

INVITATION TO GENERAL MEETING

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

a

REGULAR GENERAL MEETING

to be held on **March 12, 2014 at 1:00 p.m.**
at the **TOP HOTEL Prague , Blažimská 1781/4, 149 00 Prague 4 - Chodov**

upon request of PPF Arena 2 B.V.,
with its registered office at Strawinskylaan 933, Amsterdam, the Kingdom of the Netherlands,,
registered in the Commercial Register administrated by the Chamber of Commerce of the city of Amsterdam, ID
59029765, as the company's qualified shareholder,

Agenda of the Regular General Meeting

1. **Opening**
2. **Approval of Rules of Procedure of the General Meeting, election of the chairman of the General Meeting, the minutes clerk, minutes verifiers and persons to count the votes**
3. **Recall of members of the Supervisory Board**
4. **Election of the Company's Supervisory Board members**
5. **Approval of the Supervisory Board members' Executive Service Agreements**
6. **Election of members of the Audit Committee**
7. **Approval of the Audit Committee members' Executive Service Agreements**
8. **Resolution on the amendment to the company's Articles of Association**
9. **Conclusion**

Draft resolutions to the items of the General Meeting agenda (inclusive of the nominees to the Supervisory Board and Audit Committee) and justifications of the draft resolutions are set out below.

Decisive Date:

March 5th, 2014 shall constitute the decisive date for attendance at the General Meeting. The meaning of the decisive date for attendance at the General Meeting lies in the fact that a person listed, as of the decisive date, in the extract from the register (where company shares are registered), which extract shall be procured by the Company (unless it proves that the entry in the registration does not correspond to the actual situation) or a proxy of such person shall have the right to attend the regular General Meeting and exercise shareholder's rights, including voting.

Participation in the General Meeting:

a) Registration and representation at the General Meeting

Registration in the attendance list (hereinafter referred to as the "Registration") will take place on the date of the regular General Meeting from **12 noon** at the venue of the regular General Meeting. Shareholder-individuals shall identify themselves by an identity card during the Registration. Unless set out otherwise hereinbelow, a proxy of a shareholder-individual, in addition to the above, shall present a power of attorney signed by such shareholder. The statutory body of a shareholder-legal entity shall identify themselves by an identity card and shall present an original or an officially verified copy of a document demonstrating the existence of the legal entity and the manner of acting of the statutory body thereof on its behalf. Unless set out otherwise hereunder, the proxy of a shareholder-legal entity shall, in addition to the above, present a power of attorney signed by the statutory body. The signature of the principal (whether of a legal entity or an individual) affixed to the power of attorney must be officially verified.

Unless specified otherwise hereunder, the power of attorney granted for representation of the shareholder at the General Meeting shall be made in writing and it must indicate whether it was granted by the shareholder to the attorney for representation at one or more than one General Meeting of the Company. In that respect the Board of Directors notes that in accordance with the Articles of Association approved at the Annual General Meeting held on 22 April 2013, the power of attorney for representation at more than one General Meeting shall be applicable for a limited period.

To grant a power of attorney, shareholders may also use a form to be made available by the Company from **February 19, 2014** until the date of the General Meeting. The form shall be available to everybody at the Company's registered office in a written form, its electronic form shall be available in the same manner as the Company publishes other supporting documents relating to the General Meeting in question; everybody has the right to request that the form will be sent to him/her at his/her own costs and risk in a written form or electronically (for more information on the above mentioned see the part "Note").

An apostille or another clause or verification required by Czech bodies for similar foreign documents must be affixed to the documents mentioned above, should they be issued by foreign bodies or institutions or provided with their apostilles. Should such documents or apostilles be made in a foreign language, an official translation in Czech language must be affixed thereto.

