
Invitation to the Annual General meeting of O2 Czech Republic a.s.

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

**Multifunctional cultural and congress center O2 Universum, Českomoravská 2345/17,
190 00 Prague 9 - Libeň,
on 16 April 2020 at 2:00 p.m.**

AGENDA FOR THE ANNUAL GENERAL MEETING

- 1. Opening**
- 2. Approval of the Rules of Procedure of the Annual General Meeting, and the election of the chairman of the Annual General Meeting, the minutes clerk, the minutes verifiers and the scrutineers**
- 3. The Board of Directors' Report on the company's performance and the status of its assets (integral part of the 2019 Annual Report), a summary explanatory report concerning certain matters set out in the company's 2019 Annual Report, conclusions of the 2019 Report on Relations**
- 4. Presentation of the Supervisory Board's activities including information on the Report on Relations review**
- 5. Approval of the company's 2019 Financial Statements**
- 6. Decision on the distribution of the company's profit for 2019 and distribution of the company's share premium**
- 7. Appointment of an auditor to conduct the mandatory audit of the company in 2020**
- 8. Measures related to the capital structure optimization: resolution on share capital reduction by cancellation of the own shares**
- 9. Measures related to the capital structure optimization: resolution on purchase of the company's own shares (share buyback)**
- 10. Decision on an amendment to the company's Articles of Association**
- 11. Approval of the remuneration policy of the members of the Board of Directors and the Supervisory Board**
- 12. Election of the Audit Committee member**
- 13. Conclusion**

Decisive Date

9 April 2020 shall constitute the decisive date for attendance at the Annual General Meeting (the "Decisive Date"). The meaning of the Decisive Date for attendance at the Annual General Meeting is that a person listed, as of the Decisive Date, in the extract from the register where company shares are registered, shall have the right to attend the Annual General Meeting and exercise shareholder's rights, including voting, unless it is proven that the entry in the register does not correspond to the actual situation. The extract from the register shall be obtained by the company or company's representative.

Participation in the General Meeting

a) Registration and representation at the General Meeting

Registration for the attendance list (the "Registration") will take place at the venue of the Annual General Meeting from 1:00 p.m. onwards on the date of the General Meeting.

Registration of a shareholder – natural persons:

- ❖ A shareholder shall identify him/herself by means of an identity card at the Registration
- ❖ Unless set out otherwise herein below, a proxy of a shareholder-individual shall, in addition to the above, present a power of attorney signed by such a shareholder (the signature must be officially verified); 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.
- ❖ Power of attorney issued by foreign authorities or institutions, or provided with their certification, shall be endorsed with an apostille or other form or verification acceptable to the Czech authorities.
- ❖ Should power of attorney or apostilles or verifications be in a foreign language, an official Czech translation must be affixed thereto.

Registration of a shareholder - legal persons:

- ❖ A member of the statutory body of a shareholder shall identify him/herself by means of an identity card and shall present an original or an officially verified copy of a document demonstrating the existence of the legal person and the manner of acting as a member on behalf of the statutory body.
- ❖ The proxy of a shareholder shall, in addition, present a power of attorney signed by the statutory body (the signature must be officially verified), unless hereinafter stated otherwise. The power of attorney must be in writing and it must indicate whether it was granted for representation at one or more than one General Meeting of the company.
- ❖ Documents mentioned above issued by foreign authorities or institutions or provided with their certification shall be endorsed with an apostille or another form or verification acceptable to the Czech authorities for similar foreign documents.
- ❖ Should power of attorney or apostilles or verifications be in a foreign language, an official Czech translation must be affixed thereto.

Additional information on the shareholder's representation via power of attorney:

