

PROPOSAL OF THE BOARD OF DIRECTORS FOR DISTRIBUTION OF THE FINANCIAL RESULT OF THE YEAR 2018

The Board of Directors of the Company **Kofola ČeskoSlovensko a.s.**, a joint stock company incorporated under the laws of the Czech Republic, with its registered office at Nad Porubkou 2278/31a, 708 00 Ostrava, Czech Republic, identification number: 242 61 980, registered with the Regional Court in Ostrava, Section B., Insert 10735, (hereinafter the "**Company**") after discussion and approval in the Board of Directors and in the Supervisory Board submit to the General Meeting this proposal of decision to cover the loss and distribute other own resources of the Company of the year 2018.

The Board of Directors states that due to revaluation of a value of assets of the Company in Poland the Company ended up with a negative financial results (loss) in the total amount of 329,119,125.30 CZK in the accounting period starting from 1.1. to 31.12.2018. However, the Board of Directors anticipated this situation by a result of a sale of polish assets and on its proposal the General Meeting held on August 13, 2018 decided on decrease of the share capital of the Company and creation of a special capital fund ("**Distribution fund**"). According to the financial statements of the Company as to 31.12.2018 the Distribution fund amounts to 618,330,984.61 CZK.

The Board of Directors therefore proposes to:

- transfer the loss of **329,119,125.30 CZK** for the accounting period from 1.1. to 31.12.2018 to the undistributed profits of previous years account.
- cover a part of the loss for the accounting period from 1.1. to 31.12.2018 in the total amount of **317,389,686.61 CZK** from the Distribution fund.
- The General Meeting to decide on distribution of other own resources of the Company held on the Distribution fund in the total amount of **300,941,298 CZK** among the shareholders (hereinafter referred to as the "**dividend**").

The dividend proposed to be distributed between shareholders amounts to **13.50 CZK per one share**.

The relevant date for exercising the right to dividend is **May 29, 2019**. A person that will be registered as the shareholder of the Company on the relevant date to exercise a right to dividend according to the extract from issuer's records administered by the Central Securities Depository acquired by the Company shall be entitled to exercise the right to dividend.

The above-mentioned amount of dividend is calculated from total number of issued shares of the Company which amounts to 22,291,948 shares.

The dividend shall be paid through **Česká spořitelna, a.s.**, ID No.: 452 44 782, with its registered seat in Prague 4, Olbrachtova 1929/62, P.C. 140 00.

All the original documents for payment shall be sent to the address for correspondence:
Česká spořitelna, a.s. – central office in Prague
8430 Back office of investment products
Budějovická 1518/13b
140 00 Prague 4
Information on the email address: nsmidova@csas.cz

The dividend shall be paid out in the following way:

i) Conditions common to all shareholders

The payment of the dividend from the special fund created at the reduction of the share 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 application form for payment of dividend and acquisition price of the shareholder's share shall be substantiated by a statutory declaration (the form will be available for download on the Company's website www.firma.kofola.cz, under the "INVESTOR" link in the "Dividends" section), it can also be obtained at the Company's registered office at Nad Porubkou 2278/31a, Poruba, 708 00 Ostava, on working days from 10 am to 3 pm.

ii) Shareholder – legal entity

The dividend will be paid to shareholder – a legal entity by transfer to its bank account with a bank in the Czech Republic based on request in writing delivered to Česká spořitelna; signatures of persons on such request who constitute the statutory body eventually of members of the statutory body authorized to represent the shareholder or shareholder's representative under a power of attorney must be officially verified.

Request of the shareholder must include:

- a) shareholder's bank account number; and
- b) name of bank maintaining the shareholder's bank account.

Shareholder shall present an original of excerpt from Commercial Registry or other equivalent registry (not older than 3 months) eventually its certified copy evidencing authority of person or persons representing the shareholder – legal entity.

Shareholder's proxy which is a legal entity must present an original excerpt from Commercial Registry or other equivalent registry (not older than 3 months) eventually its certified copy evidencing authority of persons who constitute the statutory body eventually of members of the statutory body authorized to represent the shareholder's proxy.

If the shareholder is represented based on a power of attorney or a substitute power of attorney, shareholder's signature in his position of principal and signature of proxies on eventual substitute power of attorney must be officially verified.

iii) Shareholder – natural person

The dividend will be paid through transfer to shareholder's bank account maintained by a bank in the Czech Republic based on a request in writing delivered to Česká spořitelna.

Shareholder's request must include:

- a) shareholder's bank account number;
- b) name of bank maintaining shareholder's bank account.

Signature of the shareholder or shareholder's proxy under a power of attorney on the request above must be officially verified in situation where the gross advanced payment for the profit share exceeds CZK 10,000.

Shareholder's proxy which is a legal entity must present an original excerpt from Commercial Registry or other equivalent registry (not older than 3 months) eventually its certified copy

evidencing authority of persons who constitute the statutory body eventually of members of the statutory body authorized to represent the shareholder's proxy.

If the shareholder is represented based on a power of attorney or a substitute power of attorney, shareholder's signature in his position of principal and signature of proxies on eventual substitute power of attorney must be officially verified.

iv) Shareholders represented by custodians of securities or participants maintaining a derivative registry

Custodians of securities and participants maintaining a derivative registry shall be paid the dividend to their bank account maintained with a bank in the Czech Republic based on a request in writing delivered to Česká spořitelna with officially verified signatures of persons on such request who constitute the statutory body eventually of members of the statutory body authorized to represent the custodian or the participant. Request in writing must include bank account number and name of the bank maintaining the bank account. An original excerpt from Commercial Registry or other equivalent registry (not older than 3 months) eventually a certified copy thereof shall be delivered to Česká spořitelna together with such request in writing.

The dividend is payable on **July 5, 2019** and shall be paid to shareholder's bank account without undue delay as soon as Česká spořitelna receives the shareholder's request within the meaning of the foregoing paragraphs.

The dividend will be paid until July 5, 2022.