At the electronic address valnahromada@o2.com, shareholders may notify the Company in an electronic form of a granted power of attorney for representation at the General Meeting, as well as withdrawal thereof by the principal. Where such notification does not enable the Company to check whether statutory requirements of the power of attorney have been met or to unambiguously identify the signed person (in particular where a guaranteed electronic signature based on a qualified certificate issued by an accredited certification services provider is not attached to the notification), the Company shall be entitled but not obliged to request additional information to verify the attorney's empowerment. The shareholders may send the notifications pursuant to first sentence also to the Company's databox, the address (ID) of which is d79ch2h. Such notification must also enable to check whether statutory requirements of the power of attorney have been met and, for the sake of trouble-free processing thereof, it is required that the respective message duly identifies the matter (dmAnnotation) with the text "Plna moc na VH". Where representation of the shareholder is demonstrated in some of the above mentioned manners, the Company shall not request presentation of the written power of attorney during the Registration.

The shareholder may also be represented at the General Meeting or in exercising other rights attached to shares by a person entered in the investment tools register or in the book-entry securities register as an administrator or a person authorized to exercise the rights attached to the share. Authorization of the administrator or such person shall be demonstrated by the extract from that register, which extract shall be procured by the Company. Where the shareholder's representation is proven in the above-mentioned manner, the Company shall not request presentation of the written power of attorney. Should the shareholder, pursuant to the first sentence of this paragraph, be interested in being present at the General Meeting (within the meaning of Art. b.1.) otherwise than through the administrator or another designated person authorized to exercise the rights attached to the share on behalf of the shareholder, they must submit an extract from the statutory register (where the Company's shares are registered) at the registration to demonstrate that they were the company's shareholder on the decisive date.

b) Shareholders' rights and exercise thereof

b.1. Shareholders' rights pertaining to the participation in the General Meeting - general summary

The shareholder shall exercise his/her/its rights at the General Meeting in person, through a person authorized to act on behalf of him/her/it or in representation, unless the law stipulates otherwise; such participating shareholder shall be deemed present at the General Meeting.

The shareholder shall thus be entitled in compliance with the Commercial Code to participate in the General Meeting, to vote at the General Meeting, to request and obtain at or before the General Meeting an explanation of matters concerning the Company or persons controlled by the Company if such explanation is necessary to assess an item on the agenda of the General Meeting, and to raise proposals and counterproposals. Requirements for an explanation shall be made at the General Meeting in 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 27,461,384,874 (in words: twenty-seven billion four hundred and sixty one million three hundred and eighty four thousand eight hundred and seventy four Czech crowns) and is divided in 315 648 092 registered common shares with the nominal value of CZK 87 per share and one registered common share with the nominal value of CZK 870. Each CZK 87 of the nominal value of the shares represents one vote; the total number of votes pertaining to company shares equals to 315 648 102.

b.3. Participation in and voting at the General Meeting

The present shareholder (in the sense of point b.1.) shall register upon arrival at the General Meeting (see point a) above). Upon the Registration, the shareholder shall receive materials regarding the individual items of the General Meeting agenda and voting ballots for voting at the General Meeting.

The individual items of the agenda of the General Meeting shall be discussed in the order of the agenda.

Prior to the voting, the chairperson of the General Meeting shall be obliged to ensure that the shareholders are acquainted with all proposals and counterproposals presented by the convening party or by shareholders in respect of the relevant item of the General Meeting agenda. He/she shall also be obliged to ensure that, in compliance with law, the shareholders receive answers at the General Meeting to their requirements concerning the explanation of matters regarding the Company or entities controlled by the Company necessary for the assessment of the relevant item of the General Meeting's agenda, unless such explanation was provided to the shareholders prior to the General Meeting in compliance with the Commercial Code.

The General Meeting shall decide by the simple majority of the votes of the present shareholders, unless legal regulation or a provision of the Company's Articles of Association sets forth otherwise.

The voting shall take place in compliance with the Company Articles of Association and the Rules of Procedure of the General Meeting, which specify the voting rules stipulated in the Articles of Association and which are approved by the General Meeting (concerning the draft of Rules of Procedure, being one of the documents concerning the agenda of the General Meeting, see the sections "Draft resolutions regarding the General Meeting items and their justification" and "Note" as well).

