



ANNOUNCEMENT OF PER ROLLAM PROCEDURE TO PASS DECISIONS¹

**at the General Meeting of the joint-stock company O2 Czech Republic a.s.
as proposed by the principal shareholder,
with voting from 3 January 2022 until 26 January 2022**

The Board of Directors of O2 Czech Republic a.s.,

with registered office at Prague 4, Za Brumlovkou 266/2, Postal Code 140 22, ID No. 60193336, registered in the Commercial Register maintained by the Municipal Court in Prague under file number B 2322 (hereinafter referred to as the “Company”), at the request of PPF Telco, B.V., a company with registered office at Strawinskylaan 933, Amsterdam, Kingdom of the Netherlands, registered in the Commercial Register maintained by the Amsterdam Chamber of Commerce under identification number 65167902, as the Company’s principal shareholder,

announces

that a written decision will be taken under the conditions set out below of the General Meeting of the company outside the meeting on a single item, namely

the proposal to transfer all other participating securities of the Company to the principal shareholder

I. Preamble

- I.1. The General Meeting shall be convened upon the request of the principal shareholder, delivered to the Board of Directors by the principal shareholder, including the draft resolution of the General Meeting and all necessary documents. The Board of Directors is legally obliged to convene the General Meeting in the given situation and to submit the principal shareholder’s proposal to a vote.
- I.2. On 8 December 2021, the Company’s Board of Directors received a request from PPF Telco B.V., with registered office at Strawinskylaan 933, Amsterdam, the Kingdom of the Netherlands, registered in the Commercial Register of the Amsterdam Chamber of Commerce under No.

¹ This version of this announcement is a translation from the original which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of this announcement takes precedence over this translation.

65167902 (the “Principal Shareholder”), to convene a General Meeting to decide on a proposal to transfer all other participating securities of the Company to the Principal Shareholder (the “Request”). Based on the contents of the Request and the documents attached thereto, the Board of Directors of the Company has verified that the Principal Shareholder meets the statutory prerequisites for filing the Request pursuant to Section 375 of Act No. 90/2012 Coll., On business corporations and cooperatives (Business Corporations Act), as amended (“BCA”). In accordance with Section 377(1) of the BCA, the Board of Directors is obliged to convene the General Meeting within 30 days from the date of receipt of the Request. In the given situation, the Board of Directors, after reviewing the formalities of the Request, had to primarily resolve the question of the form in which the General Meeting could and/or should be held. In its request for a general meeting pursuant to Section 375 of the BCA, the Principal Shareholder asks the Board of Directors to assess the current epidemiological situation and, taking into account the Principal Shareholder’s intention to implement the compulsory transfer of shares as soon as possible, to decide on holding a General Meeting per rollam pursuant to Sections 418 to 420 of the BCA (if the conditions for such a procedure are met pursuant to the Company’s Articles of Association).

- I.3. Based on the reasons set out in this announcement, the Board of Directors has concluded that there were grounds for the General Meeting to adopt a resolution by way of a decision outside the General Meeting within the meaning of Article 7(3) and (4) of the Company’s Articles of Association in conjunction with Section 418 et seq. of the BCA (“per rollam”). The Board of Directors is convinced that this form will ensure not only a risk-free course of the General Meeting’s procedure, but also the possibility of exercising the shareholders’ right to vote and submit requests for clarification, without exposing the shareholders to the risk of contagion or restrictions resulting from public health measures related to the COVID-19 pandemic. At the same time, the General Meeting will be held irrespective of any pandemic measures that may arise in the near future.
- I.4. Throughout the COVID-19 epidemic, the Government of the Czech Republic has responded to the difficult-to-predict epidemic developments, in particular by issuing various restrictive measures necessitated by the mitigation of health risks arising mainly from person-to-person contacts. A number of already promulgated measures related to the possibility of holding mass events or gatherings. On 25 November 2021, the Government of the Czech Republic passed, and promulgated in the Collection of Laws under No. 434/2021 Coll., the Resolution No 1065 declaring a state of emergency due to the health threat posed by the demonstration of the presence of the coronavirus (designated SARS CoV-2) on the territory of the Czech Republic for at least 30 days from 26 November in response to the emergency caused by the current (and so far not significantly improving) epidemiological situation. As of the date of issue of this announcement, Resolution No 1066 of the Government of the Czech Republic, issued in the Collection of Laws under number 435/2021 Coll., of 25 November 2021 is in force. Pursuant to item II/16 of the cited resolution, a meeting of a body of a legal entity (if more than 20 persons attend at one place) is subject to the following restrictions: (a) a participant must be excluded from attending who (i) shows clinical signs of COVID-19, or (ii) does not meet the conditions set out in item II/17² or cannot produce a negative RT-PCR test for SARS-CoV-2, which they have taken no longer than 72 hours prior; (b) the host is instructed to check the compliance of a participant who must comply with the conditions referred to in point (a)(ii) on entering the indoor premises and the participant shall be instructed to demonstrate compliance with those conditions; in the event that the participant fails to demonstrate compliance with the conditions referred to in point (a)(ii), the host shall not allow such participant to enter the indoor premises.

² Briefly: a person who cannot be vaccinated must present an RT-PCR test not older than 72 hours; a vaccinated person must present a certificate of a completed course of vaccination or ‘vaccination in progress’; a person who has contracted covid-19 must present a certificate of recovery from COVID-19 not older than 180 days.

