

NOTIFICATION OF COUNTERPROPOSALS OF SHAREHOLDER INCLUDING OPINIONS OF BOARD OF DIRECTORS

The Board of Directors of Kofola ČeskoSlovensko a.s., Identification No.: 242 61 980, with its registered office at Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava ("**Company**"),

in connection with an ordinary General Meeting of the Company to be held on 25 August 2017 from 10:00 a.m. at the Company's registered office at Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava ("**General Meeting**"), and pursuant to Act No. 90/2012 Coll., on Business Companies and Cooperatives, as amended ("**Act on Business Corporations**"),

hereby notifies

- A) Wording of a counterproposal by a shareholder as to item 2 of the agenda of the General Meeting and the opinion of the Board of Directors as to this counterproposal; and
- B) Wording of a counterproposal by a shareholder as to item 3 of the agenda of the General Meeting and the opinion of the Board of Directors as to this counterproposal.

Re (A) Wording of a counterproposal by a shareholder as to item 2 of the agenda of the General Meeting and the opinion of the Board of Directors as to this counterproposal

The invitation to the General Meeting was published on 25 July 2017 under Ref. No. OV: OV00595672. On 9 August 2017, a shareholder of the Company, Karlovarské minerální vody, a.s., Identification No.: 147 06 725, with its registered office at Horova 1361/3, 360 01 Karlovy Vary ("**Shareholder**"), submitted its counterproposal concerning item 2 of the agenda of the General Meeting (Approval of Facility Agreement and Finance Documents). Thus, the counterproposal has been delivered within the deadline as stipulated by the Articles of Association of the Company for the submission of proposals and counterproposals by shareholders as to items of the General Meeting's agenda.

Wording of Shareholder's Counterproposal:

Proposal of Resolution as to item 2:

"In connection with the Facility Agreement for up to CZK 2,800,000,000, which may be entered into by, *amongst others*, the company, Kofola a.s., a joint-stock company established and existing under the laws of the Czech Republic, with its registered office at Za Drahou 165/1, Pod Bezručovým vrchem, 794 01 Krnov, Czech Republic, Identification No. 277 67 680, registered in the Commercial Register maintained by the Regional Court in Ostrava, Section B, Insert No. 3021 ("**Kofola CZ**"), and Kofola a.s., a joint-stock company established and existing under the laws of the Slovak Republic, with its registered office at súp. č. 1, Rajecká Lesná 013 15, Slovak Republic, Identification No. 36 319 198, registered in the Commercial Register maintained by the District Court in Žilina, Section Sa, Insert No. 10342/L ("**Kofola SK**"), as debtors, Česká spořitelna, a.s., a joint-stock company established and existing under the laws of the Czech Republic, with its registered office at Prague 4, Olbrachtova 1929/62, Postal Code: 140 00, Czech Republic, Identification No. 452 44 782, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No. 1171, and Československá obchodní banka, a. s., a joint-stock company established and existing under the laws of the Czech Republic, with its registered office at Prague 5, Radlická 333/150, Postal Code: 150 57,

Czech Republic, Identification No. 000 01 350, registered in the Commercial Register maintained by the Municipal Court in Prague, Section BXXXVI, Insert No. 46, as mandated lead arrangers and original lenders, and Česká spořitelna, a.s., a joint-stock company established and existing under the laws of the Czech Republic, with its registered office at Prague 4, Olbrachtova 1929/62, Postal Code 140 00, Czech Republic, Identification No. 452 44 782, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No. 1171 ("**Agent**" or "**Česká spořitelna**") as facility agent and security agent of the Finance Parties ("**Facility Agreement**"), the General Meeting hereby:

- a) Approves the terms of and the transactions contemplated by the Finance Documents (as defined under the Facility Agreement), up to the maximum amount of CZK 2,800,000,000;
- b) Decides that the company will sign, deliver and perform Finance Documents (as defined under the Facility Agreement), however, up to the maximum amount of CZK 2,800,000,000, including, without limitation:
 - i. Facility Agreement;
 - ii. Related Arrangement Fee Agreement;
 - iii. Related Agency Fees Agreement;
 - iv. Related Bank Guarantee Facility Contract; and
 - v. Related Hedging Agreement."

