

**Kofola ČeskoSlovensko a.s.**

ID No.: 242 61 980

registered office: Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava

Registered in Commercial Register maintained by the Regional  
Court in Ostrava, Section B., file 10735

(« **Company** »)

**MINUTES OF THE ORDINARY GENERAL MEETING HELD ON 11/03/2019, IN THE  
REGISTERED OFFICE OF THE COMPANY AT THE ADDRESS NAD PORUBKOU  
2278/31a, PORUBA, 708 00, OSTRAVA, FROM 10 A.M.**

Members of the Board of Directors present:

Daniel Buryš, Vice-chair of the Board of Directors

René Musila, Vice-chair of the Board of Directors

Pavel Jakubík, member of the Board of Directors

Members of the Supervisory Board present:

René Sommer, chairman of the Supervisory Board

Members of the Audit Committee present:

Lenka Frostová

The meeting of the ordinary General Meeting was opened at 10 a.m. by a member of the Board of Directors, Mr Daniel Buryš, who was appointed by the convener the Company's Board of Directors to chair the General Meeting until a chair is appointed. He welcomed the shareholders present.

Mr Daniel Buryš stated that the Board of Directors invited other persons to the General Meeting for technical back-up of the General Meeting, namely Ms Kateřina Šrámková, Ms Beata Pulcer and Ms Karin Josefusová who would be nominated to the bodies of the General Meeting and the notary public Ms Petra Vlckova who will draw up a notarial record regarding some points on the agenda of the General Meeting.

Mr Daniel Buryš stated that the General Meeting had been duly convened by an invitation published on February 6, 2019 on the Company's website [www.firma.kofola.cz](http://www.firma.kofola.cz) and simultaneously in the Commercial Bulletin pursuant to the article 11, par. 11.4 of the Articles of Association of the Company.

Pursuant to the Articles of Association of the Company, the General Meeting is quorate if shareholders owning shares of total nominal value exceeding 50% of the share capital of the Company are present at the General Meeting.

Mr Daniel Buryš further stated that the General Meeting was quorate at the moment of the meeting commencement pursuant to the Articles of Association of the Company whereas shareholders owning 15,726,474 pieces of listed common registered shares each of a face value of CZK 50,- therefore the shares of a total nominal value of CZK 786,323,700, representing 74.26% (in words seventy-four point twenty six) of the share capital of the Company are present at the General Meeting; it is noticed that 1,114,109 pieces of shares which are held by

the controlled company RADENSKA, družba za polnitev mineralnih voda in brezalkoholnih pijač, d.o.o. by which the voting right cannot be performed were deduced and the number representing hundred percent of shares of the Company was reduced this way.

Mr Daniel Buryš, member of the Board of Directors authorized to chair the Company's General Meeting until the election of its bodies, stated that today's General Meeting had the following agenda:

1. Opening of the General Meeting
2. Decision on approval of transfer of a share in the company Hoop Polska Sp. z o.o.
3. Discussion
4. Closing

Further Mr Daniel Buryš informed the shareholders present of voting procedures at the General Meeting by voting ballots. The shareholders were simultaneously authorised to cast their votes by correspondence, as they were properly instructed in the invitation to the General Meeting. Mr Daniel Buryš stated that one of the Company's shareholders – owning 268 pieces of shares – used the option pursuant to the previous sentence. It is assumed that the shareholder voting by correspondence is present at the General Meeting only for the purpose of voting on those points of the program to which he casted his votes by correspondence.

It was further stated that for the purpose of voting on resolutions about the organization of the General Meeting, the shareholder with 268 votes who had voted by correspondence was considered as absent at the General Meeting for voting on the resolutions under the Point 1. The General Meeting is quorate, whereas for the purpose of voting on resolutions under the Point 1, shareholders were present owning and possessing 15,726,206 pieces of listed common registered shares, each of a face value of CZK 50, therefore shares of the total face value of CZK 786,310,300, representing 74.26% (in words: seventy-two point twenty six) of the share capital of the Company reduced by 1,114,109 pieces of shares held by the controlled company RADENSKA, družba za polnitev mineralnih voda in brezalkoholnih pijač, d.o.o. by which the voting right cannot be performed; the number representing hundred percent of shares of the Company was reduced this way.

Afterwards, the General Meeting moved within the point No. 1 to the voting on bodies of the General Meeting.