Apart from the current state of emergency, in previous periods the right to attend meetings of a body corporate has been similarly (literally even identically) restricted by emergency measures of the Ministry of Health³. It can therefore be reasonably assumed that even if the state of emergency is not extended, participation in meetings of corporate bodies will again be restricted by an emergency measure of the Ministry of Health of the Czech Republic. If a shareholder fails to comply with the terms of these measures, that shareholder is effectively prevented from exercising their right to vote, whether because of a failure to prove that he or she is free of infection or because of a prohibition on assembly, including assembly at meetings of the supreme body of a legal person (whether or not such prohibition would be limited to a certain number of persons). Thus, it cannot be excluded that the ground for per rollam provided for in Article 7(3)(a) of the Company's Articles of Association would also arise. The appointment of the new Government of the Czech Republic does not change the above. The Board must also take into account the uncertainty caused by rapid mutations of the virus with unknown effects (currently the "omicron" variant).

- I.5. Hosting a physical meeting of the General Meeting as the supreme corporate body is demanding both in terms of organisation and time, and requires a high degree of predictability. In view of the usual number of shareholders present at the Company's general meetings in previous years, the Board of Directors considers that the possibility of holding a physical General Meeting is uncertain, given the uncertain development of the epidemiological situation and the changing conditions (both factual and legal). Even during the relaxation of the measures, there remains a real risk, based on the experience from 2020 and 2021, that the epidemiological situation will not improve or will even worsen (e.g. due to the expected spread of the currently new SARS CoV-2 variant) and that the measures could be tightened again within days and the holding of a physical meeting could be prevented. This is due to the necessary time lag between the convening and the actual meeting.
- I.6. **The Board of Directors therefore used the per rollam procedure pursuant to Article 7(3)(b) of the Company's Articles of Association**, and Sections 418 to 420 of the BCA. The Board of Directors considers that the conditions under which the Company may resort to per rollam are fulfilled because, in the opinion of the Board of Directors, there is a risk that the holding of a physical General Meeting will be made impossible or will be significantly hampered by the impact of the COVID-19 epidemic and the measures to prevent it. In particular, per rollam will ensure that the participation, as well as non-participation, of each shareholder will be relevant to the outcome of the vote (since in a per rollam, if a shareholder does not vote, their vote counts as a vote "AGAINST" the proposed resolution at the General Meeting) and no shareholder will be prevented from exercising their shareholder voting rights as a result of any restrictions (see above).
- I.7. The Board of Directors, following the experience of previous years (when per rollam General Meetings were held on the basis of Act No. 191/2020 Coll., the so-called "Lex Covid"), proposed to the last General Meeting to introduce the possibility of per rollam voting directly into the Articles of Association in accordance with Section 418 of the BCA. It has become apparent that reliance on special legislation allowing per rollam decision-making may negatively interfere with the internal workings of the company (see the example of the Annual General Meeting convened on 16 April 2020). The General Meeting approved this proposal and currently the possibility of holding the General Meeting per rollam is regulated in Article 7 of the Articles of Association. Article 7(3) of the Articles of Association defines the cases in which it can be assumed that a General Meeting would be prevented, substantially hindered or otherwise benefit from a per

³ Emergency measure of the Ministry of Health of the Czech Republic No. MZDR-14601/2021-28/MIN/KAN of 20 November 2021, which was cancelled at 6 p.m. on 26 November 2021 by Emergency measure of the Ministry of Health of the Czech Republic No. MZDR-14601/2021-29/MIN/KAN of 26 November 2021.

rollam decision. In addition to the public health situation, it also illustratively lists other situations in which the General Assembly could pass decisions per rollam (e.g. natural emergencies). Moreover, the Board of Directors is convinced that, in view of the timeframe and the uncertainty, the conditions laid down in Article 7(3)(c) of the Articles of Association have also been met, i.e. that such a decision is in the interests of the Company, which is confident that the General Meeting will adopt a decision and that shareholders will be able to exercise their shareholder rights.

- I.8. The Board of Directors is responsible for ensuring that the General Meeting is duly held within the time limits set by law. It is currently impossible to predict what the situation will be and what conditions will apply in a few weeks' time. Physical meetings of the General Meeting are always time-consuming and it is expected from previous experience that a number of questions will be raised, which would, in this case, significantly extend the duration of the event.
- I.9. A physical General Meeting is a mass event, which in experience always lasts more than 3 hours, and involves registration, large numbers of people gathering and staying in one room, etc. At all times, everyone would have to be wearing adequate respiratory protective equipment (as of today, the indoor requirement is FFP2/KN95, with the expectation that this requirement will continue at least through the winter of 2021/22) and would have difficulty breathing, there would be problems with the intelligibility of speeches through masks, refreshments would have to be restricted (serving and consuming food and drinks without masks, social distancing, disinfection, more organisation personnel, checking that shareholders comply with the current measures, etc.) All this would not only make the physical General Meeting more complicated, but also longer. Moreover, these conditions place even greater demands on the premises in which the General Meeting could be held. Many shareholders would not attend the General Meeting for fear of their health or would be hindered or prevented from attending by some of the measures. In summary, bringing together a large number of people cannot be considered appropriate, given the concentration of people, the length of the General Meeting of several hours, the need for physical contact (checking registration documents, collecting ballots, taking questions) and the customary (and, given the duration, necessary) serving of refreshments. The Board of Directors also took into account age group aspect of the shareholders, with physical General Meetings typically attended primarily by older shareholders (where, by all statistical findings, the impact of COVID-19 is most severe). All this would not only complicate the attendance of the General Meeting for the organisers and all those present, but in the opinion of the Company's Board of Directors, for the reasons set out above, would actually restrict the exercise of shareholders' rights; as explained above, the per rollam procedure is designed to allow all interested shareholders to exercise their shareholder rights.
- I.10. The scheduling of a physical General Meeting requires a high degree of certainty for another reason: the holding of a General Meeting can still be thwarted or made more difficult by the illness of any of the members of the General Meeting's organisation team or of the members of the Board of Directors or Supervisory Board, or even just by their officially imposed quarantine. In the event of any postponement of the General Meeting (should the scheduled meeting be disrupted), the next meeting may be held no sooner than one month later (technical deadlines for convening a new meeting). Conversely, a slight illness or quarantine will still allow the team member concerned to participate by remote means in the implementation of the General Meeting per rollam. Even the length of the voting period for a General Meeting per rollam is set to allow for those shareholders who are ordered to be quarantined or isolated (which is currently a maximum of 14 days) to vote.
- I.11. The Board of Directors has determined the terms of the per rollam in light of the provisions of Sections 418 to 420 of the BCA and Article 7(3) and (4) of the Company's Articles of Association.