The voting shall take place by ballots to be signed by the present shareholders. Where a present shareholder is not able to write, the person to count votes shall sign such shareholder's ballot on behalf of him/her. At first, the voting shall take place on the proposal by the convening party and, where such proposal was not approved, votes shall be cast on further proposals and counterproposals regarding the discussed item in the order in which such proposals and counterproposals were presented. When the presented proposal was approved, no votes shall be cast on any other proposals and counterproposals conflicting with the approved proposal.

b.4. Right to present proposals and counterproposals

Where the shareholder wishes to present at the General Meeting counterproposals to the items on the General Meeting's agenda, the shareholder shall be obliged to deliver a written wording of the proposal or counterproposal to the Company at least five working days prior to the date of the General Meeting, unless the proposal deals with a recall or election of corporate bodies members.

The Board of Directors shall announce to the shareholders in a manner specified for the convening of the General Meeting the counterproposal of a shareholder with its opinion in accordance with law and the Articles of Association. This shall not apply if the proposal is delivered less than two days prior to the General Meeting should the disclosure cost unreasonably exceed the purpose

and content of the counterproposal, or in case the counterproposal contains more than 100 words. Should the counterproposal contain more than 100 words, the Board of Directors shall present the essence of the proposal to shareholders along with their standpoint, and they shall publish the counterproposal at company's web sites www.telefonica.cz. The Board of Directors shall be obliged to publish the shareholder's counterproposal, including its standpoint, if possible, at company's internet sites www.telefonica.cz, provided that they are submitted prior to the General Meeting.

b.5. Right to request inclusion of a certain matter to the 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 an extraordinary General Meeting to discuss proposed matters. Each of the proposed matters must be supplemented by a justification or draft resolution. The shareholder(s) shall substantiate such request with a current extract from the statutory register, where the Company's shares are registered; should the shareholder(s) fail(s) to do so, the Company shall be entitled to obtain the necessary extract on its own at the costs of such shareholder(s).

The cited shareholder(s) shall also have the right that the matter proposed by them be included in the General Meeting agenda on condition that a justification or draft resolution is attached to each proposal. Provided that the request was delivered after the publication and distribution of the invitation to the General Meeting, the Board of Directors shall amend the agenda of the General Meeting 5 days before the General Meeting decisive date at the latest in a manner set out by law and the regulations for General Meeting convocation.

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

The shareholder is obliged to abide by law, be fair, comply with the company's internal rules, incl. the Articles of Association, and to exercise their rights towards the Company in a way that prevents interventions in rights and rightful interests of the Company and other shareholders, which are known or can and shall be known to the shareholders.

Draft resolutions regarding the General Meeting items and their justification:

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

Draft Resolution:

The General Meeting approved the Rules of Procedure of the General Meeting as submitted by the Board of Directors.

Justification:

The Rules of Procedure are an instrument anticipated by the Company's Article of Association and they have been used as a standard at all General Meetings so far. The submitted version is based on the company's best practice and the latest amendments to legislation.

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

Draft resolution:

The General Meeting elects JUDr. Petr Kasík Ph.D. as Chairman of the General Meeting, Ms Zuzana Dušková as Minutes Clerk, JUDr. Jakub Chytil and Mgr. Eva Stočková as Minutes Verifiers and Messrs Milan Vácha and Martin Hlaváček as scrutineers.

Justification:

The nominations to corporate bodies are implied by mandatory requirements and the 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.

Regarding Item 3 of the agenda (Recall of the Supervisory Board members):

Draft resolution:

The General Meeting recalls Messrs Lubomír Vinduška, Antonín Botlík and Jiří Trupl from the Supervisory Board of the company

Justification:

The Board of Directors presents the proposal submitted in the request of the qualified shareholder for convocation of the General Meeting, it has no objections and thanks to the said Supervisory Board members for their work.

Regarding Item 4 of the agenda (Election of the Supervisory Board members):

Draft resolution:

The General Meeting elects Mr. Martin Štefunko, born on 23 June 1977, residing at SNP 968/43, 92400 Galanta, Slovakia, as a member of the Supervisory Board.