Reasoning by Shareholder:

We principally disagree with the enormous credit exposure of Kofola a.s., with its registered office at Za Drahou 165/1, Pod Bezručovým vrchem, 794 01 Krnov, Identification No. 277 67 680, and Kofola a.s., with its registered office at súp. č. 1, Rájecká Lesná 013 15, Slovak Republic, Identification No. 36 319 198, in the amount of CZK 4,261,000,000.

According to the presented results for the 2nd quarter of 2017, it is possible to expect that EBITDA will reach approximately CZK 700,000,000 for 2017. The credit exposure of CZK 4,261,000,000 would mean a credit exposure of six times the EBITDA. Such threat to financial stability cannot be considered as responsible and jeopardizes the above companies as well as the parent company, Kofola ČeskoSlovensko a.s., as such.

For that reason, we propose a credit exposure of no more than four times the estimated amount of EBITDA, i.e. up to the maximum amount of CZK 2,800,000,000.

The reduction of the credit exposure is also proposed because the reasons given for the conclusion of the facility agreement are general, vague, without specification of any future benefits from transactions financed by such a loan, save for the specific decrease in the operating and investment loans rates by 0.35% and 0.45%, respectively. On the other hand, there are specified fees for the agent and security agent, which should be almost CZK 12,000,000 and no assessment is made of the decrease in interest rates in light of the costs of the new facility agreement.

Moreover, it is impossible to agree with the scope of the proposed security of the new facility agreement, which essentially includes all assets of Kofola ČeskoSlovensko a.s., including substantial shareholdings, whereby the value of shares of the minority shareholders is jeopardized in case of any failure to meet credit conditions. A pledge over the basic production facilities in Mnichovo Hradiště, Krnov, Rájecká Lesná and Radenci is to be established separately, with these production facilities representing the backbone of the company's value.

It is unclear why financial funds are spent on the purchase of shares of Kofola ČeskoSlovensko a.s. and, concurrently, the credit exposure is being increased. If there are available financial funds in RADENSKA, družba za polnitev mineralnih voda in brezalkoholnih pijač, d.o.o. to purchase the shares, these funds could be undoubtedly used for the financing purposes given as reasons for the conclusion of a new facility agreement, with no unnecessary increase in the credit exposure.

Opinion by Board of Directors:

The Shareholder's counterproposal concerning this item of the General Meeting's agenda relies upon erroneous conclusions made with respect to the calculation of the Company's indebtedness. The Facility Agreement deals with the refinancing of the existing financial needs and provides for the financing of the Company in the upcoming period when the Company naturally repays its debt. The total indebtedness of the Company after the utilization of the Facility Agreement being approved does not exceed the safety and standard values of the Net Debt / EBITDA. The Board of Directors is of the opinion that the scope of the credit exposure being approved is completely adequate.

The Board of Directors deems the price terms and conditions of the facility, including the one-off arrangement fee of CZK 12 million, to be favorable and in the Company's interest.

As far as the scope of the security provided is concerned, the Board of Directors is of the opinion that this scope represents the market standard required by banks and usually accepted by debtors in such cases; should it be to the contrary, a similar credit would not be possible to obtain, in the Board of Directors' opinion, under the same price terms and conditions.

Therefore, having carefully considered the Shareholder's counterproposal and arguments, the Board of Directors maintains that approval of the counterproposal is not in the Company's interest.

The letter submitting the Shareholder's counterproposal is, commencing from 11 August 2017 until the date of the General Meeting (inclusive), available to shareholders for inspection at the registered office of the Company at the address Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, on business days from 10:00 a.m. to 3:00 p.m. At the same time, the letter submitting the Shareholder's counterproposal is, commencing from 11 August 2017, available to shareholders on the Company's website at www.firma.kofola.cz, under the reference "INVESTOR" in the "General Meeting" section. Information for shareholders will also be provided on the day and at the venue of the General Meeting.