- I.12. The Board of Directors therefore invites and recommends that shareholders become sufficiently familiar with the rules for passing decisions per rollam as set out below in order to avoid any misunderstandings. For these reasons, the Board of Directors has also decided to make the necessary information available to shareholders (investors) well in advance of the Record Date (see Article **Error! Reference source not found.** below) and the date of publication of the draft resolution of the General Meeting (see Article **Error! Reference source not found.** et seq. below).
- I.13. The procedure will be similar to the decision process of the 2020 and 2021 General Meetings. The Board of Directors wishes to draw attention to the following in particular:
- a) The notice of the start of the voting, the draft resolution of the General Meeting, the voting rules and the ballot papers, or all necessary information and documents will be published in the Commercial Bulletin and on the Company's website (Article 42(1) in conjunction with Article 9(5) of the Company's Articles of Association). Only from that date (i.e. from 3 January 2022 at 12:00 p.m. – see Article III.) will the shareholders be able to start voting.
 - b) On 1 June 2021, Act No. 37/2021 Coll., on the registration of beneficial owners, entered into force. In this context, the Company draws the attention of shareholders who are legal entities with their registered office in the Czech Republic or trustees of so-called legal arrangements (i.e. trusts) which fall into the remit of this Act, in particular to the following provisions:

Section 54(3): In decisions of a supreme body of a business corporation, voting rights may not be exercised by, or its matters decided by, in the capacity of a sole shareholder, a legal person or any person who acts on behalf of a legal arrangement that has no beneficial owner registered in the register of beneficial owners.

II. General commentary on the per rollam procedure

- II.1. While the per rollam procedure takes place outside the General Meeting, it is still a decision of the General Meeting as the supreme governing body of the Company. It differs from the standard decision-making process of the General Meeting of the Company mainly in that the shareholders or their proxies do not vote on the proposals in personal attendance at the General Meeting, but the decision is taken if a sufficient number of shareholders' votes for the proposal (positive votes) is cast in writing within the period specified for the Proposal of the Board of Directors distributed to the shareholders.
- II.2. The per rollam procedure is thus, in essence, only an alternative way of passing decisions at the General Meeting. It does have, however, certain specifics and limitations resulting mainly from the fact that there is no on-site discussion of individual items on the agenda of the General Meeting. The fundamental difference, it should be noted at the outset, is that the statutory rule "who keeps silent votes against" applies in per rollam voting. A shareholder can therefore vote "against" a proposal simply by not submitting a vote (Section 419(1) of the BCA). The quorum for voting on submitted proposals (decisive majority) is calculated from the total number of votes of all shareholders (Section 419(3) of the BCA). According to this logic, even invalid ballots (i.e. those that do not meet the required requirements) will be counted as votes "AGAINST" the resolution proposed at the General Meeting. The detailed rules are further set out in Articles III to XII of this announcement.

- II.3. The scope and methods of exercising shareholder rights may vary from the situation when they are exercised at a physical General Meeting for the reasons stated above (for more detailed information, see below).
- II.4. The Board of Directors commissioned ADMINISTRER, spol. s r.o., Company ID No. 47551054, with its registered office at Husova 109/19, Kutná Hora-Vnitřní Město, 284 01 Kutná Hora, to organize the per rollam voting of shareholders and to ensure all steps that enable, prevent, follow or in any way relate to adopting decisions, in order to ensure the proper procedure and determination of the outcome of the decision.

III. Dates of the per rollam voting

- III.1. The shareholders' vote in the framework of the per rollam decision will take place in writing during the period beginning on **3 January 2022 at 12:00 p.m.** and ending on **26 January 2022 at 12:00 p.m.**

IV. Voting Record Date

- IV.1. Persons who will be listed as shareholders on **27 December 2021** (hereinafter referred to as the "**Voting Record Date**") in the extract from the statutory register CDCP where the Company's book-entered shares are registered (hereinafter referred to as the "Statement from the CDCP") will be eligible to vote. The Statement from the CDCP will be procured by the Company. This is a procedure similar to the determination of persons authorized to participate in the General Meeting and to exercise shareholders rights at the meeting, including the right to vote pursuant to Article 9(6) of the Company's Articles of Association.

