body of the issuer has approved the transaction. In part, the amendments to this provision clarify that the requirements of the Capital Market Undertakings Act require a company to make distributions of profit or other equity through a qualified person.*