- ❖ To grant a power of attorney, shareholders may also use a form to be made available by the company as of 16 March 2020. 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 be sent to him/her at his/her own costs and risk, either in a written form or electronically (for more information on the aforementioned see the part "Note").
- ❖ At the address valnahromada@o2.cz, shareholders may notify the company in an electronic form of a power of attorney granted 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 the statutory requirements of the power of attorney have been met or to unambiguously identify the signed person (in particular where an accredited electronic signature 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 also send the notifications pursuant to the first sentence to the company's data-box, the address (ID) of which is d79ch2h. Such notification must also enable a check of whether the statutory requirements of the power of attorney have been met and, for the sake of trouble-free processing thereof, it is essential that the respective message duly identifies the matter (dmAnnotation) with the text "Plna moc na VH". Where representation of the shareholder is demonstrated in any of the ways, the company shall not request presentation of the written power of attorney during the Registration.
- ❖ Information relating to powers of attorney for representation at more general meetings: should the proxy provided be an original or a verified copy of a power of attorney for representation which has already been used at other general meetings or a previous General Meeting, the proxy or the shareholder may, no later than on the Decisive Date, ask the company for a copy of such a power of attorney. The company shall mark this copy in a certain way (hereinafter the "registered copy") and provide it to the proxy or the shareholder. The registered copy may also be requested directly when providing the power of attorney at the Registration. The proxy may provide the registered copy (now and in the future) at the Registration, instead of providing the original (or verified copy) of the relevant power of attorney (provided the proxy is entitled to represent the shareholder at the General Meeting based on this power of attorney). After the registration the proxy shall keep the registered copy.
- ❖ 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 obtained by the company. Where the shareholder's representation is proven in the aforementioned 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. below) other 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 one of 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 or by a proxy, unless the law provides otherwise; such participating shareholder shall be deemed present at the General Meeting. In compliance with the legal regulations, the shareholder shall thus be entitled to participate in the General Meeting, to vote at the General Meeting, to request and obtain at or before the General Meeting and, under statutory conditions, also after 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 into 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 shareholders present (see point b.1.) shall register on arrival at the General Meeting (see point a) above). On the Registration, the shareholders shall receive voting ballots for voting at the General Meeting and also other materials regarding the individual items on the General Meeting agenda. The General Meeting shall be deemed as having a quorum if shareholders who have shares with an aggregate nominal value exceeding one half of the share capital of the company are present (pursuant to the rules of participation of shareholders at the General Meeting – see above).

The individual items on the agenda of the General Meeting will be discussed in the 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 the proposals and counterproposals presented by the convening party or by shareholders in respect of the relevant item on 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 requests concerning the explanation of matters regarding the company or entities controlled by the company; these answers being necessary for them to assess the relevant item on the General Meeting's agenda or to exercise their 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 a simple majority of the votes cast by the shareholders present, unless legal regulations or a provision of the company's Articles of Association sets forth otherwise. The voting shall take place in compliance with the company's 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 to be approved by the General Meeting (re the draft of Rules of Procedure, being one of the documents on 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 shareholders present. If any of the shareholders present are not able to write, the person to count votes shall sign such shareholder's ballot. At first, the voting shall take place on the proposal of the convening party and, where such proposal was not approved, votes shall be cast on further proposals and counterproposals regarding the item discussed in the order in which such proposals and counterproposals were presented. If the proposal presented is 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 a shareholder wishes to present counterproposals to the items on the General Meeting's agenda at the General Meeting, 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, therefore, by 7 April 2020 at the latest unless it is a proposal to elect or recall a corporate body member.

In the manner specified for the convening of the General Meeting and in accordance with the law and the Articles of Association, the Board of Directors shall announce a shareholder's counterproposal to the shareholders, as well as its opinion of the counterproposal. This shall not apply should such announcement be delivered less than two days prior to the General Meeting, should the announcement costs unreasonably exceed the purpose and content of the counterproposal, or if the counterproposal contains more than 100 words. Should the counterproposal contain more than 100 words, the Board of Directors shall present the substance of the proposal to the shareholders along with its opinion, and publish the counterproposal on the website www.ico60193336.cz ref. „Investor relations“ section „General Meetings“ (the "company's website"). The Board of Directors shall be obliged to publish at least the shareholder's proposals or counterproposals on the company's website provided that they are submitted prior to the date of the General Meeting.

b.5. Right to request the addition of a certain matter to the General Meeting agenda

Shareholder(s) holding registered shares, the nominal value of which amounts to at least one per cent of the company's registered capital, may ask the Board of Directors to convene a General Meeting to discuss proposed matters. Each of the proposed matters must be supplemented by a justification or draft resolution. The shareholder(s) shall substantiate such request with a current extract from the statutory register, where the company's shares are registered; should the shareholder(s) fail 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 be entitled to have the matter proposed by them added to the General Meeting agenda on condition that a justification or draft resolution is attached to each proposal. Provided 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 five (5) days before the General Meeting Decisive Date, at the latest, in a manner prescribed by law and the Articles of Association for the convention of the General Meeting.