V. Identifying shareholders and their proxies

- V.1. The Statement from the CDCP as of the Voting Record Date will be procured by the Company.
- V.2. Unless otherwise stated below, shareholders will be identified for the purposes of per rollam voting by means of the following documents:
- (a) Shareholders – natural persons, if they vote without a proxy, will be identified according to the Statement from the CDCP and do not have to provide any other documents when voting.
 - (b) Shareholders – legal entities must deliver the original or an officially certified copy of the document proving the existence of the legal entity and the manner of acting of the member of the statutory body on its behalf (typically for Czech corporations, an extract from the Commercial Register).
 - (c) Shareholders' proxies must, in addition, deliver the original or an officially certified copy of the written power of attorney with the officially certified signature of the principal when voting (for details and exceptions, see Article V.4 and V.5 below).
- V.3. If the documents referred to in above Article V.2(b) or V.2(c) are made by foreign authorities or institutions or provided with their verification clauses, they must be provided with an apostille or other clause or verification, which are required in official communication by the Czech authorities for similar foreign documents. If such documents, clauses or verifications are made

in a foreign language, an official translation into Czech must be attached to them; documents in Slovak language constitute an exception.

V.4. Provisions concerning powers of attorney:

- (a) Shareholders may also use the power of attorney form (see also Article V.2(c) above) which the Company publishes together with this announcement on its website. The use of the form is not mandatory when granting a proxy.
- (b) Shareholders may send the power of attorney to represent them in a per rollam decision, as well as its revocation, by mail to the address as set out in Article VI.4.
- (c) Shareholders may also notify the Company at o2valnahromada@per-rollam.cz of the granting of a proxy to represent them in a per rollam decision as well as of its revocation. If such notification does not enable the Company to assess the compliance of the proxy with the legal requirements or to identify the signatory unambiguously (in particular a recognized electronic signature⁴), the Company is entitled, but not obliged, to request additional information to prove the shareholder's representation.
- (d) Shareholders may also notify the Company of the granting of a proxy to represent them in per rollam decision, as well as of its revocation, by means of a data mailbox, the address (ID) of which is: j3sjbnj; such notification must also allow for the assessment of the proxy's compliance with the legal requirements and, in the interests of smooth processing, it is requested that the relevant message appropriately identifies the matter (dmAnnotation), in the form of "Power of attorney for per rollam decisions O2".
- (e) The Company will also allow the representation of shareholders in per rollam decisions on the basis of a written power of attorney which has been submitted to the Company in the past and which allows representation in the current per rollam decision or at the General Meeting, if held no later than on the day the proxy signs the ballot paper on behalf of the shareholder. The following applies to representation on the basis of such a power of attorney:
 - (i) In lieu of a written power of attorney, the proxy will submit either (A) a signed written statement identifying himself or herself as proxyholder and identify the shareholder and the date the proxy was given, stating that the power of attorney had previously been filed with the Company, or (B) a copy of a "registered copy" of a power of attorney issued in the past pursuant to the rules under which the Company issued such registered copies.
 - (ii) The Company will verify, on the basis of the documents referred to in the preceding paragraph, that the relevant power of attorney has been filed with it in the past, and the impossibility of such verification shall be to the detriment of the proxy or the shareholder represented by him. This is without prejudice to the possibility that the proxy may subsequently be proven by any of the other means described in this announcement.
 - (iii) However, the Company will not accept the representation referred to above if, not later than the date on which the proxy in question delivers to the Company the shareholder's vote by proxy, the Company receives an expression of intent from

⁴ For the purposes of this Announcement, recognized electronic signature means a signature within the meaning of Section 6(2) of Act No. 297/2016 Coll.

the shareholder revoking or limiting that proxy so as not to permit representation in respect of a per rollam decision to the extent applicable.

- (f) If a shareholder's representation is evidenced by any of the methods set out in Articles V.4(c) to V.4(e) above, the Company will not require the submission of a written proxy in accordance with the requirements of Article V.2(c) above when voting.

V.5. Special provision concerning representation by an administrator:

- (a) The Company also admits representation of shareholders by a person registered in the Statement from the CDCP as an administrator or as a person authorized to exercise the rights associated with the share. If the shareholder's representation is proved in this way, the Company will not require the submission of the documents referred to in Article V.2(b) or V.2(c) above when voting.
- (b) However, the Company will not allow the above representation if, at the latest on the day on which the relevant administrator delivers a shareholder voting statement to the Company, the Company receives an expression of intent from the shareholder revoking or limiting the above representation so as not to permit representation in respect of a per rollam decision to the extent applicable .

VI. Voting procedure

VI.1. In accordance with Article 42(1) of the Articles of Association, the Company shall publish all necessary information and documents for shareholders, i.e. in particular the draft resolution of the General Meeting (in the form of a notarial record), voting rules and ballot papers in the **Commercial Bulletin on 3 January 2022**. Furthermore, the Company shall also publish in accordance with Article 42(1) of the Articles of Association the draft resolution of the General Meeting (in the form of notarial record), voting rules and ballot papers for download and printing **by 3 January 2022 12:00 p.m. on the website www.ico60193336.cz** under the tab Investor Relations, section General Meeting. At the same time, the Company will publish on its website whether the condition pursuant to section 378(2) of the BCA, i.e. the deposit of funds in the amount required for the payment of the consideration, has been fulfilled by the Principal Shareholder and the evidence thereof provided to the Company. **In this respect, the start of voting, i.e. the first time at which a valid ballot paper can be delivered, is set at 12:00 noon on 3 January 2022** (see Article III.1 above).