Re (B) Wording of a counterproposal by a shareholder as to item 3 of the agenda of the General Meeting and the opinion of the Board of Directors as to this counterproposal

The invitation to the General Meeting was published on 25 July 2017 under Ref. No. OV: OV00595672. On 9 August 2017, a shareholder of the Company submitted its counterproposal concerning item 3 of the agenda of the General meeting (Approval of Acquisition of Shares

Issued by Company Based on Public Offer to Purchase Shares made by RADENSKA, družba za polnitev mineralnih voda in brezalkoholnih pijač, d.o.o.). The counterproposal has, therefore, been delivered within the deadline as stipulated by the Articles of Association of the Company for the submission of proposals and counterproposals by shareholders as to items of the General Meeting's agenda.

Wording of Shareholder's Counterproposal:

Proposal of Resolution as to item 3:

"The General Meeting hereby grants its consent with RADENSKA, družba za polnitev mineralnih voda in brezalkoholnih pijač, d.o.o., a limited-liability company established and existing under the laws of Slovenia, with its registered office at Boračeva 37, 9252 Radenci, Republic of Slovenia, Identification No.: 5056152000, acquiring the company's shares under the following terms and conditions:

- a) The highest number of shares that the company may acquire: 1,114,750 common book-entry shares of the company, with the nominal value of each share being CZK 100 on the adoption date of this resolution;
- b) The time period for which the shares may be acquired: 5 years, commencing from the adoption date of this resolution;
- c) The lowest price for which the shares may be acquired: CZK 350;
- d) The highest price for which the shares may be acquired: CZK 500;
- e) The highest aggregate price for all shares that may be acquired under this resolution: CZK 490,000,000;
- f) The shares may be acquired solely for the purpose of meeting the conditions arising out of the Stock Option Plans or other stock distribution to employees or members of administrative management bodies or supervisory bodies of the company and entities controlled by it;
- g) The acquisition of shares pursuant to this resolution will proceed in accordance with the exemption pursuant to Article 5 (1) of Regulation (EU) No. 596/2014, on Market Abuse (Market Abuse Regulation) and on Repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, pursuant to rules defined under Commission Delegated Regulation (EU) 2016/1052 dated 8 March 2016, supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilisation measures.

Reasoning by Shareholder:

We principally disagree with the Company's shares being purchased outside the regulated market for a price not corresponding to the current price of the Company's shares; moreover, within a short deadline and in a high volume. Therefore, we cannot agree with the terms and

conditions of the public offer made by RADENSKA. Such a procedure substantially distorts the market with shares of the Company, due both to its direct impact on the price and the influence on their liquidity. Consequently, this weakens the market effectiveness and may even result in the exclusion of the Company's shares from trading for their low liquidity. The negative consequences of the public offer by RADENSKA may already be demonstrated on the sharp decline in the price of the Company's shares at the end of its acceptance period (*cf.* developments in the price between 20 July and 3 August 2017). Therefore, the public offer by RADENSKA, in our opinion, impairs mainly the minority shareholders who want to hold the company's shares and, eventually, the company itself, which undoubtedly has an interest in the public trading of its shares.

We are convinced that, if the company is to approve the acquisition of its shares by its own subsidiary, it may only do so on proviso that such procedure does not impair the market with its shares, will not artificially influence the price of shares and will not raise any doubt as to information abuse or insider trading being involved. The Company's shares, therefore, may be purchased in this manner only on public markets, under conditions as stipulated by the European law for purposes of eliminating the above adverse consequences, or more precisely under the regulations referred to above in the proposal of resolution. In particular, there are the requirements for purchases of shares not being price-fixing, or for shares not to be purchased for a price higher than the price of the most recent independent trade, as well as for maintaining an adequate share in the volume of trading. For that reason, the resolution may not fix the purchase price for the shares (which is in conflict with the requirements arising out of the Act on Business Corporations, explicitly requiring that the General Meeting determine two prices – the maximum price and the minimum price), but may only determine a certain price range. The range proposed by us reflects the spread of historical prices of the Company's shares.