Mr Daniel Buryš presented a proposal of the Board of Directors for a composition of the General Meeting's bodies as follows:

Chairman of the General Meeting: Kateřina Šrámková  
Minute taker: Beata Pulcer  
Minute verifier: Lenka Frostová  
Scrutiniser: Karin Josefusová.

No queries were raised by the shareholders present as to this point of the General Meeting's agenda, and Mr Daniel Buryš therefore invited the General Meeting to vote on the following proposal:

**RESOLUTION No. 1:**

**"The General Meeting elects Ms Kateřina Šrámková as a Chairman of the General Meeting, Ms Beata Pulcer as a minutes taker, Ms Lenka Frostová as a minutes verifier, and Ms Karin Josefusova as a scrutiniser."**

A majority of votes of the shareholders present is required to adopt a decision on election of the bodies of the General Meeting.

**After the completion of voting and the counting of votes, Mr. Daniel Buryš stated that the General Meeting had approved the resolution by 15,726,206 votes, i.e. 100% of votes of all shareholders present.**

Afterwards Mr Daniel Buryš stated that the bodies of the General meeting were elected and invited the Chairman of the General Meeting, Ms Kateřina Šrámková, to take its office.

The Chairman of the General Meeting welcomed the shareholders present.

Further she invited the General Meeting to vote by ballots on the approval of the General Meeting's Rules of Procedure and Voting Rules proposed by the Board of Directors that had been published on the Company's website [www.firma.kofola.cz](http://www.firma.kofola.cz). No queries or other proposals were raised by the shareholders present as to this proposal.

The Chairman of the General Meeting invited the General Meeting to vote on the following proposal:

**RESOLUTION No. 2:**

**"The General Meeting approves the Rules of Procedure and the Voting Rules of the General Meeting of the company Kofola ČeskoSlovensko a.s. as presented by the Board of Directors of the Company."**

A majority of votes of the shareholders present is required to adopt a decision on approval of this resolution.

**After the completion of voting and the counting of votes, the Chairman of the General Meeting stated that the General Meeting approved the resolution by 15,726,206 votes, i.e. 100% of votes of all shareholders present.**

For the purposes of a due execution of the minutes of the General Meeting, the Chairman of the General Meeting presented a proposal to vote on granting a permission to take sound recording of the General Meeting. No queries or other proposals were raised by the shareholders present as to this proposal.

The Chairman of the General Meeting invited the shareholders present to vote on the following draft resolution:

**RESOLUTION No. 3:**

**"The General Meeting approves the making of a sound recording of the General Meeting by the Company."**

A majority of votes of the shareholders present is required to adopt a decision on approval of this resolution.

**After the completion of voting and the counting of votes, the Chairman of the General Meeting stated that the General Meeting approved the resolution by 15,726,206 votes, i.e. 100% of votes of all shareholders present.**

Afterwards, the discussion under the Point 1 was ended.

**Point No.2: Decision on approval of transfer of a share in the company Hoop Polska Sp. z o.o.**

The General Meeting moved onto the Point 2 of the agenda of the General Meeting.

The Chairman of the General Meeting invited the representative of the Board of Directors Mr. Daniel Buryš to make the shareholders present acquainted with the proposed transfer of share.

Mr Daniel Buryš stated that the Board of Directors had been tackling long-standing unsatisfactory results of its Polish subsidiary Hoop for some time. Three years ago, a restructuring plan was adopted that completely changed the company's business model but the company's results had continued to deteriorate. This is why last spring, shareholders and the public were informed that divestment was among the options of the development in Poland. Since then, we were very active in searching for a possible candidate to take over Hoop. We addressed all entities that were able to buy the company. Following this process, we agreed with the company ZMB Capital SP. z o.o. that it would acquire the share of the company. We signed a contract and we announced it on 4/2/2019; approval by this General Meeting is one of the conditions for the execution of the contract. I would like to add that last year, we changed the structure of our share capital in order to carry out the payment of dividends this year. So that the situation does not threaten the payment of dividends for this year.