VI.2. Votes may not be sent or delivered prior to the start of the voting.

VI.3. With regard to the ballot papers, the shareholders shall proceed in accordance with Article VI.4.

VI.4. Voting will take place by ballot as follows:

- (a) Shareholders who wish to vote "FOR" the proposal shall complete their ballot papers in the manner indicated thereon and return them by one of the following methods:
 - (i) by post to the address O2 Czech Republic a.s., P.O. BOX 16, 284 01 Kutná Hora;
 - in this case, the signatures on the ballot papers must be officially certified, and the same applies to foreign certification clauses as in Article V.3 above;
 - (ii) to the email address o2valnahromada@per-rollam.cz;

- in this case, the ballot paper must be signed with a recognized electronic signature; or
- (iii) to the data mailbox whose address (ID) is: j3sjbnj
 - in this case, the ballot paper must be signed with a recognized electronic signature.
- (b) Shareholders who choose to vote “AGAINST” a proposal may complete the ballot papers in the manner indicated thereon and return them in the same manner as set out above or cast no vote (Section 419(1) of the BCA).

To be counted, ballot papers must be delivered to the Company by one of the methods provided for in this Article VI.3 **no sooner than 12:00 p.m. on 3 January 2022 and no later than 12:00 p.m. on 26 January 2022**. If shareholders or their proxies are required to submit certain documents (e.g. a power of attorney or an extract from the commercial register) in order to vote, such documents must be delivered to the Company no later than the applicable deadline under this Article. Until the required documents have been delivered to the Company, the vote of the shareholder concerned shall not be counted, even if it has been duly delivered previously. In all cases where ballot papers are not completed “FOR” and delivered in accordance with the requirements under (a) above or are not delivered in the period specified, they will be treated in the same way as if the shareholder had voted “AGAINST”.

- VI.5. Special provisions on conflict of shareholder and proxy votes: If a shareholder and his proxy vote in the matter of the draft resolution of the General Meeting, only the vote that is submitted (delivered to the Company) first will be counted in the result of the voting.
- VI.6. Special provision on voting by a proxy representing more than one shareholder: In the event that a proxy represents more than one shareholder in a voting, they shall attach to the ballot paper completed in accordance with the rules set out in this announcement a list of shareholders for whom they are voting and their identification. A sample ballot paper for voting by a proxy who represents several shareholders will be published on the Company’s website.
- VI.7. Votes already cast (on ballot papers) cannot be changed or revoked.
- VI.8. To approve the Proposal, 90% of the votes of all shareholders is required (see Section 382(2) and Section 419(3) of the BCA).

VII. Information on draft resolution to be submitted to shareholders for decision

- VII.1. The Board of Directors intends to submit the Principal Shareholder’s draft resolution of the General Meeting, the wording and justification of which are set out at the end of this announcement. For the avoidance of doubt, the Board of Directors wishes to point out that it is possible to vote on the resolution only after the draft resolution and the ballot papers have been distributed in the manner described in Article VI.1 above, i.e. the publication of the draft resolution under this notice is not in itself a call for shareholders to vote on the resolution.

VIII. Information on the number of shares and voting rights

The Company’s share capital amounts to CZK 3,008,821,570 and is divided into 300,882,147 registered ordinary shares with a nominal value of CZK 10 per share and 1 registered ordinary

share with a nominal value of CZK 100. Each CZK 10 of the nominal value of the shares represents one vote; the total number of votes attached to the Company's shares is therefore 300,882,157.

IX. Information on documents available to shareholders

IX.1. Along with this announcement, the following documents have been published on the Company's website:

- (a) Details of the person of the Principal Shareholder;
- (b) The justification of the proposed Consideration prepared by the Principal Shareholder on 18 November 2021 (subsequently supplemented on 25 November 2021) (the "**Justification**");
- (c) The decision of the Czech National Bank No. 2021/121698/CNB/570 dated 1 December 2021 issued pursuant to Section 391 of the BCA, in which the Czech National Bank gave its consent to the adoption of a resolution of the General Meeting on the transfer of all other participating securities of the Company (whose participating securities are admitted to trading on a European regulated market) to the Principal Shareholder (the "**CNB Decision**").

Commencing on the date of publication of this notice, on business days between 9:00 a.m. and 4:00 p.m., these documents will also be available to shareholders for viewing free of charge at the Company's registered office.

- (d) Power of attorney form

As set out in Article V.4(a) above, the Company is publishing, together with this announcement, a form of a power of attorney (proxy) for use by Shareholders in voting per rollam. The form is available here: www.o2.cz/spolecnost/valne-hromady and also, as of the day of publication of this announcement, on weekdays from 9:00 a.m. until 4:00 p.m., the Company's registered office.

Each shareholder also has the right to request that the form be sent to them at their own expense and risk in paper form or electronically by contacting o2valnahromada@per-rollam.cz or by telephone at 271 462 076 or 271 462 169.

By this announcement, the Company publishes information on the procedure according to Section 375 of the BCA in the sense of Section 379(2) of the BCA.