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

The shareholders are obliged to abide by the law, be fair, comply with the company's internal rules, including the Articles of Association, and to exercise their rights towards the company responsibly and in a way that prevents interference with the rights and rightful interests of the company and other shareholders, which are known - or could and should be known - to the shareholders.

Draft resolutions on individual items of the General Meeting including justification:

Item 2) Approval of the Rules of Procedure of the Annual General Meeting, and the election of the chairman of the Annual General Meeting, the minutes clerk, the minutes verifiers and the scrutineers

DRAFT RESOLUTION (1):

The General Meeting approves the Rules of Procedure of the Annual 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 to date. The version submitted is based on the company's best practice. The draft Rules of Procedure of the General Meeting form Annex 1 of the invitation.

DRAFT RESOLUTION (2):

The General Meeting elects Petr Kasík as chairman of the Annual General Meeting, Michaela Kršková as the minutes clerk, Eva Stočková and Petr Kubík as the minutes' verifiers and Petr Brant, Milan Vácha and Josef Nuhlíček as scrutineers.

Justification: The nominations of the General Meeting bodies are implicit in the 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.

Item 3) The Board of Directors' Report on the company's Performance and the status of its assets (integral part of the 2019 Annual Report), a summary explanatory report concerning certain matters set out in the company's 2019 Annual Report, conclusions of the 2019 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 chapter 3 of the company's 2019 Annual report (hereinafter "2019 Annual Report"). Further, pursuant to the requirement of § 118 Para. 9 of the Act on Business Activities in the Capital Market, the Board of Directors is submitting an explanatory report to its shareholders. Information in the summarized explanatory report, dealing with issues under § 118 Para. 5 (a)–(k) of the Act on Business Activities in the Capital Market, is contained in the chapter 2 of the 2019 Annual Report. The 2019 Annual Report (see its Appendix) also contains a report on relations prepared pursuant to § 82 et seq. of the Business Corporations Act (conclusions from the Report will be presented at the General Meeting). The full version of the 2019 Annual Report, i.e. all cited parts, is available on the company's website. It will be also made available for viewing to shareholders in the information center at the General Meeting. No vote on this item is expected.

Item 4) Presentation of the Supervisory Board's 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 activities and the submission of report on the results of the review of the 2019 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 regarding the 2019 annual financial statements, the 2019 consolidated financial statements, the 2019 profit distribution proposal or the 2019 Report on Relations by the Board of Directors. The report of the Supervisory Board is available on the company's web site. It will also be ready for all shareholders during the General Meeting. No vote on this item is expected.

Item 5) Approval of the company's 2019 Financial Statements

DRAFT RESOLUTION (1):

The General Meeting approves the annual financial statements of the company for 2019 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 annual financial statements for the past accounting period. As stipulated in the Business Corporations Act, the Board of Directors is presenting its statement to the General Meeting. The annual financial statements are integral part of the 2019 Annual Report and are available to all shareholders on the company's website. The annual financial statements offer a truthful and honest picture of the status of and transactions involving the property, assets, obligations and other receivables, as well as the revenues and costs and the overall financial performance of the company. The auditor expressed an unqualified opinion of the annual financial statements. In addition, the annual 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 2019 verified by the auditor and submitted by the company's Board of Directors.

Justification: Based on the applicable law, the company also has the obligation to prepare the consolidated financial statements for the past accounting period. As stipulated in the Business Corporations Act, the Board of Directors is presenting the statements to the General Meeting. The consolidated financial statements are integral part of the 2019 Annual Report and are available to all shareholders on the company's website. The consolidated financial statements offer a truthful and honest picture of the status of and the transactions involving the property, assets, obligations and other receivables, as well as the revenues and costs and the overall financial performance of the company. The auditor expressed an unqualified opinion of the consolidated financial statements. In addition, the consolidated financial statements were reviewed by the Supervisory Board, which found no discrepancies, and thus recommended the consolidated financial statements be approved by the General Meeting (see report of the Supervisory Board on agenda item 4).

