

## **INVITATION TO THE ORDINARY GENERAL MEETING**

The Board of Directors of the company **Kofola ČeskoSlovensko a.s.**, ID No.: 242 61 980, with its registered seat at Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, registered in the Commercial Register administered by the Regional Court in Ostrava, Section B, Insert 10735 (hereinafter as the "**Company**"), hereby convenes

### **AN ORDINARY GENERAL MEETING**

**held on June 5, 2019 at 10 AM in the seat of the Company at the address: Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava.**

#### **Items on the agenda of the General Meeting:**

1. Opening of the General Meeting;
2. Report of the Board of Directors on the business activities of the Company and the state of its assets for the year 2018 and the Summary Explanatory Report regarding the matters pursuant to Section 118 par. 5 letter a) to k) of the Act No. 256/5004 Coll., Capital Market Undertakings Act, and the Conclusions of the Report on Relations Between the Controlling Entity and the Controlled entity and Between the Controlled Entity and Entities Controlled by the Same Controlling Entity for the year 2018;
3. Report of the Supervisory Board on the results of control activities including information on the review of the Report on Relations;
4. Approval of the Company's financial statements for the year 2018 and the consolidated financial statements of Kofola ČeskoSlovensko Group for the year 2018;
5. Decision on the coverage of loss and distribution of other own resources of the Company;
6. Discussion;
7. Closing

#### **The decisive date for the participation in the General Meeting and an explanation of its relevance for voting at the General Meeting:**

The decisive date for participation in the General Meeting is **May 29, 2019** (hereinafter as the "**Decisive Date**"). The relevance of the Decisive Date for the participation in the General Meeting lays in the fact that only the person registered as the owner of share (shareholder) of the Company in the book-entry securities register administered by the Central Securities Depository as of the Decisive Date, alternatively a person authorized to represent such a shareholder at the General Meeting, has the right to attend the General Meeting and exercise all the rights granted to the shareholder at the General Meeting, including voting. The Company shall arrange for an extract of the abovementioned register as of the Decisive Date.

#### **Participation in the General Meeting:**

##### **1. Registration and representation of the shareholders at the General Meeting**

Registration of the shareholders present on the attendance list (hereinafter as the "registration") will start at 9:30 AM on the day and at the place of the General Meeting.

A shareholder who is a natural person shall prove its identity by the presentation of its identification card or passport.

A shareholder that is a legal entity participates in a General Meeting through a person entitled to represent the shareholder, namely its statutory body or member of its statutory body (authorized person). The authorized person shall submit an original or a certified copy of a

registry extract or another reliable document that proves the existence of the shareholder and the authorization of the authorized person to represent the shareholder. These documents **shall not be older than three (3) months**. If these documents are not issued in Czech or English, an **official translation** of the documents or their necessary part **into Czech or English** must be attached. An authorized person shall also present their identification card or passport in order to prove their identity.

A Power of Attorney for the General Meeting must be granted in writing and state clearly whether it was granted for the representation at one or more General Meetings of the Company.

If a shareholder who is a natural person is represented by a proxy, the proxy must, before being admitted to the General Meeting, submit a Power of Attorney in writing signed **with an officially verified signature of the shareholder**.

If a shareholder that is a legal entity is represented by a proxy, the proxy must, before being admitted to the General Meeting, submit a Power of Attorney in writing signed by one or more authorized person(s) on behalf of the shareholder according to the manner of representation of the shareholder resulting from a registry extract or other reliable document, the **signature(s) being officially verified**. A proxy of a shareholder that is a legal entity must submit, along with the Power of Attorney, an original or a certified copy of a registry extract or another reliable document that will prove the existence of the shareholder and the authorization of the authorized person(s) who signed the Power of Attorney on behalf of the shareholder. These documents (except for the Power of Attorney) shall **not be older than three (3) months**. If these documents are not in Czech or English, an **official translation** of the documents or their necessary part **into Czech or English** must be attached. The proxy shall submit their identification card or passport in order to prove their identity.

The Company may allow a shareholder, a person authorized to act on behalf of a shareholder or an agent to the General Meeting if there is no doubt about their identity and their authorization to act on behalf of a shareholder even if the documents that shall be submitted under the above requirements (in accordance with par. 12.3. to 12.5. of the Articles of Association of the Company) are not submitted as fully signed or if the signatures are not duly notarized.