IX.2. An English translation of this announcement is also available to shareholders under the following link: www.o2.cz/spolecnost/en/general-meetings.

X. Information on other shareholder rights

X.1. Right to explanation

The Board of Directors fully intends to allow all shareholders to exercise their right to an answer to their request for an explanation of matters concerning the Company, or the persons controlling it, which are necessary for the assessment of the draft resolution of the General Meeting or for the exercise of shareholder rights in the context of the per rollam procedure.

The Board of Directors is thus prepared to provide shareholders with responses to requests for clarification, in two rounds (see below). Requests must be delivered to the Company by one of the methods set out in Article VI.4(a); for the avoidance of doubt, the Board of Directors confirms that neither a certified signature nor a recognised electronic signature is required for requests for clarification using either method of delivery.

It must be clear from the request for clarification that it is a request for clarification by the shareholder or their representative in connection with the per rollam and who is making it.

Requests for clarification in the first round may be submitted by shareholders until 10 January 2022; explanations to these requests will be provided by publication on the Company's website no later than **12 January 2022**. Requests for clarification in the second round (typically supplementary requests for clarification to explanations already submitted) may be submitted by shareholders until 18 January 2022; explanations to these requests will be provided by publication on the Company's website no later than **20 January 2022**.

The Board of Directors further notes that the provision of explanations, including their possible refusal, will be handled in accordance with Sections 357 to 360 of the BCA.

X.2. Right to submit proposals and counterproposals

In view of the nature and construction of the per rollam process within the meaning of Section 418 of the BCA and, in this case in particular, the nature and construction of the compulsory transfer of participating securities described in Section 375 of the BCA, only the draft resolution of the General Meeting is voted on during the per rollam.

XI. Notice concerning pledged shares

The Company invites the pledgees in whose favour a pledge has been established over the Company's shares to notify the Company of the existence of such pledge. They may do so in writing at the Company's registered office or by e-mail at o2valnahromada@per-rollam.cz.

The holders of the pledged shares are obliged to inform the Company, without undue delay after they have learnt of this announcement, of the fact of the pledge of the shares and the identity of the pledgee.

XII. Information on the results of voting

You can check whether your ballot paper has been delivered, registered and has been counted by enquiring at the telephone number 327 588 356.

The Board of Directors will announce the results of per rollam decisions in the same manner as it announces the results of decisions taken at the General Meeting.

Draft resolution of the General Meeting which will be submitted to shareholder vote

At the request of the Principal Shareholder, the Board of Directors will submit a draft resolution for per rollam vote at the General Meeting, the text and justification of which is set out below. For the avoidance of doubt, the Board of Directors notes that the draft resolution may only be voted on after the draft resolution and the ballot papers have been published in the manner described in Article VI above. The publication of the draft resolution of the General Meeting in the context of this announcement is not in itself an invitation to shareholders to start voting now.

Concerning the sole item on the agenda: Proposal to transfer all other participating securities of the Company to the Principal Shareholder

DRAFT RESOLUTION:

The General Meeting, whereas:

- (A) PPF Telco B.V., a company with registered office at Strawinskylaan 933, Amsterdam, The Netherlands, registered in the commercial register maintained by the Chamber of Commerce for Amsterdam under identification number 65167902 (“Principal Shareholder”), is the principal shareholder of the Company within the meaning of Section 375 of the Business Corporations Act,**
- (B) the Company has received a request by the Principal Shareholder in accordance with Section 375 of the Business Corporations Act to convene a General Meeting to resolve on the transfer of all other participating securities of the Company to the Principal Shareholder, where in the case of the Company, the participating securities are only shares;**
- (C) the Company has been provided with (i) the justification of the proposed amount of consideration prepared by the Principal Shareholder on 18 November 2021 (subsequently supplemented on 25 November 2021) and (ii) the final consent of the Czech National Bank to the adoption the resolution of the General Meeting of the Company to transfer all other participating securities of the Company to the Principal Shareholder, which means that the conditions set out in Sections 376(1) and 391(1) of the Business Corporations Act have been satisfied,**
- (D) the agent authorized to pay the consideration within the meaning of Section 378 of the Business Corporations Act is PPF banka a.s., ID No.: 471 16 129, with its registered office at Prague 6, Evropská 2690/17, Postal Code 160 41, registered in the Commercial Register kept by the Municipal Court in Prague under file number B 1834 (the “Authorized Agent”), which is a bank licensed by the Czech National Bank; and**
- (E) prior to the adoption of this resolution, the Board of Directors of the Company has been shown evidence of the deposit of the relevant amount with the Authorized Agent,**

in accordance with Section 375 et seq. of the Business Corporations Act, it hereby:

- (1) decides on the compulsory transfer of ownership of all participating securities of the Company owned by shareholders of the Company other than the Principal Shareholder (i.e. shares of the Company with a nominal value of CZK 10 each; hereinafter referred to as “Shares”) to the Principal Shareholder,**

- (2) determines that the Principal Shareholder shall provide all other shareholders of the Company with a consideration of CZK 270 per Share; and
- (3) determines that the Principal Shareholder shall provide the consideration at its expense through the Authorized Agent within the time period specified in Section 389(1) of the Corporations Act without undue delay from the date of registration of the ownership of the Shares in the Principal Shareholder's property account in the relevant book-entry securities register (the "Entry Date"), commencing no later than on the 5th business day after the Entry Date. Pursuant to Section 378(3) in conjunction with Section 382(2) of the Business Act, it is further determined that the Authorised Agent shall ensure the pay-out of the consideration on behalf of the Principal Shareholder for a period of 2 months from the Entry Date; the time of transfer of the Shares to the Principal Shareholder, the Entry Date and other details of the payment of the consideration shall be published on the Company's website.