Item 6) Decision on the distribution of the company's profit for 2019 and distribution of the company's share premium

DRAFT RESOLUTION (1):

The General Meeting approves the following distribution of the unconsolidated profit of CZK 5,350,524,416.86 (after tax), which was generated by the company in 2019:

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 5,273,741,139.00
5) retained earnings from previous years	CZK 68,783,277.86

The company's assets also include treasury shares. Pursuant to § 309 Para. 2 of the Business Corporations Act, the company's entitlement to profit share from this type of share shall expire 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 17 (before tax) will be paid on each share with the nominal value of CZK 10. A dividend of CZK 170 (before tax) will be paid to each share with the nominal value of CZK 100. Under the terms & conditions pursuant to Czech law, the relevant tax will be deducted (subtracted) from the above sum before the dividend is paid out.

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 6 May 2020. 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 6 April 2020.

Justification: In accordance with the Business Corporations Act and the company's Articles of Association, the General Meeting has the authority to decide 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 2019 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 Record Date, the dividend due date and the payment method. The Board of Directors believes that the proposed dividend is appropriate

given the financial position and needs of the company, namely that the exercising of shareholder rights to receive the proposed dividend will not limit the existing or future business of the company. In addition, the proposed dividend payout is in line with the company's declared dividend policy, based on which the Board of Directors intends to propose distribution of 90% to 110% of net unconsolidated profit. The proposed dividend represents distribution of 99% of the net unconsolidated profit for 2019. Having reviewed the proposal of the Board of Directors, the Supervisory Board recommends this item be approved by the General Meeting. In line with the Act governing Business Activities in the Capital Market, shareholders will be informed about the pay out of the dividend on the company's website and also by letter mailed to the shareholders' addresses as registered in the securities register.

DRAFT RESOLUTION (2):

The General Meeting approves the following distribution of a portion of the company's share premium among the shareholders in the current amount of CZK 8,263,773,333.91:

- **the share premium of the company shall be distributed (reduced) in the total amount of up to CZK 1,240,880,268.00,**
- **the company assets also include treasury shares. The company's entitlement to the payment related to the share premium distribution will not arise; the relevant amount (i.e. the relevant part of the aforementioned maximum amount) shall be kept on the share premium account,**
- **an amount of CZK 4 before tax shall be distributed to each share with the nominal value of CZK 10,**
- **an amount of CZK 40 before tax shall be distributed to the share with the nominal value of CZK 100,**
- **given the aforementioned provisions of this resolution, the final total amount distributed to the shareholders as well as the amount of the remaining share premium will depend on the actual number of treasury shares owned by the company,**
- **under the conditions pursuant to Czech legal regulations, the relevant tax shall be deducted (subtracted) by the company before payment execution,**
- **the payment shall be carried out based on the extract from the statutory register, provided by the company as of 6 April 2020 (unless the records in the register differ from the actual reality),**
- **the share premium amount intended for payment shall be payable on 6 May 2020. The company's Board of Directors is responsible for the payment and it shall be exercised through Česká spořitelna, a.s. at the company's expense; any aspects not covered by this resolution will be effected in compliance with legal regulations and the Articles of Association.**

Justification: Based on the audited regular financial statements for 2019, the company's equity comprises a share premium. It amounted to a total of CZK 8,263,773,333.91 on 31 December 2019. Based on thorough analyses, the Board of Directors concluded that the distribution of the share premium to shareholders is justified. The proposal is also backed by analyses carried out by the Board of Directors of the company's past results, the current balance sheet and expected future performance, including investment plans and cash flows forecasts. On this basis, the Board of Directors concluded that the proposed payment of part of the share premium is appropriate given the financial position and needs of the company, and will not limit the existing or future business of the company. At the same time, payment of part of the share premium represents an additional source of remuneration for all shareholders.

Item 7) Appointment of an auditor to conduct the mandatory audit of the company in 2020

DRAFT RESOLUTION:

Based on the proposal from the Supervisory Board and recommendations from the Audit Committee, the General Meeting appoints the auditor KPMG Česká republika Audit, s.r.o. (ID No. 49619187, registered office Praha 8, Pobřežní 648/1a, Post code 186 00) to conduct the mandatory audit of the company in the accounting period corresponding to the calendar year 2020 and correspondingly decides to renew the auditor engagement with KPMG Česká republika Audit, s.r.o.

