

*Convenience English translation of Czech official version
In case of discrepancy, Czech version prevails*

UNIPETROL, a.s.

ARTICLES OF ASSOCIATION

Consolidated version of Company's Articles of Association as of 7.6.2017

ARTICLES OF ASSOCIATION

UNIPETROL, a. s.

I.

General provisions

1.

Business name and registered office

- 1.1 UNIPETROL, a.s. (the "Company") is a business corporation established in the form of joint-stock company.
- 1.2 The business name of the Company is:
- UNIPETROL, a.s.
- 1.3 The registered office of the Company is the municipality of Prague.

2.

Scope of Company's Business

- 2.1 The scope of business of the Company is as follows:
- Provision of services in the field of occupational health and safety
 - Manufacture, trade and services not specified in the annexes 1 – 3 of the Trade Licensing Act
 - Renting of flats, real estate and non-residential premises
- 2.2 The fundamental mission of the Company is as follows:
- strategic management of development for group of companies directly or indirectly controlled by the Company
 - coordination and procurement of matters of common interest of group of companies directly or indirectly controlled by the Company
 - arranging of financing and development of financing systems in companies within the holding
 - development of human resources and systems of human resources development in companies within the holding
 - administration, acquisition of and disposal with ownership interests and other assets of the Company, in particular:

- (i) establishing of business corporations, participation in their foundation and other acquisitions of ownership interests in business of other legal entities,
- (ii) exercising of shareholder's and similar rights within directly or indirectly controlled companies,
- (iii) renting of real estate and provision of basic services for due functioning of real estate.

3.

Acting on behalf of the Company

- 3.1 The Company's Board of Directors acts on behalf of the Company in all matters, provided that the Board of Directors shall always act through two of its members together while one of them shall be the chairman or the vice-chairman of the Board of Directors. Signing on behalf of the Company shall be performed in such way that the members of the Board of Directors authorized to act on behalf of the Company attach their signatures to the business name of the Company.

II.

Registered capital and shares of the Company

4.

Registered capital of the Company

- 4.1 Registered capital of the Company is CZK 18,133,476,400 (in words: eighteen billion one hundred and thirty three million four hundred and seventy six thousand four hundred Czech crowns).

5.

Shares of the Company

- 5.1 The registered capital of the Company is divided into 181.334.764 (in words: one hundred and eighty one million three hundred and thirty four thousand seven hundred and sixty four) common shares, each having the same nominal value of CZK 100 (in words: one hundred Czech crowns). All Company's shares are bearer shares.
- 5.2 All shares have been issued as book-entered securities and have been admitted to trading on a European regulated market.

6.

Rights and obligations of shareholders

- 6.1 The shareholder is entitled to participate, pursuant to the law and the Articles of Association of the Company, in the management and profits thereof and in the liquidation balance if the Company is wound up with liquidation.
- 6.2 The shareholder is entitled to attend the General Meeting and vote there. Further regulation of attending the General Meeting is in Article 9 hereof.
- 6.3 The shareholder is entitled to request and receive from the Company at the General Meeting explanation to matters pertaining to the Company or the persons controlled by it if such explanation is necessary in order to consider the contents of the matters included in the agenda of the General Meeting or to exercise his shareholder rights at the General Meeting. The shareholder shall formulate his speech to be brief and clear. Each shareholder is limited in presenting of his request or other speech to ten (10) minutes. The explanation of the matters pertaining to the current General Meeting shall be provided to the shareholder by the Company directly at the General Meeting. If this is not possible due to the complexity of the explanation the Company shall provide it to the shareholders within fifteen (15) days of the date of the General Meeting, even if it is no longer necessary in order to consider the contents of the matters included in the agenda of the General Meeting or to exercise the shareholder rights at the General Meeting. The information included in the explanation must be unambiguous and must provide adequate and true picture of the facts asked about. The explanation may be provided in the form of an aggregate answer to multiple questions with similar content. A shareholder shall be deemed to have received the explanation also when the information was published on the Company's website no later than the day preceding the date of the General Meeting and is available to the shareholders at the place of the General Meeting. The Board of Directors or the person convening the General Meeting may refuse to provide the explanation or any part thereof if (i) the provision of the explanation may cause harm to the Company or persons controlled by the Company; (ii) it involves inside information or classified information pursuant to applicable legal regulation, or (iii) the requested explanation is publicly available. Fulfillment of the conditions for refusal to provide explanation shall be assessed by the Board of Directors which shall communicate the reasons to the shareholder. The communication of the refusal to provide explanation shall be included in the minutes from the General Meeting. Shareholder is entitled to request the Supervisory Board to determine that conditions for refusal of providing an explanation have not been satisfied and the Board of Directors shall provide the explanation to the shareholder. The Supervisory Board shall decide on the request of the shareholder directly at the General Meeting or, if it is not possible, within five (5) working days following the

General Meeting. In case the Supervisory Board does not agree to provide the explanation or does not respond within the statutory time period, the Company's obligation to provide the information shall be decided by a court based upon a request of the shareholder. The right to initiate proceedings against the Company may be asserted within one (1) month following the General Meeting, at which the request for provision of explanation was refused, or within fifteen (15) days following the General Meeting in case of refusal or failure to provide information; the right asserted after these periods shall be disregarded.