Afterwards, the Chairman of the General Meeting read the proposed resolution:

Draft Resolution:

"The General Meeting approves a transfer of a 100% share in the company Hoop Polska Sp. z o.o., with its registered office at Wschodnia 5, 99-300 Kutno, Poland, NIP 527-25-25-699, REGON 140765027 (hereinafter referred to as "**Hoop Polska**") corresponding to the contribution of 127,346,006.52 PLN into the registered capital of the company on the basis of share purchase agreement entered by and between the Company as a purchaser and the company ZMB Capital Sp. z o.o., with its registered office at Jelenica 72, 43-450 Ustroń, Poland, NIP 5482689349, REGON 368991468 as a buyer (excluding the real estate situated in Grodzisk Wielkopolski, and rights to the trademarks of Grodziska mineral water), for a purchase price of not less than 13,000,000 EUR, which shall be reduced by a receivable of Kofola ČeskoSlovensko a.s. from a loan to Hoop Polska and Kofola Group's receivables from Hoop Polska, which are more than 180 days past due and are to be paid to the creditors on behalf of Hoop Polska by the acquirer."

The Chairman of the General Meeting asked the shareholders present whether they wished to raise queries or other proposals as to this proposal.

One of the shareholders present asked what would be the effect of the transaction on the financial situation of the Company. What will be the real purchase price and what is it in relation to the impairment made in last year's financial statements or more precisely the financial statements of two years ago. What would be the effect of the possible sale of the trade mark and the facility in Grodzisk?

Mr Daniel Buryš stated that the effect of the transaction on the Company would certainly be positive. Unfortunately, Hoop will report not only negative economic results but also negative EBITDA (operating results) for the last year. The results of this subsidiary keep decreasing; we did not manage to find the right motive for business on Polish market. This means that the effect on the overall results of the Company will be positive as an entity with negative results will leave the Company. As for the question concerning the facility in Grodzisk Wielkopolski, the

Company used to have 3 facilities in the past – one has already been sold, one is going to be sold. At the moment, Grodzisk is a production facility which is not being operated, and will be offered for sale. This is why it is not a part of this transaction.

Mr Pavel Jakubík – Finance Director and member of the Board of Directors – further stated that the annual report where the impairment item will be reported shall be made public by the Company on 25/03/2019. We do not have the exact number yet, then. He assured the shareholders about the ongoing capability of the Company to pay dividends. At the moment we can say that the impairment will amount to hundreds of millions Czech Crowns.

The shareholder also asked what the value of the facility was that was not part of the transaction. He was informed that we were talking about amounts such as 150 mil CZK.

What will be the amount of loan and receivables by which the purchase price will be decreased? At the moment, we cannot say precisely. The shareholders were assured that the Company would receive approximately 13 mil EUR through the payment of the purchase price of the share or repayment of outstanding claims.

The transaction has not been concluded yet, on the day of the General Meeting, the share in the company Hoop is still owned by the Company, it is presumed that the transaction will be concluded this month; the exact calculations will be known after that. The values of loans and receivables will be quantified as at the date of the conclusion of the transaction. The impact will probably be such that as at the date of the General Meeting that decided on the decrease of the share capital of the Company already was said that the purpose of the decrease of the share capital was to enable the Company to make an impairment of the Polish investment that would reflect its real value, which is now more or less confirmed. We do not suppose that other impairments will be necessary.

As a response to the shareholder's question it was said that the production facility in Grodzisk Wielkopolski had been sold before the transaction in question to other Company's subsidiary, Premium Rosa, that the Company wishes to keep. The production facility is still offered for sale through real estate agencies. Non-alcoholic drinks are not made at the facility since 2017 and equipment was taken out.

Further, a shareholder present asked why the share in the Hoop company was being sold. Mr Daniel Buryš repeated that the reason were long-standing unsatisfactory results. The shareholder present asked whether these results were caused by Polish market or by the management of the company.

The results have been caused by the fact that we have not been able to find a profitable business model on the very competitive Polish market. The market is very competitive, with low margins and very aggressive approach of global as well as local companies. Although we have changed the management several times and have been looking for solutions for our brands, we have not managed to find a business model. We have been also very dependent on the production of private brands which is not a part of our Company's strategy. We want to make brand products, increase the value added.

The shareholder asked whether the Board of Directors had evaluated the management of Mr Vlasák in relation to the failure in Poland. Mr Daniel Buryš said that Mr Vlasák's task had been very difficult; he had tried his best along with his team but he had not succeeded in changing the trend.

Another shareholder present asked for more details about the buyer and its plans concerning the facility. The buyer is a company that produces non-alcoholic drinks, mainly mineral water. To the Board of Directors' knowledge, it plans to use the facility for this purpose.