In exercising all rights attached to the shares recorded at the relevant account, including voting at General Meeting, a shareholder may be represented at the General Meeting also by a manager registered in the investment instruments register or other person authorised to exercise the rights attached to the shares in compliance with such register. Authorization of such persons at the registration is proved by the Extract from the investment instruments register arranged for by the Company (the manager registered in the investment instruments register does not have to submit a Power of Attorney granted to represent the shareholder).

The company hereby notifies the shareholders that a written form of a Power of Attorney that can be used for granting the power of attorney is available from May 5, 2019 till the day of the General Meeting at the Company registered seat at the address: Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava on every business day from 10 a.m. to 3 p.m. Simultaneously, a form of the Power of Attorney will be posted during the same period on the Company's website: [www.firma.kofola.cz](http://www.firma.kofola.cz) under the link "INVESTOR" in the section "General Meeting". At own expense and risk, everybody has the right to request a hard copy of a form of the Power of Attorney to be sent them (request to be sent to the registered seat of the Company) or via electronic means to the address: [valnahromada@kofola.cz](mailto:valnahromada@kofola.cz).

At the following email address, the Company will accept electronic notices stating that a Power of Attorney was granted to represent a shareholder at the General Meeting or that it was revoked: [valnahromada@kofola.cz](mailto:valnahromada@kofola.cz). This notice shall contain electronic signature issued by an accredited provider of certification services. Details concerning the acceptance or revocation of the Power of Attorney and requirements concerning the content are stated by the Board of Directors on the Company's website: [www.firma.kofola.cz](http://www.firma.kofola.cz).

## **2. Notice of the rights of shareholders related to the participation in the General Meeting, and the way of their exercise**

The shareholders are entitled to attend the General Meeting and vote at the General Meeting. At the General Meeting, the shareholders are further entitled to require and obtain explanations on matters concerning the Company or entities controlled by the Company from the Company, provided that such an explanation is necessary to be able to assess the matters included in the agenda of the General Meeting, or to exercise the shareholders' rights at the General Meeting. The period for presentation of a request by the shareholder at the General Meeting is five (5) minutes unless otherwise decided by the chair of the General Meeting. The shareholders are also entitled to submit a request or a counterproposal in writing; they are entitled to do so in the time period between the publication of the invitation to the General Meeting and the General Meeting. A written request for explanation may not exceed a page form A4, font size 12.

The shareholders are further entitled to make proposals and counterproposals on the matters included in the agenda of the General Meeting and raise objections against General Meeting resolutions. Every shareholder wishing to present a proposal or a counterproposal has five (5) minutes for the presentation of their proposal or counterproposal unless decided otherwise by the chair of the General Meeting.

The shareholders may exercise their rights in person, may be represented by their statutory body or proxy or by a manager registered in the investment instruments register or a person authorised to exercise the rights attached to the shares according to the record in the investment instruments register.

The shareholders bear the costs related to their participation in the General Meeting. The Board of Directors may refuse, in full or in part, to provide an explanation due to reasons stated by law. The explanation may be provided in a form of a summary response to multiple questions of a similar content. A shareholder shall also be conclusively presumed to have received an explanation when the information was posted on the Company's website no later than the day preceding the date of the General Meeting and is available to the shareholders at the place of the General Meeting.

An explanation of the matters concerning the ongoing General Meeting will be provided to the shareholder by the Company directly at the General Meeting. Where this is not possible due to the complexity of the explanation, it will be provided to the shareholders within 15 days after the General Meeting, even if it is no longer necessary to assess the discussions at the General Meeting or to exercise the shareholder's rights at the General Meeting.

### **a) Right to make proposals and counterproposals**

The shareholder is entitled to make proposals and counterproposals on matters included in the agenda of the General Meeting. If the shareholder intends to make a counterproposal on matters included in the agenda of the General Meeting, the shareholder shall deliver its counterproposal at the latest fifteen (15) calendar days before the General Meeting; this shall not apply to proposals to appoint certain persons to the Company's bodies: such proposals

may be submitted by the shareholder not only prior to the General Meeting but also directly at the General Meeting. If a counterproposal was delivered after the distribution and publication of the invitation to the General Meeting, The Board of Directors shall publish the counterproposal within 5 days prior to the Decisive Date for a participation in the General Meeting, in a manner prescribed by the Act No. 90/2012 Coll., on commercial companies and cooperatives (act commercial corporations) ("**Business Corporations Act**") and the Articles of Association of the Company for convening of the General Meeting.