- 6.4 The shareholder is entitled to make proposals and counterproposals on the matters included in the agenda of the General Meeting. If a shareholder intends to make a counterproposal on the matters included in the agenda of the General Meeting he shall deliver it to the Company within a reasonable time period prior to the date of the General Meeting; this shall not apply if it concerns proposals of certain persons for membership in the Company's bodies. The Board of Directors shall notify all shareholders in manner for calling the General Meeting the wording of shareholder's counterproposal including the Board of Directors' position to it; this shall not apply in case the Board of Director's notice would be delivered in less than two (2) days before the day of the General Meeting or costs for such notification would be in gross disproportion to the relevance and content of such counterproposal or the wording of such counterproposal contains more than one hundred (100) words. If the counterproposal contains more than one hundred (100) words, the Board of Directors shall notify the shareholder of the nature of the counterproposal including its position thereto and shall publish the counterproposal at the Company's webpages. The shareholder is entitled to submit his proposals to matters, which shall be included into the agenda of the General Meeting, also before publication of the invitation to the General Meeting. Board of Directors shall publish together with the invitation to the General Meeting any proposal delivered to the Company seven (7) days before publication of the invitation to the General Meeting at latest and its position thereto. Proposals delivered after this period shall be governed *mutatis mutandis* by Section 362 of the Act on Corporations.
- 6.5 Shareholder present on the General Meeting is entitled to request the minutes clerk to include a protest regarding a resolution of the General Meeting into the minutes from the General Meeting.
- 6.6 The shareholder may request the Board of Directors to provide a copy of minutes from the General Meeting or its part during the whole existence of the company. The request must be made in writing, unless it is given in oral form directly at the General Meeting.

- 6.7 Shareholder or shareholders holding shares with aggregate nominal value or number of shares of at least one per cent (1 %) of the registered capital of the Company are entitled to:
- a) request the Board of Directors to include into the agenda of the General Meeting a matter specified by them, provided that a resolution is also proposed for each matter or the reasoning for including thereof are provided; if the request is delivered after the publication of the invitation to the General Meeting, the Board of Directors shall announce the addition to the agenda of the General Meeting no later than five (5) days before the decisive date for the participation in the General Meeting. If such announcement is not possible, the proposed matter may be included into the agenda of the General Meeting only when all shareholders of the Company are present at the General Meeting and unanimously agree with discussing such matter;
 - b) request the Board of Directors to convene General Meeting to discuss matters proposed by them provided each requested matter includes a proposed resolution or reasoning;
 - c) request the Supervisory Board to review exercise of authority by the Board of Directors in matters specified in the request;
 - d) in accordance with the Act on Corporations claim on behalf of the Company a compensation for a harm against a member of the Board of Directors or the Supervisory Board or fulfillment of their obligation, if any, under an agreement on settlement of harm caused to the Company resulting from a failure to act with due managerial care, or payment of the issue price against a shareholder who is in delay with payment thereof, and to represent the Company in such proceedings;
 - e) request the court to appoint a court expert to review the report on relations between the controlling person and the controlled person and between the controlled person and the persons controlled by the same controlling person (the “**Report on Relationships**”) if they consider the Report on Relationships not prepared correctly;
 - f) claim compensation of harm against an influent person, if such person caused a harm to the Company.
- 6.8 The shareholder is entitled to the share in the Company’s profits, which have been approved by the General Meeting to be distributed among the shareholders. This share in profits shall be determined according to the shareholder’s share in the registered capital. The decisive date for exercising the right to the share in profits

shall be the decisive date for participation at the General Meeting, which decided on the distribution of profits. The right to the share in profits is separately transferrable as of a day the General Meeting decided on its distribution. The Company shall pay the share in profits, at its own cost and risk, in the manner determined by the General Meeting.; details of manner of payment of the share in profits determined by the General meeting shall be set forth by the Board of Directors in accordance with generally binding legal regulations. The share in profits is due in three (3) months following a day, when the General Meeting decided on distribution of profits, unless the General Meeting decides otherwise.

