

Draft amendments to the Articles of Association of O2 Czech Republic a.s. based on the proposal by the Board of the Directors

1. Art. 8 Para 1 (j) shall read:
„elect and dismiss members of the Supervisory Board, except those, who are elected in employees voting under Art 21 Para 2,“.
2. Art 14 Para 3 (c) changes, so following words will be deleted:
„through its authorised member “.
3. Art 14 Para 3 (r) a dot at the end is replaced by a comma and (s) is amended, which, including marking, shall now read:
„s) provide an employees voting as defined in Art. 21 Para 2, including issue of electoral code under Art. 21 Para 14.“.
4. Provision of Art. 21 is replaced by a new wording, which, including marking, shall now read:

„Article 21 Composition of the Supervisory Board

1. The Supervisory Board of the Company shall have 3 members. No Supervisory Board member shall be simultaneously a member of the Board of Directors, CEO, Proxy or any person authorized to act on behalf of the Company as recorded in the Commercial Register. A member of the Supervisory Board may only be a natural person who is legally competent, has civil integrity in the sense given by the Trade Licensing Act; a member of the Supervisory Board must meet also other statutory conditions and his circumstances must not present a legal impediment to the discharge of the office (unless such impediment ceases to exist). Members of the Supervisory Board shall be assumed to have appropriate professional skills and experience for the proper performance of their duties as members. An individual or group of individuals who nominate a new member of the Supervisory Board shall procure, where possible, that such individual's professional resume be available at the General Meeting. An individual or group of individuals who nominate a new member of the Supervisory Board shall see, where possible, that a sufficient number of persons among the members of the Supervisory Board are individuals who have no commercial or similar relations with the Company.
2. Two thirds of the Supervisory members shall be elected or dismissed by the General Meeting. One third of the Supervisory members shall be elected or dismissed by the Company's employees („employees voting“).
3. In the employees voting can be elected only an individual, who:
 - a) has been proposed under Art. 6, and
 - b) is under the employment agreement with the Company as of employees voting commencement, while at that time neither employment termination agreement is concluded nor employment resignation or immediate employment termination is submitted.
4. In the employees voting, only an individual under the employment contract, can vote („eligible employee“).
5. Each eligible employee has one vote in the employees voting.
6. The right to propose a candidate for voting or dismissal in the employees voting belongs to:
 - a) A group of 10% of eligible employees, who are under the employment agreement with the Company as of the day of submission of a candidate list for a vote of a relevant member of the Supervisory Board voted by the employees („employees representative“) or a dismissal list for a dismissal of the employees representative, or
 - b) The Board of Directors.Each eligible employee, as well as the Board of Directors, can sign unlimited number of candidate lists or lists proposing dismissal of the employees representative in employees voting.
7. A 30% voting participation quorum of all eligible employees is needed for employees voting validity; number of the eligible employees as of the voting end is decisive. Unless a quorum in the individual employees voting is reached or due to other reasons the employees representative position is not occupied by voting, the Board of Directors shall organise without undue delay a substitute employees voting, where the quorum is not required.
8. In the employees voting, the candidate with the highest number of votes from participating eligible employees will be elected as an employee representative. In the case of equal votes for different candidates, the length of the current employment contract of the respective candidates shall be decisive, with the candidate with longer

employment becomes an employee representative; if this criterion does not make the decision, a draw organized by the Board of Directors will make the final decision.

9. Candidates who have not been elected employee representatives shall become substitutes up to a total number of 3. The order of substitutes shall be governed by the number of votes obtained in the voting; in the case of equal number of votes, paragraph 8 above shall apply. In the event of the employee representative office termination, the first substitute shall replace him/her; however his / her office of the Supervisory Board member only lasts for the period, for which the original position of member of the Supervisory Board should have last and which he/she took up his post. The status of a substitute is further extinguished:

- a) at the moment when the term of office of a newly elected employee representative begins,
- b) at the moment of his employment agreement with the Company termination,
- c) at the moment when the Company receives his/her written resignation statement from the office of substitute addressed to the Supervisory Board,
- d) by dismissal (rules of an employee representative dismissal shall be applied to a substitute dismissal);

and whichever of above circumstances comes first.