Justification: Pursuant to the Act on Auditors, and in compliance with the company's Articles of Association, the General Meeting is authorized to appoint an auditor to conduct the mandatory audit. In response to the wording of § 44a Para. d, of the Act on Auditors, the Audit Committee recommended that the Supervisory Board appoints KPMG Česká republika Audit, s.r.o. as the external auditor and renew the auditor engagement with that audit company. 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 accounting period corresponding to the calendar year 2019, performed all of the services of the statutory audit properly, fulfilled all the requirements of the statutory auditor's independence, has sufficient knowledge in the field of telecommunications in the region and in the field of listed companies' audits. Thus, also appointing KPMG Česká republika Audit, s.r.o. as the auditor for the accounting period corresponding to the calendar year 2020 will ensure the proper conduct of the statutory audit. In addition, the Audit Committee stated that the renewal of the audit engagement with KPMG Česká republika Audit, s.r.o. for the stated accounting period complies with the limits for the duration of the audit engagement pursuant to Regulation (EU) No 537/2014 of the European Parliament and of the Council, in respect of specific requirements regarding the statutory audit of public-interest entities. Based on this recommendation, the Supervisory Board proposes the General Meeting appoint KPMG Česká republika Audit, s.r.o. as the auditor for the accounting period corresponding to the calendar year 2020.

Item 8) Measures related to the capital structure optimization: resolution on share capital reduction by cancellation of the own shares

DRAFT RESOLUTION:

The General Meeting resolves to reduce share capital of the company by cancellation of the own shares in the total amount of CZK 93,379,100 (in words: ninety-three million three hundred and seventy-nine thousand one hundred Czech crowns), i.e. from CZK 3,102,200,670 (in words: three billion one hundred and two million two hundred thousand six hundred and seventy Czech crowns) to CZK 3,008,821,570 (in words: three billion eight million eight hundred and twenty-one thousand five hundred seventy Czech crowns).

Other mandatory particulars of the resolution:

- Reason and purpose of the share capital reduction

By its resolution adopted on 8 December 2015 (hereinafter the "2015 Resolution"), the General Meeting of the company approved to acquire its own shares under specified conditions in connection with the intention of the Board of Directors to manage the company's capital structure in a flexible manner. At the same time, this management was intended to allow for an increase in the cash payout for the benefit of those shareholders who decide to take advantage of this option and to increase the value for those shareholders who retain the shares.

Based on the 2015 Resolution, to date the company has acquired its own shares in the amount of 9,337,910 pieces (in words: nine million three hundred and thirty-seven thousand nine hundred ten) with a nominal value of CZK 10 (in words: ten Czech crowns; hereinafter the "Canceled Shares").

By repurchasing its own shares, the company was reducing its equity, which resulted in a desirable increase in debt to equity ratio. Given that the company already owns shares exceeding 3% of the total shares and the program period according to the 2015 Resolution is approaching the 5 years limit, the Board of Directors considers cancelation of the shares with consequent share capital reduction to be the optimal solution which will lead to the completion of the purpose pursued by the company by own share repurchase.

- The manner of the share capital reduction

The company's share capital will be reduced by the cancellation of the Canceled Shares.

Cancellation of Canceled Shares shall be executed by their deletion from the statutory register of booked securities. The aggregate nominal value of the Canceled Shares corresponds to the amount of the share capital reduction, i.e. CZK 93,379,100 (in words: ninety-three million three hundred and seventy-nine thousand one hundred Czech crowns).

- Utilization of the amount corresponding to the amount of the share capital reduction

Since the Canceled Shares are the company's own shares (treasury shares), the amount corresponding to the total amount of the share capital reduction, i.e. CZK 93,379,100 (in words: ninety-three million three hundred and seventy-nine thousand one hundred Czech crowns), cannot be paid to the shareholders of the company, nor transferred to another equity account of the company, but will reduce the share capital account. The amount corresponding to the share capital reduction will therefore only be treated in an accounting sense.