Justification of the Principal Shareholder's Proposal

On 8 December 2021, the Board of Directors of the Company received a request from the Principal Shareholder to convene a General Meeting to decide on the Proposal to transfer all the Company's other participating securities to the Principal Shareholder (the "Request").

The Request was accompanied by, inter alia, an extract from the records maintained by the Central Securities Depository dated 7 December 2021 which shows that the Principal Shareholder is the principal shareholder of the Company within the meaning of Section 375 of the BCA and therefore has the right to request the convening of a General Meeting of the Company for the purpose of deciding on the proposal to transfer all other participating securities of the Company to the Principal Shareholder, i.e. the Company's registered ordinary shares in book-entry form with a nominal value of CZK 10, ISIN: CZ0009093209 (hereinafter referred to as "Shares"), within the meaning of Section 375 et seq. of the BCA.

Since the Request contained, inter alia, a draft resolution on the approval of the compulsory transfer of the Company's Shares to the Principal Shareholder and the Request has fulfilled other requirements required by Czech generally binding legal regulations and the Company's Articles of Association, the Board of Directors fulfils its legal obligation pursuant to Section 377(1) of the BCA to convene the General Meeting by publishing this announcement.

In addition, the Board of Directors has a legal obligation to consider the proposal of the Principal Shareholder for the amount of consideration to be paid to other shareholders for the transfer of their shares to the Principal Shareholder and issue an opinion as to whether it considers the amount of such consideration to be adequate. Details of the process and the opinion itself are set out below.

Amount of consideration proposed by the Principal Shareholder

This section sets out the relevant information for determining the amount of consideration. The consideration per Share has been proposed by the Principal Shareholder in the amount of CZK 270 (the "Consideration"), and the adequacy of the Consideration is evidenced by the Principal Shareholder in his justification prepared on 18 November 2021 (subsequently supplemented on 25 November 2021) (the "Justification").

The Principal Shareholder submitted this Justification to the Czech National Bank, on the basis of which the Czech National Bank issued, pursuant to Section 391 of the BCA, Decision No. 2021/121698/CNB/570 of 1 December 2021, in which it granted its consent to the adoption of a resolution by the General Meeting to transfer all other participating securities of the Company (whose participating securities are admitted to trading on a European regulated market) to the Principal

Shareholder (the “CNB Decision”).

In his Justification, the Principal Shareholder bases the adequacy of the proposed Consideration on the fact that the Consideration is higher than:

- 1) the average trading price of the Shares on European regulated markets (over the 6 months preceding the publication of the intention to effect a compulsory transfer of the Shares), which the Principal Shareholder considers to be the primary relevant criterion; and
- 2) the value of the Shares as determined using valuation methods, whereby the Principal Shareholder considers this criterion to be additional to the previous one,

while also being higher than the highest purchase price at which the Principal Shareholder acquired the Shares (both in the 12 months preceding the filing of the application with the Czech National Bank and in the 12 months preceding the publication of the intention to effect a compulsory transfer of the Shares).

In order to determine the value of the Shares determined using valuation methods (see point 2 above), the Principal Shareholder approached the Company’s Board of Directors on 7 July 2021 with a request to cooperate and provide the necessary documents. The Company duly informed⁵ of the request for cooperation and ensured that all the necessary steps were taken to provide the requested cooperation. It is clear from the CNB Decision and the Justification that the Principal Shareholder used in the Justification the documents provided by the Company on the basis of the requested cooperation.

Statement of the Board of Directors on the amount of the Consideration pursuant to Section 377(2) of the BCA

The process set out in section 375 et seq. of the BCA places the responsibility for properly justifying the amount of adequate consideration on the Principal Shareholder. The Board of Directors is responsible for the convening, organisation and conduct of the General Meeting. The legislation separates the issue of the amount of the adequate consideration and the validity of the General Meeting. Section 377(2) of the BCA further requires the Board of Directors to state whether it considers the amount of the consideration proposed by the Principal Shareholder to be adequate. The role of the Board of Directors is therefore to express an opinion on the proposed amount of the Consideration.

The Board of Directors has reviewed in detail the Principal Shareholder’s Justification and critically analysed the Principal Shareholder’s Justification. In view of the fact that the prior approval of the Czech National Bank is required for the adoption of the General Meeting’s decision on the compulsory transfer of shares by the Company (as an issuer of publicly traded securities), the Board of Directors was further given the opportunity to compare its critical analysis of the Justification with the Czech National Bank’s reasons for the CNB Decision.