10. The Board of Directors shall organize, without undue delay, the employee voting (including a dismissal of an employees representative) if proposed by a group of eligible employees under paragraph 6 (a) above. The Board of Directors will also organize employee voting (including a dismissal of an employees representative) if required by law or these Articles of Association, or if it deems appropriate to dismiss an employee representative to protect the Company's interests; such reasons may, in particular, consist in particular in the following circumstances:

- a) the employee's employment agreement has terminated or shall terminate and, at the same time, the legislation does not connect the termination of the Supervisory Board member office with the employee's employment agreement termination, or
- b) the bankruptcy of an employee representative in accordance with § 153 of Act No. 89/2012, the Civil Code, as amended, has been proved, or it is highly expected that this will happen.

The employee representative is obliged to advise the Board of Directors on the circumstances under (a) or (b).

If the law connects termination of the Supervisory Board office with the termination of the employee's employment agreement with the Company, the office of the employees' representative in the Supervisory Board shall cease in this way, as of moment governed by the law effective at that time

11. The majority of the participating eligible employees' votes is needed to dismiss an employees' representative.

12. If the Board of Directors organizes dismissal of an employees' representative and if a substitute cannot be replace him/her, the Board of Directors shall simultaneously organize a new voting of the employees' representative. The voting shall be conditional by dismissal of the employees' representative.

13. If an employees' representative is in a risky position where he or she can breach the prohibition of competition under Art. 25 (2), he/she shall notify this to the Board of Directors. The Board of Directors may, but do not have to submit the approval of the competition ban to employees. Paras 4 and 7 above shall be applied similarly to the approval process, with each eligible employee having one vote; in case a quorum is not reached, the Board of Directors does not have to organize a substitute voting, and an absolute majority of the votes of the eligible employees is required for the approval of the competitive activity.

14. Further details on the employees' voting, or the other voting foreseen in Paras 2 to 13 above, shall be governed by the Electoral Code.

15. Unless otherwise stated in these Articles of Association, members of the Supervisory Board are elected for a five years term. A re-election of a member of the Supervisory Board is possible.

16. A member of the Supervisory Board may resign from his/her office by means of a written statement served to the Company and addressed to the Supervisory Board.; He must not, however, resign at a time which is inopportune for the Company. The membership ends upon the lapse of one month from the receipt of the letter of resignation, unless the Supervisory Board sets an earlier date or, with consent of the resigning member, a later date. The resigning member can ask the Chairman of the Supervisory Board (or, in his absence, the Vice-chairman) to convene a meeting of the Supervisory Board to discuss the member's resignation. If the Supervisory Board Chairman (or, in his absence, the Vice-chairman) fails to convene the Supervisory Board meeting, on which the resignation of the member of the Supervisory Board shall be discussed, on the date set forth in advance, otherwise without undue delay, the resigning member of the Supervisory Board shall be entitled to convene the Supervisory Board meeting by himself/herself. If the agenda of a Supervisory Board meeting includes a matter of resignation of a member of the Supervisory Board, the member of the Supervisory Board can announce his resignation to the Supervisory Board in person, instead of in writing, if the circumstances allow.

17. If a member of the Supervisory Board dies, who was not elected by employees, resigns from office, is dismissed or the term of his/her office expires otherwise, a new member of the Supervisory Board shall be elected within two months, unless he is appointed pursuant to point 19.

18. If a member of the Supervisory Board dies, who was elected by employees, resigns from office, is dismissed or the term of his/her office expires otherwise, a new member of the Supervisory Board shall be elected within two months, unless he is appointed pursuant to point 9.

19. In case of cessation of the member of the Supervisory Board office elected by the General Meeting (or co-opted to the office of member of the Supervisory Board elected by the General Meeting), the Supervisory Board may, subject to conditions laid down in the law appoint (co-opt) substitute members to take office until the next General Meeting.

20. The Supervisory Board shall elect and dismiss the Chairman and Vice-chairman from amongst the members thereof.

21. The Supervisory Board shall designate one of its members to represent the Company in proceedings in courts and other bodies conducted against members of the Board of Directors. “.