The General Meeting elects Mr. Ladislav Bartoníček, born on 27 May 1964, residing at Věžeňská 859/9, Staré Město, 110 00 Praha 1, as a member of the Supervisory Board.

The General Meeting elects Mr. Vladimír Mlynář, born on 15 January 1966, residing at Jindrova 911, Stodůlky, 155 00 Praha 5, as a member of the Supervisory Board.

Justification:

On 28 January 2014, Messrs Martin Štefunko, Ladislav Bartoníček and Vladimír Mlynář were co-opted as substitute members of the Supervisory Board until the next General Meeting. According to the law, they were co-opted until this general Meeting.

The Board of Directors presents the proposal submitted in the request of the qualified shareholder for convocation of this General Meeting. The Board of Directors got acquainted with resumes of the nominees and considers them recommendable candidates in the offices of Supervisory Board members, given their experience and expertise.

Regarding Item 5 of the agenda (Approval of the Supervisory Board members' Executive Service Agreements):Draft resolution:

Considering his membership in the Supervisory Board, the General Meeting approves entering into the Executive Service Agreement with Mr. Martin Štefunkt, born on 23 June 1977, residing at SNP 968/43, 92400 Galanta, Slovakia, as submitted to the General Meeting.

Considering his membership in the Supervisory Board, the General Meeting approves entering into the Executive Service Agreement with Mr. Ladislav Bartoniček, born on 27 May 1964, residing at Věžeňská 859/9, Staré Město, 110 00 Praha 1, as submitted to the General Meeting.

Considering his membership in the Supervisory Board, the General Meeting approves entering into the Executive Service Agreement with Mr. Vladimír Mlynář, born on 15 January 1966, residing at Jindrova 911, Stodůlky, 155 00 Praha 5, as submitted to the General Meeting.

Justification:

The Executive Service Agreement represents a standard instrument setting out rights and responsibilities of the company and the respective Supervisory Board member and acts as one of the motivation instruments for execution of the office of a member of the Supervisory Board.

The Board of Directors presents the proposal in accordance with the request of the qualified shareholder for convocation of this General Meeting. The draft agreement is based on a standard template of the agreement that the company has been using so far, incl. remuneration and other prerequisites, and that respects the company's practices, while reflecting the amendments implied by new legislation.

A draft template of the Executive Service Agreement based on which Executive Service Agreements shall be made with the respective members of the Supervisory Board (after relevant identification data are filled in), shall form an inseparable part hereof as Annex 2.

Regarding Item 6 of the agenda (Election of the Audit Committee members):Draft resolution:

The General Meeting elects Mr. Martin Štefunkt, born on 23 June 1977, residing at SNP 968/43, 92400 Galanta, Slovakia, as a member of the Audit Committee.

The General Meeting elects Mr. Ondřej Chaloupecký, born on 5 December 1972, residing in Semily, Chuchelna 5, Postcode 513 01, as a member of the Audit Committee.

The General Meeting elects Mr. Radek Neužil, born on 22 April 1970, residing in Brno, Chmelnice 2789/45, Postcode 628 00, as a member of the Audit Committee.

Justification:

The Board of Directors presents the proposal in accordance with the request of the qualified shareholder for convocation of this General Meeting. The Board of Directors got acquainted with resumes of the nominees and considers them recommendable candidates in the offices of Audit Committee members, given their experience and expertise.

Regarding Item 7 of the agenda (Approval of the Audit Committee members' Executive Service Agreements):Draft resolution:

Considering his membership in the Audit Committee, the General Meeting approves entering into the Executive Service Agreement with Mr. Martin Štefunkt, born on 23 June 1977, residing at SNP 968/43, 92400 Galanta, Slovakia, as submitted to the General Meeting.

Considering his membership in the Audit Committee, the General Meeting approves entering into the Executive Service Agreement with Mr. Ondřej Chaloupecký, born on 5 December 1972, residing in Semily, Chuchelna 5, Postcode 513 01, as submitted to the General Meeting.

Considering his membership in the Audit Committee, the General Meeting approves entering into the Executive Service Agreement with Mr. Radek Neužil, born on 22 April 1970, residing in Brno, Chmelnice 2789/45, Postcode 628 00, as submitted to the General Meeting.