The Board of Directors shall notify the shareholders, in a manner prescribed by the Business Corporations Act and the Articles of Association of the Company for the convocation of the General Meeting, of the wording of the shareholder's counterproposal accompanied by its opinion; this shall not apply if the notification would have been delivered less than 2 days before the date of the General Meeting or if the expenses for delivery would have been in gross disproportion to the relevance and content of the counterproposal and/or if the wording of the counterproposal contains more than 100 words. Where the counterproposal contains more than 100 words, the Board of Directors shall notify the shareholders of the substance of the counterproposal accompanied by its opinion and shall publish the counterproposal on the Company's website [www.firma.kofola.cz](http://www.firma.kofola.cz).

#### **b) The right to request a matter to be included in the agenda of the General Meeting**

The shareholder or shareholders who hold shares with an aggregate face value of at least 1 % of the registered capital (hereinafter as the "**Qualified Shareholder**") may request the Board of Directors to include a matter determined by them in the agenda of the General Meeting provided that every matter is accompanied by a draft resolution or its inclusion is justified. In the event that the request was delivered after the publication and distribution of the invitation to the General Meeting, the Board of Directors shall publish an addendum to the agenda of the General Meeting no later than five (5) days prior to the Decisive Date for the participation in the General Meeting, in the manner set by the Business Corporations Act and by the Articles of Association of the Company for convening a General Meeting.

### **3. Number of shares and voting rights**

The registered capital of the Company amounts to CZK 1,114,597,400 (in words: one billion one hundred and fourteen million five hundred and ninety-seven thousand four hundred Czech crowns) and is divided into 22,291,948 (in words: twenty two million two hundred and ninety-one thousand and nine hundred and forty-eight) listed common registered shares, each of a face value of CZK 50, issued as book-entry shares. Each share of the Company with a face value of CZK 50 carries one (1) vote. The total number of votes in the Company amounts to **22,291,948** (in words: twenty-two million two hundred and ninety-one thousand nine hundred and forty-eight) **votes**.

### **4. Participation in the General Meeting and voting**

All the shareholders present are registered in an attendance list that contains information required by the Business Corporation Act. If a person is refused to be registered in the attendance list and to be admitted to the General Meeting, the refusal and its reasoning shall be specified in the attendance list. The attendance list is available in the meeting room until the closing of the General Meeting.

Items on the agenda are discussed at the General Meeting gradually in the order specified in the invitation to the General Meeting. The items that are not on the agenda of the General Meeting can only be discussed or decided if all the shareholders agree with it.

The chair of the General Meeting shall call on a person who suggested a proposal to present the proposal, and then they shall call on a person who suggested a counterproposal to present

the counterproposal. Every shareholder wishing to present a proposal or a counterproposal has five (5) minutes for the presentation of their proposal or counterproposal unless decided otherwise by the chair of the General Meeting.

Following the presentation of proposals or counterproposals concerning a particular agenda item, the chair of the General Meeting shall announce which proposals or counterproposals have been submitted. Prior to the voting, the chair of the General Meeting shall ask if there are any objections to the proposals, and the General Meeting shall listen to these objections if there are any. First, the proposal made by the Board of Directors is voted on, followed by the proposal of members of the Supervisory Board, and then by the proposals and counterproposals of the shareholders, in the order of their presentation. If a particular proposal (or a counterproposal) is accepted, there is no more voting on other proposals and counterproposals.

Voting at the General Meeting is performed in compliance with the Articles of Association of the Company and the Rules of Procedure and Voting Rules approved by the General Meeting (draft Rules of Procedure and Voting Rules is published on the Company's website [www.firma.kofola.cz](http://www.firma.kofola.cz)).

When the voting is over, the chair of General Meeting shall announce the result of the voting.

Shareholders vote by raising a voting card indicating the number of votes that the respective shareholder obtained during the registration.

The General Meeting adopts decision by the majority of votes of the shareholders present, unless a different majority is required by law or by the Articles of Association of the Company.

The shareholders, members of the Board of Directors or members of the Supervisory Board may raise objections against a resolution of the General Meeting, and require the objection to be recorded in the Minutes of the General Meeting. In the event that the recording of the objection is not required, the minute taker is not obliged to record a content of such objection in the Minutes of the General Meeting.

## **5. Manner and procedure of correspondence voting**

The shareholders may also cast their votes by correspondence. The shareholders vote by sending the ballot to the address of the registered seat of the Company: Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava. The ballot must be delivered to the address of the registered seat of the Company at least one (1) business day before the start of the General Meeting.

The shareholders voting by correspondence are considered present at the General Meeting only for the purpose of voting on those agenda items they casted their correspondence votes for.