5. Art. 25 Para 2 the sentence wording changes, it shall read:

„The non-competition clause does not apply only, if the General Meeting, alternatively employees under Art. 21 Para 13, gives its consent to a member of the Supervisory Board having activities which are subject to the ban.”

6. Provision of Art. 27 is replaced by a new wording, which, including marking, shall now read:

„Article 27
Status and Authority of the Audit Committee

1. The Company shall establish an Audit Committee.

2. The Audit Committee shall:

- a) monitor the procedure of drafting the financial statements and consolidated financial statements as well as the integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting methods used by the Company, and submit to the Board of Directors or the Supervisory Board recommendations to ensure the integrity of accounting and financial reporting systems
- b) assess the effectiveness of the Company internal inspections, internal audit and risk management systems and its functional independency; in this connection, the Audit Committee shall review and assess at least annually the internal control, internal audit and risk management systems, with a view to ensuring that the main risks of the Company are properly identified and managed; the Audit Committee shall further submit to the Board of Directors and the Supervisory Board of the Company recommendations for issues relating to internal audit of the Company, and supports the effectiveness of the internal audit function, in particular by:
 - i) making recommendations on the selection of the head of the internal audit department, his election, as well as the re-election to the office or his dismissal, and on the department's budget and other issues related to the internal audit as specified in the statute of the internal audit department, and
 - ii) monitoring the responsiveness of management of the Company to findings and recommendations of the internal audit department;
- c) monitor the process of the mandatory audit; in this connection, the Audit Committee shall also receive and evaluate information related to the process of carrying out the auditing of accounts, review the effectiveness of the mandatory audit and how the Company management follows auditor's recommendations; the Audit Committee shall cooperate to improve the communications between the auditor and the Company management,
- d) inform the Supervisory Board of the outcome of the mandatory audit and of its findings gathered from the monitoring of the mandatory audit process and of the manner in which the mandatory audit has contributed to ensuring the integrity of the accounting and financial reporting systems,
- e) review the independency of the statutory auditor and the auditor company as well as the supplementary services rendered by the statutory auditor and the auditor company to the Company; in this connection, the Audit Committee shall also monitor and assess the independence and objectivity of, and cooperates with, the auditor, receive and evaluate information capable of jeopardizing the auditor's independence, including the discussions with the auditor of any risks jeopardizing the auditor's independence and the safeguards taken by the auditor to mitigate such risks, and also review the nature and scope of the supplementary services rendered to the Company by the auditor,
- f) approve provision of other supplementary services in cases required by the law regulation,
- g) recommend the auditor, to the Supervisory Board, in a manner pursuant to law,
- h) obtain and discuss information, declarations and communications with the auditor pursuant to law,
- i) provide other Company bodies or management with information on matters falling within the power of the Audit Committee, when deemed necessary by the Audit Committee and, in the cases pursuant to law, also to third parties,
- j) inspect documents and records relating to the Company's activities to the extent necessary for the performance of the Audit Committee,

k) on an annual basis, prepare a report on the activities of the Audit Committee for the Public Audit Oversight Board, in which it assesses its activities pursuant to law.

3. The Audit Committee shall also carry out what is imposed on it by law, mainly by Act No. 93/2009 Sb., on auditors and amendments of several acts, and European parliament and Regulation (EU) No 537/2014 of the European Parliament and of the Council. The authority of the Audit Committee does not affect the authority of other Company bodies pursuant to law and these Articles of Association.

4. The Audit Committee approves the Rules of Procedure, which stipulate its activities.“.

7. Wording “shall also be fulfilled” in the last sentence of Art. 28 Para 3 shall now read “are fulfilled”.

8. In Art. 28 Para 5 last sentence shall now read:

„ If the agenda of an Audit Committee meeting includes a matter of resignation of a member of the Audit Committee, the member of the Audit Committee can announce his resignation to the Audit Committee in person, instead of in writing, if the circumstances allow.

9. Wording “elect a new member of the Audit Committee” in the last sentence of Art. 28 Para 7 shall now read „ proceed in accordance with Para 8“.

10. At the end of Art. 28 Para 9, the following new sentence shall be added:

„At the same time, appropriate special requirements for the Chairman of the Audit Committee pursuant to law have to be fulfilled.“.