

AUDIT COMMITTEE REPORT ON THE RESULTS OF ITS ACTIVITIES

Audit Committee (further also „the Committee“) was established in accordance with the Act No. 93/2009 Coll. on auditors and the amendment of certain acts, as amended (‘the Auditors Act’), and the Articles of Association of Kofola ČeskoSlovensko a. s. (further „the Company“) as the advisory body of the Supervisory Board.

Information on the establishment and members of the Audit Committee was published and is permanently available in accordance with the relevant legislation on Company’s web page <http://firma.kofola.cz> in section Investor.

The Audit Committee is composed of three members as appointed by the General Meeting on 23 May 2016: Mr Pavel Jakubík and two independent members Mr Ivan Jakúbek and Mr Marek Piech. Mr. Marek Piech was appointed as chairman of the Audit Committee.

The Committee had a total of 4 meetings in 2016: on 14 March, 27 April, 27 July and 3 November, in 2017 there was one meeting held on 16 March until the date of this General Meeting in accordance with the frequency foreseen in the annual work schedule of the Committee. At its meetings the Committee has reviewed and discussed quarterly and annual non-consolidated and consolidated financial statements of Kofola ČeskoSlovensko, monitored procedures of compiling those financial statements, evaluated internal control efficiency, risk management system and internal audit findings, monitored process of the statutory audit of non-consolidated and consolidated financial statements for the year 2016 and assessed auditor’s independence including the provision of additional non-audit services. The Committee also reviewed insurance policy in Kofola ČeskoSlovensko Group and benchmark of competitor’s results.

With respect to the issues concerned the Committee regularly invites to its meetings the external auditor’s representatives, CFO Kofola ČeskoSlovensko Group, internal auditor, Group reporting manager as well as other Company managers responsible for the activities discussed by the Committee, if necessary.

A fixed monthly remuneration was set to all Committee members (including the Chairman) in compliance with the decision of the General Meeting.

The Committee had the opportunity to review the documents and records relating to the Company’s activities to the extent necessary for the performance of its activities.

Based on the General Meeting’s decision of May 23, 2016, external audit in Kofola ČeskoSlovensko Group for the year 2016 was conducted by company PricewaterhouseCoopers Audit, s.r.o. The Committee, at its meeting discussed the management letter to the Company, processed by an external auditor, dealing with the findings during the audit of financial statements for 2015, including recommendations for corrective actions to address them. The Committee was continually informed at its meetings by the external auditor about the audit schedule and key audit matters. The important areas of Kofola ČeskoSlovensko Group audit in 2016 included, in particular:

- Impairment test of intangible assets with indefinite useful lives (brands)
- Impairment test of cash generating unit in Poland
- Impairment test of investment in an associate

The Committee also acknowledged the independent auditor’s opinion on the non-consolidated and consolidated financial statements of Kofola ČeskoSlovensko as at December 31, 2016 saying that they audited the financial statements and in their opinion the financial statements present fairly, in all material respects, the Company’s and Kofola ČeskoSlovensko Group’s assets, liabilities and financial position. Its financial performance and cash flows for the year 2016 are in accordance with International Financial Reporting Standards, as adopted by the EU.

At its meeting the Committee recommended Board of Directors to propose to the General Meeting that it appoints the external auditor PricewaterhouseCoopers Audit, s.r.o. to perform the audit for the year 2017 for Kofola ČeskoSlovensko Group.

The Committee states that in the monitored period, and as of the date of the preparation of this report, it did not find any significant facts of which the General Meeting and Public Audit Oversight Board should be informed in the fields that are designated for the Audit Committee through Act No. 93/2009 Coll. on auditors and the amendment of certain acts, as amended, through the Articles of Association of Kofola ČeskoSlovensko a. s. and through the internal regulations of the Company.

The Committee provides information on its conclusions to the Company's Supervisory Board, making recommendations for debate on items that were subject to the discussion by the Audit Committee.

In Ostrava, on March 16, 2017

Audit Committee
Kofola ČeskoSlovensko a.s.