Pursuant to Article 14 par. 14.3 of the Articles of Association of the Company, the correspondence vote must include:

- (a) Name, surname, date of birth and residence address of the shareholder (if the shareholder is a natural person) or a representative of a shareholder,
- (b) Business name, registered seat and identification (registration) number of a shareholder (if the shareholder is a legal person),
- (c) Agenda item to which the vote relates,
- (d) Number and face value of shares of the shareholder at the shareholder's disposal,

- (e) Information whether the shareholder votes for, against or whether the shareholder abstains from voting, and
- (f) Officially verified signature of a person who signed the correspondence vote. If a correspondence vote is signed by a representative of the shareholder, the Power of Attorney signed by the shareholder (if the shareholder is an individual) or signed by an authorized person on behalf of the shareholder (if the shareholder is a legal entity) must be attached. The signatures on the Power of Attorney must be officially verified.

Correspondence voting of a shareholder that is a legal person must be accompanied by an original or certified copy of a registry extract or another reliable document proving the existence of the shareholder and the authorization of the authorized person(s) to sign the correspondence vote on behalf of the shareholder or to sign the Power of Attorney based on which a proxy signed the correspondence voting. If these documents are not in Czech or English, an **official translation** of the documents or a necessary part thereof **into Czech or English shall be attached. These documents (except for the Power of Attorney) may not be older than three (3) months.**

From May 3, 2019 to the day of the General Meeting (including), a form for correspondence voting is available to the shareholders for inspection and may be obtained at the registered seat of the Company at the address: Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, on business days from 10 a.m. to 3 p.m., as well as on the Company's website [www.firma.kofola.cz](http://www.firma.kofola.cz) under the link "INVESTOR" in the section "General meeting".

Correspondence vote may be approved by the Company even if not all the documents mentioned above were submitted or if the documents submitted were not notarized provided that there are no doubts as to the identity of the shareholder and their right to vote. Correspondence vote received by the Company cannot be changed or cancelled. If the shareholder who voted by correspondence is also present at the General Meeting, correspondence vote is not taken into account.

## **6. Information about the manner and place for obtaining documents**

The documents referred to in the provision 120b, par. 1 of the Act No. 256/2004 Coll., Capital Market Undertakings Act, namely invitation to the General Meeting and other documents related to the agenda of the General Meeting, unless statutory provisions provide otherwise, a form for the correspondence voting, draft resolutions of the General Meeting and/or opinions of the Board of Directors about the individual items on the proposed agenda of the General Meeting, written version of received proposals or counterproposals of the shareholders, as well as a form of a Power of Attorney to represent a shareholder at the General Meeting are available for inspection at the registered seat of the Company at the address: Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, on business days from 10 a.m. to 3 p.m. from May 3, 2019 until the day of the General Meeting (including).

All these documents are also available to the shareholders on the Company's website [www.firma.kofola.cz](http://www.firma.kofola.cz), under the link "INVESTOR" in the section "General meeting" from May 3, 2019. The information for the shareholders will also be provided on the day and at the place of the General Meeting.

### **Draft resolutions on the individual items of the agenda of the General Meeting and their reasoning:**

**Para 2: Report of the Board of Directors on the business activities of the Company and state of its assets for the year 2018 and the Summary Explanatory Report regarding the matters pursuant to Section 118 par. 5 letter a) to k) of the Act No. 256/5004 Coll., Capital Market Undertakings Act, and the Conclusions of the Report on Relations Between the Controlling Entity and the Controlled entity and Between the Controlled Entity and Entities Controlled by the Same Controlling Entity for the year 2018**

Explanation:

Report of the Board of Directors on the business activities of the Company and the state of its assets for the year 2018 and the Summary Explanatory Report regarding the matters pursuant to Section 118 par. 9 of the Capital Market Undertakings Act and the Conclusions of Report on Relations between Related Persons are submitted to the General Meeting in accordance with the law and the Articles of Association of the Company. Report of the Board of Directors on the Business Activities, the Summary Explanatory Report as well as the Report on Relations are part of the Annual Report of the Company. This item on the agenda shall not be subject to vote.

**Para 3: Report of the Supervisory Board on the results of control activities including information on the review of the Report on Relations**

Explanation:

The Supervisory Board Report on the results of control activities, also including opinion on the ordinary financial statements of the Company and consolidated financial statements of Kofola ČeskoSlovensko Group and a proposal for Distribution of a profit of the Company for the year 2018, as well as the information on the results of review of the Report on and an opinion thereon are submitted to the General Meeting in accordance with the law and the Articles of Association of the Company. This item on the agenda shall not be subject to voting.