The total acquisition price for which the company acquired the Canceled Shares amounts to CZK 2,347,554,154.72 (in words: two billion three hundred and forty-seven million five hundred and fifty-four thousand one hundred and fifty-four Czech crowns seventy-two hellers). The share premium will be reduced by the difference between the acquisition price and the nominal value of the Canceled Shares, i.e. by CZK 2,254,175,054.72 (in words: two billion two hundred and fifty-four million one hundred and seventy-five thousand fifty-four Czech crowns seventy-two hellers). For avoidance of doubt it is stated that this amount cannot be paid to the shareholders of the company.

- Specific provisions - basic rules of the share capital reduction procedure

The Board of Directors of the company shall comply with the law and International Financial Reporting Standards ("IFRS"), which the company is obliged to follow, when reducing the share capital, including the treatment of the amount corresponding to the share capital reduction and related accounting entries.

Without prejudice to the obligations of the Board of Directors under the law and the Articles of Association, the Board of Directors shall disclose on the company's website (www.ico60193336.cz) under the "Investor Relations" link without undue delay:

- (a) the date on which this General Meeting's resolution on the share capital reduction was registered in the Commercial Register and the date as at which it took effect towards third parties pursuant to § 518 Para. 1 of the Business Corporations Act;
- (b) the date on which the first notice and call to creditors pursuant to § 518 Para. 2 of the Business Corporations Act was published;
- (c) the date on which the second notice and call to creditors pursuant to Section § 518 Para. 2 of the Business Corporations Act was published.

In addition, the Board of Directors shall announce at least two weeks in advance the date on which the share capital reduction will be registered in the Commercial Register as described in the previous point. The Board of Directors shall ensure that the Canceled Shares are deleted from the statutory register where the company's shares are registered, and which replaces the list of shareholders.

Justification: The reasons and purpose of the proposed share capital reduction are exhaustively described in the relevant paragraph of the resolution.

The share capital reduction and the cancellation of the Canceled Shares will have no impact on the mutual ratios of individual shareholders' shares in the company. This transaction will not have any negative impact either on the shareholders or the company (the reduction of the share capital will not have an immediate impact on the rights of the shareholders) The recoverability of receivables of the company's creditors will not be impaired either.

The amendment to the Articles of Association reflecting the reduction in the number of shares and the reduction of the share capital will be made after the fulfillment of the legal conditions pursuant to § 433 of the Business Corporations Act.

Item 9) Measures related to the capital structure optimization: resolution on purchase of the company's own shares (share buyback)

DRAFT RESOLUTION:

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

- **The maximum number of shares that may be acquired by the company: 30,088,214 book-entered ordinary shares of the company, while the nominal value of each share as of the day of adoption of this resolution is CZK 10**
- **Allowed acquisition period: 5 years commencing on 9 December 2020**
- **Minimum acquisition share price: CZK 10**
- **Maximum acquisition share price: CZK 297**
- **Maximum aggregate acquisition price of all shares, which the company can acquire based on this resolution: CZK 5.5 billion.**

Justification: The purchase of own shares (share buyback) has so far been executed based on the 2015 Resolution (as described in the draft resolution on item 8 above), which the General Meeting adopted to reduce the equity, aiming at capital optimization, i.e. in this specific case in debt to equity ratio increase. The purchase of the shares by the 2015 Resolution was approved for the maximum period anticipated by law, 5 years, which would expire on 8 December 2020. Because of the purchase of the shares, the intended purpose was met and therefore the Board of Directors proposes to continue such share buyback program after 8 December 2020 under similar conditions to the conditions adopted in 2015 Resolution, as this will enable the company to manage its capital structure in a flexible manner also in next period.

A possible approval of the proposed share buyback program by the General Meeting of the company is without any prejudice to other legal obligations and limits that the Board of Directors must comply with, whether in relation to capital markets or in relation to shareholders and the company itself (in particular obligation of equal treatment of shareholders or the duty to act with due care).

Item 10) Decision on an amendment to the company's Articles of Association

DRAFT RESOLUTION:

The General Meeting resolves to amend the company's Articles of Association by approving a new full wording of the company's Articles of Association as presented in the proposal submitted to the General Meeting by the Board of Directors of the company, which formed Annex 2 of the invitation. The new full wording of the company's Articles of Association comes into effect on 1 January 2021.