Justification:

The Executive Service Agreement represents a standard instrument setting out rights and responsibilities of the company and the respective Audit Committee member and acts as one of the motivation instruments for execution of the office of a member of the Audit Committee.

The Board of Directors presents the proposal in accordance with the request of the qualified shareholder for convocation of this General Meeting. The draft agreement is based on a standard template of the agreement that the company has been using so far, incl. remuneration and other prerequisites, and that respects the company's practices, while reflecting the amendments implied by new legislation.

A draft template of the Executive Service Agreement based on which Executive Service Agreements shall be made with the respective members of the Audit Committee (after relevant identification data are filled in), shall form an inseparable part hereof as Annex 3.

Regarding Item 8 of the agenda (Resolution on the amendment to the Company's Articles of Association):

Draft resolution:

The General Meeting resolves on amending the Articles of Association consisting in replacing the current wording (containing fundamental provisions and Art. 1 to 41) with amended wording (containing fundamental provision and Art. 1 to 46), as submitted to the General Meeting.

Justification:

The purpose of the amendment is partial adaptation of the company's Articles of Association to new legislation (namely, the Business Corporations Act) and the intention to modify the organisation, powers and mutual relations among corporate bodies to enhance their efficiency and effectiveness.

The Board of Directors presents the proposal submitted in the request of the qualified shareholder for convocation of this General Meeting.

The draft amendment to the Articles of Association form an inseparable part hereof as Annex 4. The objective of the submitted draft amendment is to brief shareholders on the scope of amendments (underlined wording is proposed to be included, crossed wording shall be expunged); the marked-up amendments shall serve for orientation only as the amended Articles of Association shall be approved as a whole in accordance with the draft resolution.

Note:

In connection with the items on the agenda of the General Meeting, shareholders or other persons identified by law shall have the following rights **as of 19 February 2014** until the date of the General Meeting (incl.):

- the right to inspect, on business days from 9:00 a.m. to 4:00 p.m. in the Company's registered seat, the draft amendment to the Articles of Association;
- the right to receive, on business days from 9:00 a.m. to 4:00 p.m. in the Company's registered seat, a written copy of the form of power of attorney mentioned above in point a) in the section "Participation in the General Meeting" (and, as the case may be, to request at their own cost and risk that the form be sent to them);
- the right to obtain at the electronic address www.telefonica.cz under link "Investor relations", section "General Meetings" the form of the power of attorney mentioned above in point a) in the section "Participation in the General Meeting" (or to ask at the electronic address valnahromada@o2.com for sending such form in its electronic version);
- the right to obtain at the electronic address www.telefonica.cz under link "Investor relations", section "General Meetings" each document concerning the agenda of the General Meeting, unless the law stipulates otherwise; in addition, such documents are available for inspection on business days from 9:00 a.m. to 4:00 p.m. in the Company's registered seat;
- the right to obtain at the electronic address www.telefonica.cz under link "Investor relations", section "General Meetings" draft resolutions of the General Meeting, including the shareholders' relevant proposals or counterproposals, and a standpoint of the Company's Board of Directors to the individual items of the General Meeting's agenda; in addition, such information and documents are available for inspection on business days from 9:00 a.m. to 4:00 p.m. in the Company's registered seat;
- the right to get acquainted with the total number of Company's shares and votes related at the electronic address www.telefonica.cz under link "General Meetings";
- the right to get acquainted with the text of this invitation to the General Meeting at the Company's web sites www.telefonica.cz, section "Investors Relations", section "General Meetings". In addition to that the invitation may be published in other information sources.

Annexes:

The following Annexes form inseparable parts hereof:

1. The draft Rules of Procedure of the general Meeting
2. The draft template of the Executive Services Agreement of a member of the Supervisory Board
3. The draft template of the Executive Services Agreement of a member of the Audit Committee
4. A marked-up draft amendment to the Articles of Association (underlined wording is proposed to be included, crossed wording shall be expunged)

Board of Directors of Telefónica Czech Republic, a.s