**Para 4: Approval of the Company's financial statements for the year 2018 and the consolidated financial statements of Kofola ČeskoSlovensko Group for the year 2018**

Draft Resolution (1):

"The General Meeting approves the annual financial statements of the Company as of 31/12/2018."

Draft Resolution (2):

"The General Meeting approves the consolidated financial statements of Kofola ČeskoSlovensko Group as of 31/12/2018."

Reasoning:

In compliance with the legal provisions the annual financial statements of the Company as of 31/12/2018 as well as the consolidated financial statements of Kofola ČeskoSlovensko Group as of 31/12/2018 are submitted by the Board of Directors of the Company to be approved at the General Meeting.

The financial statements present fairly, in all material respects, the Company's and Kofola ČeskoSlovensko Group's assets, liabilities and financial position. The financial statements and



the consolidated financial statements were reviewed by the Supervisory Board with the conclusion that the Supervisory Board recommended the General Meeting to approve them. The Auditor issued an unqualified auditor's report.

### **Para 5: Decision on the coverage of loss and distribution of other own resources of the Company**

#### Draft Resolution (1):

"The General Meeting of the Company decided to deal with the economic results of the accounting period from 1/1 to 31/12/2018 in the following way: the loss in the amount of **CZK 329,119,125.30** shall be transferred to the account of undistributed profits of previous years."

#### Draft Resolution (2):

"The General Meeting of the Company decided that a part of the losses for the accounting period of 2018 in the amount of **CZK 317,389,686.61** shall be covered from the 'Distribution Fund'"

#### Draft Resolution (3):

"The General Meeting of the Company approves distribution of other own resources of the Company in the total amount of **CZK 300,941,298** held on the 'Distribution Fund' account to the shareholders (hereinafter referred to as the '**Dividend**'). The Dividend amounts to CZK 13.50 per share before taxation.

The Decisive Date to exercise the right to the Dividend is **May 29, 2019**. A person that will be registered as a shareholder of the Company on the Decisive Date to exercise their right to Dividend according to the previous sentence shall be entitled to the Dividend. The amount of the Dividend has been calculated from the total number of shares issued by the Company that amounts to 22,291,948 shares.

The Dividend is payable on **July 5, 2019**. The Dividend shall be paid through Česká spořitelna, a.s., Identification No.: 45244782, with its registered seat at Olbrachtova 1929/62, 140 00 Prague 4, in the way presented to this General Meeting. The Dividend shall be paid out until **July 5, 2022.**"

#### Reasoning:

In order to optimize the structure of the equity of the Company, the General Meeting held on August 13, 2018 decided to reduce the registered capital of the Company and create a special capital fund (the 'Distribution Fund').

According to the financial statements of the Company as of 31/12/2018, the sum of the resources in the 'Distribution Fund', a special capital fund amount to CZK 618,330,984.61.

The decision on the coverage of loss and the distribution of other proper resources falls within the competence of the General Meeting of the Company. The proposal of the Board of Directors of the Company on the economic results of the Company in 2018 and on the distribution of other own resources of the Company presupposes the loss realized by the Company in 2018 amounting to CZK 329,119,125.30 to be covered in the following way: a part of the loss amounting to CZK 317,389,686.61 will be covered from the 'Distribution Fund', a special



capital fund; the remaining part of the loss amounting to CZK 11,729,438.69 will be set off against the undistributed profits from previous years.

The Board of Directors proposes the Company's other own resources in the 'Distribution Fund', a special capital fund in the sum of **CZK 300,941,298** (hereinafter referred to as the 'Dividend') to be distributed to the shareholders. Therefore, the proposed amount of the Dividend paid out to the shareholders will be **CZK 13.50** per one share of the Company. The payment of the Dividend from the special fund created at the reduction of the registered capital is considered as a partial return of the contribution to the shareholders. In this case, the provisions of Section 36 (2) letter. e) of the Income Tax Act shall apply. The return of the contributions is subject to the withholding tax calculated on the tax base, after deduction of the acquisition price of the shareholder's share.

The Supervisory Board of the Company examined the proposal of the Board of Directors on the coverage of loss and distribution of other own resources of the Company and found that the way of the coverage of loss and distribution of other own resources of the Company was in line with the legislation and the Articles of Association of the Company, and it recommended the General Meeting to approve it.

## **Para 6: Discussion**

### Explanation:

The shareholders will have an opportunity to ask questions and to discuss issues related to the agenda of the General Meeting at the end of the General Meeting.

In Ostrava on May 3, 2019

Daniel Buryš  
Vice-chair of the Board of Directors

Pavel Jakubík  
Member of the Board of Directors