The Board has reviewed the relevant practice in similar cases based on assurances from the Company’s specialist internal departments and, on this basis, agrees with the above criteria on which the Principal Shareholder bases the adequacy of the proposed Consideration, including the primary relevance of the average price criterion. The Board of Directors has taken note of the fact that the application of these criteria is considered to be sound by the Czech National Bank in the reasoning of the CNB Decision. At the same time, the Board of Directors has taken note of the fact that the official methodology of the CNB⁶ determines the average trading price to be the primary indication of the value of a share. Using internal resources with appropriate professional experience, the Board of

⁵ https://www.o2.cz/pub/2/25/22/681577_1610090_210707_zadost_PPF_o_soucinnost.pdf

⁶ https://www.cnb.cz/export/sites/cnb/cs/dohled-financni-trh/galleries/legislativni_zakladna/emise_evidence_cp_nabidky_prevzeti_vytesneni/download/metodika_oce_20100816.pdf

Directors has also formed its own opinion on the value of the Share, with the conclusion that the proposed Consideration exceeds this value.

Moreover, the Board of Directors proceeded to analyse the Justification under each of the criteria.

Average price

The Justification shows that the Principal Shareholder has chosen to calculate the average price of the trades with the Shares on European regulated markets for the period of 6 months preceding the publication of the intention to effect a compulsory transfer of the Shares. Based on its internal legal assessment, the Board of Directors agrees with the length of the period and the exclusion of the period after the publication of the intention to effect a compulsory share transfer, when the price of the Shares may have already been affected as a result of the publication of this information⁷.

The Board of Directors has received from the Principal Shareholder, together with the Request for convening the General Meeting, a protocol from the Central Securities Depository in which the calculated average price was at CZK 265.87. The Board of Directors sees no reason to object against the calculation. Furthermore, the Board of Directors has no reservations regarding the conclusions on the liquidity of the Shares and therefore the relevance of the average price determined by the Principal Shareholder.

It follows from the CNB Decision that the Czech National Bank agrees with the Principal Shareholder that the average price is an appropriate criterion for the adequacy of the amount of the Consideration, and that the amount of CZK 270 per Share is higher than the average price and can be considered adequate in that sense. This is also consistent with the official methodology of the CNB.⁸

In the light of the above, the proposed Consideration can rightly be considered adequate.

Value of Shares determined using valuation methods

The Principal Shareholder, using the documents provided to him by the Company in the course of the above-described cooperation, has made his own valuation, whereby the valuation methods established the value of one share of the Company as at 31 December 2021 at CZK 264, primarily using the income approach, namely the discounted cash flow method for equity owners and creditors, and, alternatively, the market comparison approach, namely the market multiples and transaction multiples methods.

The Board of Directors has used the Company's internal professional resources to review the valuation prepared by the Principal Shareholder in detail and subject it to its analysis. The Board of Directors reached a conclusion that the considerations and procedures of the Principal Shareholder and the results resulting therefrom work with the documents provided by the Company, the documents and publicly available information have not, in the opinion of the Board of Directors, been misinterpreted, the calculations are logical and do not contradict each other, and the forward-looking assumptions and estimates made by the Principal Shareholder do not deviate from reasonable expectations. The

⁷ As regards the assessment of the period from 13 May 2021 to 18 June 2021, cf. the reasoning of the CNB Decision at point 16: *"The Czech National Bank agrees with the appellant's argumentation that it is not factually correct to use a period shorter than 6 months in the case under review, as such a shorter period would be significantly affected by the Company's announcement of 13 May 2021 on Dividend 21. Since that announcement until the ex-date (i.e. 18 June 2021 on the PSE), the Shares were apparently traded at a price reflecting the entitlement to Dividend 21."*

⁸ https://www.cnb.cz/export/sites/cnb/cs/dohled-financi-trh/galleries/legislativni_zakladna/emise_evidence_cp_nabidky_prevzeti_vytesneni/download/metodika_oce_20100816.pdf

reasoning, practices and resulting results are not materially different from the reasoning, practices and expectations of the Board itself. The valuation procedures and the resulting results are not inconsistent with common valuation practice. Accordingly, based on the foregoing analysis, the Board of Directors finds that it has no objection to the valuation of the Shares submitted by the Principal Shareholder.

The Board of Directors has taken note of the fact that the Czech National Bank also considers the key parameters and assumptions of the valuation to be properly justified in the CNB Decision.

As the proposed Consideration of CZK 270 per Share exceeds the value of the Shares as determined using valuation methods by the Principal Shareholder, the amount of the Consideration can be considered adequate in this sense.

Highest price at which the Principal Shareholder acquired the Shares

The Principal Shareholder has declared, and provided evidence thereof, that in the period from 16 November 2020 to 16 November 2021, i.e. the period of 12 months preceding the submission of the application to the Czech National Bank as well as the period of 12 months preceding the publication of the intention to carry out the compulsory transfer of Shares, he acquired individual Shares for no more than CZK 264.

The Board of Directors agrees with the choice of the relevant period to assess the highest price at which the Principal Shareholder acquired the Shares.

The Board of Directors has no knowledge of its own of the terms and conditions under which the Principal Shareholder purchased the Company's Shares. At the same time, the Board of Directors is not aware of any facts that would impugn the statement of the Principal Shareholder (submitted also in the proceedings before the Czech National Bank).

In its Decision, the Czech National Bank considers the chosen period to be satisfactory and agrees with the Principal Shareholder that the proposed consideration of CZK 270 per Share exceeds the specified maximum price and therefore appears adequate in that sense.

The Board has no reason to take a different view on this point.

Conclusion

The Board of Directors, in accordance with Section 377(2) of the BCA, expresses its opinion on the proposed amount of the Consideration in such a way that it considers the amount of CZK 270 per share with a nominal value of CZK 10 proposed by the Principal Shareholder to be **adequate**.