



# SHAREHOLDERS' COUNTERPROPOSALS CONCERNING ITEM 5 ON THE GENERAL MEETING AGENDA

## **Counterproposal by Shareholder Radek Honzajk**

By his counterproposal, the shareholder identifies with the counterproposal of the majority shareholder, i.e. the Czech Republic—Ministry of Finance, concerning item 5, as delivered to the Company on May 23, 2016, and identically proposes that the distribution of profit be approved without any royalty (share in profits) for the members of the Board of Directors and the Supervisory Board.

## **Board of Directors' Standpoint on the Shareholder's Counterproposal**

The Board of Directors takes notice of the shareholder's counterproposal.

## **Counterproposal by Shareholder František Štěpánek**

The shareholder's counterproposal differs from the Board of Directors' proposal in the shareholder's proposing a share in profits to be distributed to the members of the Board of Directors (i.e. not including the members of the Supervisory Board) of up to CZK 6,300 thousand and a transfer to the retained earnings account of CZK 6,588,961 thousand. In addition, the shareholder proposes a different record date for entitlement to the dividend than the Board of Directors does, namely June 3, 2016.

The shareholder proposes that the General Meeting approve the distribution of the amount of royalties he proposes to the members of the Board of Directors so that the share of each member of the Board of Directors is proposed by the Supervisory Board depending on the member's contribution to achieved results, taking account of the time served by the member. Any remainder is to be transferred to the retained earnings account.

In addition, the shareholder proposes that the granting of royalties to individual members of the Board of Directors, up to the amount approved by the General Meeting, be approved by the Ministry of Finance (majority owner), taking account of the Supervisory Board's proposal.

## **Board of Directors' Standpoint on the Shareholder's Counterproposal**

The Board of Directors takes notice of the shareholder's counterproposal. In the Board of Directors' opinion, the shareholder's proposal that the granting of royalties to individual members of the Board of Directors, up to the amount approved by the General Meeting, be approved by the Czech Republic—Ministry of Finance (majority shareholder) cannot be legitimately approved by the General Meeting because the authority of the General Meeting (and/or the Supervisory Board) cannot be delegated to individual shareholders of the Company.