Further, a question was asked concerning other offers – were they comparable? Mr Daniel Buryš said that serious negotiations had been led with about 5 interested entities and none of the offers was comparable.

Eventually, a question was asked about the impact on the economic results of the Company – is it going to be so negative because of the sale of the subsidiary to make the entire results of the Company negative? Results will be published on 25/3/2019, however, yes it will because the impairment will approximately correspond to the decrease of the registered capital. In this respect Mr Jakubík pointed out the necessity to distinguish between the Company as individual entity (parent company) and the consolidated entity of Kofola ČeskoSlovensko (Group). All this will be described in detail at the General Meeting deciding on approval of the economic results. It was reaffirmed that the situation would not affect the Company's ability to pay dividends.

No other queries were raised.

The Chairman of the General Meeting informed the shareholders present that during the discussions concerning this point, one shareholder arrived. Therefore, number of votes at the General Meeting changed.

The General Meeting is quorate whereas shareholders owning 15,727,149 pieces of listed common registered shares, each of a face value of CZK 50, therefore shares of a total nominal value of CZK 786,357,450, representing 74.26% (in words seventy-four point twenty six) of the share capital of the Company are present at the General Meeting for the vote on Point No. 2 of the agenda of the General Meeting; it is noticed that 1,114,109 pieces of shares which are held by the controlled company RADENSKA, družba za polnitev mineralnih voda in brezalkoholnih pijač, d.o.o. by which the voting right cannot be performed were deduced and the number representing hundred percent of shares of the Company was reduced this way. The shareholder that voted by correspondence also takes part in the vote.

Afterwards, the Chairman of the General Meeting re-read the proposed resolution:

#### **RESOLUTION No. 4:**

"The General Meeting approves a transfer of a 100% share in the company Hoop Polska Sp. z o.o., with its registered office at Wschodnia 5, 99-300 Kutno, Poland, NIP 527-25-25-699, REGON 140765027 (hereinafter referred to as "**Hoop Polska**") corresponding to the contribution of 127,346,006.52 PLN into the registered capital of the company on the basis of share purchase agreement entered by and between the Company as a purchaser and the company ZMB Capital Sp. z o.o., with its registered office at Jelenica 72, 43-450 Ustroń, Poland, NIP 5482689349, REGON 368991468 as a buyer (excluding the real estate situated in Grodzisk Wielkopolski, and rights to the trademarks of Grodziska mineral water), for a purchase price of not less than 13,000,000 EUR, which shall be reduced by a receivable of Kofola ČeskoSlovensko a.s. from a loan to Hoop Polska and Kofola Group's receivables from Hoop Polska, which are more than 180 days past due and are to be paid to the creditors on behalf of Hoop Polska by the acquirer."

A 2/3 majority of shareholders present is required for the approval of this resolution and a notarial record of the General Meeting's decision will be drawn up by the notary, Ms Petra

Vickova. Then the Chairman of the General Meeting invited the shareholders to vote on the above stated draft resolution.

**After the completion of voting and the counting of votes, the Chairman of the General Meeting stated that the General Meeting approved the resolution by 15,727,149 votes, i.e. 100% of votes of all shareholders present.**

Afterwards, the discussion under the Point 2 was ended.

**Point No. 3: Discussion**

Under that final point, the shareholders were invited to raise queries or topics to discuss if they had ones.

A shareholder present asked whether the Company was perhaps looking for other investments. Mr Daniel Buryš said that the Company was constantly working on acquisitions. We consider acquisitions as an important part of our strategy. At the moment, there is nothing about to be signed.

No other queries were raised by the shareholders present.

**Point No. 4: Closing**

With regard to the fact that the agenda of the General Meeting had been exhausted, the Chairman of the General Meeting thanked the members present of bodies of the company and shareholders for their attendance.

The shareholders were informed that the minutes of the General Meeting and the results of vote will be published within the legal deadline also on the Company's website [www.firma.kofola.cz](http://www.firma.kofola.cz).

Mr Daniel Buryš also thanked the participants for their attendance at the General Meeting as well as for their approval of the decision to sell the Polish subsidiary.

The General Meeting was closed at 10.45 a.m.

In Ostrava, 19 March 2019



Kateřina Šrámková  
Chairman



Beata Pulcer  
Minutes taker



Lenka Frostová  
Minutes verifier