

CURRENT REPORT

No. 13/2016

KOFOLA ČESKOSLOVENSKO A.S.

16 December 2016

Additional information to the consolidated annual report 2015

Report legal ground: Art. 56 section 1 p. 2 of Act on Public Offering – current and periodic information

Following the summons of the market regulator, the Czech National Bank and according to the Act 234/2009 § 17(3), Kofola ČeskoSlovensko a.s. issues an additional information to the Consolidated Annual Report 2015. This additional information must be read with the Consolidated Annual Report issued on 16 March 2016.

In attached information please find the parts of the Annual Report 2015 that have been added or amended.

Below are stated parts of the Kofola Československo a.s. Annual Report 2015 that have been added or amended:

- **Board of Directors Report, Chapter 7 Corporate Governance, 7.1. Shares and shareholders, 7.1.4. Shares in possession of persons with executive authority (an enhancement of the existing information disclosure)**

Shares in possession of persons with executive authority	31.12.2015
	pcs
Members of the Board of Directors	12 483 804
Members of the Supervisory Board	-
Other persons with executive authority	-
Persons related to those with executive authority	-
Total	12 483 804

- **Board of Directors Report, Chapter 7 Corporate Governance, 7.1. Shares and shareholders, 7.1.5. Dividend policy (a new section to be added)**

The current dividend policy is to distribute approx. 30% of consolidated annual net profit, after taking into account the fact that the number of dividends is limited to the Kofola ČeskoSlovensko a.s. net profit and freely distributable reserves and dividends may be also influenced by the Company's business prospects, future earnings, cash flow requirements, envisaged costs and expenses as well as expansion and investment plans. We do not expect to fund dividend payments from external sources.

- **Board of Directors Report, Chapter 7 Corporate Governance, 7.4.5. Persons with executive authority, Remuneration principles (an enhancement of the existing information disclosure)**

The persons with executive authority, aside from regular salaries that are based on individual employment contracts, receive variable compensation based on the Group's results. Remuneration for explicit work in the Board of Directors and Supervisory Board, as well as in Audit Committee is paid only to Non-executive members. The remuneration level is given by the General meeting resolution. No members of the administrative, management or supervisory body of the Company or any of its subsidiaries have any service contracts with the Company or the respective Company's subsidiary which would provide benefits upon termination of the member's services with the Company or the respective Company's subsidiary.

All members of administrative, management and supervisory bodies of the Company and of its subsidiaries work for the Company or the respective subsidiary on the basis of standard employment contracts and the relationship between these members and the Company or the respective Company's subsidiary is governed by the local employment law. Accordingly, all members of the administrative, management and supervisory bodies of the Company work on the basis of an individual employment contract governed by the Czech law.

The remuneration of persons with executive authority consists of a fixed and a variable component related to each particular position and the management level. Remuneration is paid in the form of salaries for work performed under employment contracts. The level of salaries is based on qualified benchmarking studies on manager's remuneration in the Czech Republic, and reflects both managerial and professional potential as well as competencies. The variable component amounts 0 – 100% of the basic monthly salaries and is paid yearly in relation to the level of planned EBITDA performance. The payment execution is not a subject of any further approval of the Board of Directors, until the variable component amount exceeds the limit stated in the Article of Association.

In addition to financial income, persons with executive authority are entitled to an income in kind, which includes:

1. Right to use a business car for private purposes;

2. accommodation costs, eventual costs associated with relocation;
3. air ticket expenditures according to internal regulation;
4. fuel consumption for private purposes.

This income in kind is adjusted by the internal regulation and depends on the level of managerial position.

The remuneration system is adjusted by the Board of Directors. The variable component related to planned EBITDA is amended individually for each year by the Board of Directors, as well.

According to the Czech law, an employee is entitled to a severance payment upon termination of his/her employment (by agreement or notice) only if:

1. the employer or a portion of the employer's organization is dissolved or relocated, or
2. the employee becomes redundant because of a decision by the employer or the respective body to change the employer's tasks or technical set-up, to reduce the number of employees for the purpose of raising work productivity, or to make other organizational changes. If one of the above conditions is met, the employee should receive from the employer a severance payment based on his/her years of service as set out in the table below:

Duration of employment relationship	Amount of severance payment
less than 1 year	at least 1 multiple of the employee's average monthly earnings
at least 1 year but less than 2 years	at least 2 multiples of the employee's average monthly earnings
at least 2 years	at least 3 multiples of the employee's average monthly earnings

If the reason for employment termination (by agreement or notice) is a work-related injury, work-related sickness or threat of work-related sickness, the employee is then entitled to receive from the employer a severance payment in the amount of at least 12 multiples of the employee's average monthly earnings.

With respect to the members of the Board of Directors and the Supervisory Board the Group transfers mandatory social security contributions being part of the national pension systems in the countries where the Group is obliged to make such contributions. No other amounts are set aside to provide pension or retirement benefits to the members of the Board of Directors and the Supervisory Board.

- ***Board of Directors Report, Chapter 7 Corporate Governance, 7.4.5. Persons with executive authority, Remuneration summary (an enhancement of the existing information disclosure)***
- ***Consolidated Financial Statements, Chapter 4 Notes to the Consolidated Financial Statements, 4.23.3. Remuneration of the Group's key management personnel (an enhancement of the existing information disclosure)***
- ***Separate Financial Statements, Chapter 4 Notes to the Separate Financial Statements, 4.16.3. Remuneration of the Group's key management personnel (an enhancement of the existing information disclosure)***

Presented below is the structure of the remuneration paid out to persons with executive authority in 2015. No amounts were paid by the Company; the remuneration was paid by other Group entities.

Remuneration of the Group 's key management personnel	Amounts paid for activities in the Company's Board of Directors		Amounts paid for activities in the Company's Supervisory board		Amounts paid for activities in the Company's Audit committee		Amounts paid for other activities within the Group	
	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation	Financial compensation	Non-financial compensation
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Members of the Company's Board of Directors	-	-	-	-	-	-	29 539	1 004
Members of the Company's Supervisory board	-	-	729	-	-	-	10 579	416
Members of the Company's Audit committee	-	-	-	-	-	-	-	-
Other key management personnel of the Group	-	-	-	-	-	-	11 003	277
Total remuneration of the Group 's key management personnel	-	-	729	-	-	-	51 121	1 697

- **Board of Directors Report, Chapter 7 Corporate Governance, 7.4.2. Board of directors and 7.4.3. Supervisory Board (a statement to be added)**

Above-mentioned activities are considered as significant.

- **Board of Directors Report, Chapter 7 Corporate Governance, 7.4.5. Persons with executive authority, Identification (a statement to be added)**

No person with managerial responsibilities have been convicted of crime or fraud in the past five years, they were not connected with any proceedings of bankruptcy or liquidation, nor they were involved in any public accusation from official authorities. No person with managerial responsibilities was rendered incapable of acting as a member of management or supervisory bodies of any company in the past five years.

Note: We declare that the accompanying set of information was discussed with our auditors (PricewaterhouseCoopers Audit, s.r.o.) and they did not consider it necessary to perform any additional assurance work.