Justification: The proposal by the Board of Directors reflects the impacts of legislative changes that are necessary or appropriate to be incorporated into the Articles of Association wording. These include, but are not limited to, the following changes: (i) the adjustment of the General Meeting's and the Supervisory Board's scope in relation to the remuneration policy and the conclusion of relevant agreements with related parties; (ii) the Board of Directors' Report on the company's performance and the status of its assets shall not be compiled and therefore the General Meeting is not going to discuss it; (iii) regulation of participation of other persons than shareholders at the General Meeting; (iv) invitation to the General Meeting as well as shareholders' proposals/ counterproposals delivered before the General Meeting shall be published on the company's website and the invitation shall also be published in the Commercial Bulletin, (v) addition of the trade union's authority to nominate a candidate for an employee representatives in the Supervisory Board; (vi) clarification of the quorum for the validity of the employees' representatives election to the Supervisory Board. In addition, the Board of Directors proposes only minor terminological improvements to the wording that have no factual impact.

The proposed deferral of the Articles of Associations full wording effectiveness is associated with the fact that the legislative changes driving aforementioned changes will also come into effect on 1 January 2021.

Item 11) Approval of the remuneration policy of the members of the Board of Directors and the Supervisory Board

DRAFT RESOLUTION:

The General Meeting resolves on adoption of the remuneration policy of the members of the Board of Directors and the Supervisory Board of the company as presented in the proposal submitted to the General Meeting by

the Board of Directors of the company, which formed Annex 3 of the invitation.

Justification: The proposed remuneration policy of the members of the Board of Directors and the Supervisory Board of the company represents fulfillment of the obligation imposed on the securities' issuers by an amendment to the Act on Business Activities in the Capital Market. The remuneration policy summarizes the basis, rules and criteria on which the remuneration of the members of the Board of Directors and the Supervisory Board is determined as required by law. The policy proposal is based on the currently valid remuneration principles of the Board of Directors' and the Supervisory Board's members.

Item 12) Election of the Audit Committee member

DRAFT RESOLUTION:

The General Meeting elects Mr. Michal Brandejs, born on 21 February 1967, residing at Bartáková 110/34, Praha 4, as a member of the Audit Committee, effective as of 9 December 2020.

Justification: The Board of Directors proposes the re-election of Mr. Michal Brandejs as a member of the Audit Committee as the term of office of Michal Brandejs is due to terminate on 8 December 2020. The Board of Directors considers the proposed candidate suitable with regard to his qualifications, work experience and experience as a current member of the Audit Committee of the company.

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 16 March 2020 (unless stated differently below) until the date of the General Meeting (incl.):

- ❖ the right to obtain a written copy of the form of power of attorney, mentioned above in point a) of section "Participation in the General Meeting", from the company's registered office on business days between 9:00 a.m. and 4:00 p.m. (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 the form of power of attorney mentioned above in point a) of section "Participation in the General Meeting", from the company's website www.ico60193336.cz under link "Investor relations", section "General Meetings" (or to apply via the electronic address valnahromada@o2.cz to have an electronic version of the form sent to them);
- ❖ the right to obtain, via the company's website, the company's 2019 regular and consolidated financial statements and the Annual Report containing, inter alia, 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 for at least 30 days after the date of the General Meeting;
- ❖ the right to obtain, via the company's website, any other document relating to the agenda of the General Meeting, unless the law stipulates otherwise;
- ❖ the right to obtain, via the company's website, draft resolutions of the General Meeting, including relevant shareholders' proposals or counterproposals, and the position of the company's Board of Directors on individual items on the General Meeting's agenda;
- ❖ the right to inspect free of charge the amendment to the Articles of Association proposal on business days between 9:00 a.m. and 4:00 p.m.;
- ❖ the right to obtain information about the total number of the company's shares and related votes via the company's website;
- ❖ the right to become acquainted with the unified text of this invitation to the Annual General Meeting via the company's website; additionally, the invitation may be published in other information sources.

Annex to the invitation:

Annex 1: Rules of Procedure of the General Meeting (available in Czech only)

Annex 2: Proposal of an amendment to the Articles of Association

Annex 3: Proposal of a remuneration policy of members of the Board of Directors and the Supervisory Board

Board of Directors of O2 Czech Republic a.s.