The company may approve the acquisition of its shares by an entity controlled by it only if such procedure corresponds to its own interests. We maintain that it is not in the Company's interest that its subsidiary acquire its shares for a price higher than that for which it is possible to acquire such shares on the public market. In this respect, the proposal submitted by the Board of Directors is apparently unsustainable, not to mention the doubt as to how the Board of Directors arrived at the conclusion that the amount of CZK 440 per share "corresponds to the company's value," regarding which the Board of Directors has provided no details.

For the shareholders to be able to assess whether or not the acquisition of the company's shares by the subsidiary is in the company's interest, the purpose of the acquisition of the shares must also be apparent. According to the reasoning of the proposal submitted as by the Board of Directors, "a portion of the shares purchased on the basis of the public offer is to be used for purposes of the management program of the company's group." We consider this reason generally sustainable. Given that the Board of Directors has not given any other reason, the General Meeting may only make an informed decision on the acquisition of the shares of the Company for this purpose and, therefore, this reason must be specified in the respective resolution.

Last but not least, we maintain that the General Meeting cannot approve the Board of Directors' proposal, because it has not been given powers by law to retroactively approve acquisitions of the Company's shares by a controlled entity. The law unambiguously relies upon the fact that the General Meeting's approval must be granted prior to the legal acts leading to the acquisition of shares, i.e. before the public offer is made by RADENSKA in the case at hand. Where a

public offer has been made without the General Meeting's consent, consequences arise which the law attributes to such conduct, without allowing to remove such consequences by a subsequent "additional" decision of the General Meeting. If, therefore, the General Meeting adopted the resolution as proposed by the Board of Directors, the law would require regarding such resolution as if it has not been adopted.

Opinion by Board of Directors:

In the opinion of the Board of Directors, the purchase of the Company shares by RADENSKA, d.o.o., representing 5% of the total capital of the Company, for CZK 440 per share through a public offer is in compliance with applicable legal regulations, and the bid price corresponds to the value of the Company.

In the opinion of the Board of Directors, the public offer will not substantially reduce the volume of freely tradeable shares. The Board of Directors intends to continue holding shares of the Company in the regulated market and even support the increasing of the volume of freely tradeable shares. Based on the information available to the Board of Directors of the Company and published in Current Report No. 7/2017 dated 8 June 2017, which has been published on the website of the Company ("**Report**"), the Board of Directors expects that, depending on the market conditions in 2018, the remaining shares of CED Group S.à r.l. and up to 3% of shares of AETOS a.s. may be released in the form of private placement or a public offer, whereby the volume of freely tradeable shares will increase significantly, which is essentially beneficial for all of the shareholders.

A part of the purchased shares will be used according to the approved option plan for the managers in 2017 through 2019, which should lead not only to boosting the Company's performance, but also to these shares becoming a part of the freely tradeable volume of shares in the regulated market.

Within the context of the above and having carefully considered the counterproposal of the Shareholder and its arguments, the Board of Directors states that the purchase of the Company's shares by RADENSKA, d.o.o. according to the original parameters (i.e. 1,114,750 shares for the minimum and the maximum price of CZK 440 per share for the period of the following 5 years from the adoption of the resolution) is in line with the interests of the Company and of its shareholders, and that the approval of the Shareholder's counterproposal would, unlike the original proposal, prevent the implementation of the envisaged steps.

The wording of the counterproposal of the Shareholder is part of the above letter submitting the Shareholder's counterproposal and has been made available in the manner as described hereinabove.

In Ostrava on 11 August 2017

Board of Directors of
Kofola ČeskoSlovensko a.s.