- 6.9 Upon winding-up of the Company with liquidation, every shareholder is entitled to a share in the liquidation balance. The entitlement to the share in the liquidation balance arises as of the date of cancellation of the Company's shares registered in the registry of book-entered shares of central depository based on the liquidator's instruction.
- 6.10 In addition to other obligations, the shareholder is obliged to:
- a) pay within the set period and in duly manner the issue price of the shares subscribed by him/her/it; and
 - b) comply with the Articles of Association of the Company.
- 6.11 The shareholder who acquires or exceeds share on all voting rights at the Company of 1%, 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50% and 75%, or reduces his share on all voting rights below such thresholds, shall notify this without undue delay to the Company and the Czech National Bank, at latest, however, within four (4) working days after he/she/it learnt or could have learnt of such event. The notification can be made also in English language. Details on notification duty regarding voting rights are set forth in Act No. 256/2004 Coll., on trading on capital markets, as amended.
- 6.12 The shareholder who acquires by himself or together with other persons acting in concert a decisive share in voting rights at the Company, shall within the period of thirty (30) days following the day, when the shareholder acquired or exceeded such share, to make a takeover bid to all owners of the shares of the Company. This obligation shall cease to exist if within the same period the shareholder has already reduced or will reduce his share in voting rights below the threshold, which triggered his obligation pursuant to this provision, by transferring the shares to another person and thereby will cease to exercise directly or indirectly through other persons a decisive influence on the Company. The cessation of such obligation pursuant to the previous sentence is subject to a decision of the Czech National Bank initiated upon a written request of the shareholder. The decisive share on voting rights of the Company is a share corresponding at least thirty per cent (30%) of all votes attached to all participating securities issued by the

Company. Detailed rules and exceptions from meeting the takeover bid obligation are set forth in Act No. 104/2008 Coll., on takeover bids and amendments of other acts (Takeover Bids Act), as amended.

III. Company's organization

7. Structure of the Company

- 7.1 The Company has chosen a dualistic system of its internal structure.
- 7.2 The Company's bodies are:
- a) the General Meeting
 - b) the Board of Directors
 - c) the Supervisory Board
 - d) the Audit Committee

IV. General Meeting

8. Status and powers of the General Meeting

- 8.1 The General Meeting is the supreme body of the Company.
- 8.2 The powers of the General Meeting include the following:
- a) deciding on amendments of the Articles of Association, unless such change results from an increase in the registered capital by the authorized Board of Directors or such change is made by virtue of other legal facts;
 - b) deciding on changes of the amount of the registered capital and authorization of the Board of Directors to increase the registered capital;
 - c) deciding on the possibility of a set-off of a monetary receivable from the Company against a receivable to pay an issue price;
 - d) deciding on increase in the registered capital by non-monetary contributions;
 - e) deciding on issuance of convertible or priority bonds;

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- f) deciding on exclusion or restriction of shareholders' pre-emptive right to obtain convertible or priority bonds or to subscribe for new shares of the company in relation to increase of Company's registered capital;
- g) deciding on change in form or class of shares and on change of rights assigned with a certain class of shares, decision on consolidation of shares;
- h) deciding on acquisition of own shares by the Company, where such decision is required by applicable laws;
- i) electing and recalling of members of the Supervisory Board;
- j) approving of annual, extraordinary or consolidated financial statements and, in cases stipulated by law, also interim financial statements;
- k) deciding on distribution of profits or other own resources or settlement of losses;
- l) deciding on filing of an application for admission of Company's participating securities to trading on a European regulated market or withdrawal of such securities from trading on a European regulated market;
- m) deciding on winding up of the Company with liquidation;
- n) deciding on appointing and recalling of the liquidator;
- o) approving of a proposal on liquidation balance distribution;
- p) approving of a transfer or a pledge of enterprise or such part thereof, which would substantially change the current structure of the enterprise or which would substantially change the scope of business of the Company;
- q) deciding on undertaking of consequences of acts made on behalf of the Company prior its incorporation;
- r) approving of an agreement on silent partnership, including amending and cancelling thereof;
- s) deciding on a transformation of the Company, unless the laws regulating transformations of business companies and cooperatives sets forth otherwise;
- t) appointing and recalling of members of the Audit Committee;
- u) approving of an agreement on performance of the office of a member of the Supervisory Board and the Audit Committee, including remuneration of members of the Supervisory Board and the Audit Committee and rules of providing discretionary and other benefits to members of the Supervisory Board and the Audit Committee;
- v) deciding on auditor for auditing financial statements of the Company and consolidated financial statements of the Company, as well as, for verifying other documents, if such verification is required by applicable laws;
- w) approving of the rules of procedure of the General Meeting, as well as, adopting of organizational measures concerning the course of the General Meeting, unless such measures are entrusted by the rules of procedure within the authority of Chairman of the General Meeting;
- x) decision on acquisition for consideration of assets by the Company from its founders or shareholders pursuant to Section 255 of Act on Corporations;
- y) other decisions delegated to the powers of the General Meeting by this Articles of Association or by law.

- 8.3 The General Meeting may not reserve deciding on matters, which are not entrusted into its authority by law or these Articles of Association.
- 8.4 The Company shall bear costs related to organization of the General Meeting; shareholders shall not be entitled to compensation of costs of their attendance at the General Meeting.

9.

Presence at the General Meeting

- 9.1 Each shareholder of the Company may attend the General Meeting personally or through a representative. If a shareholder represents another person regarding certain shares, he is entitled to exercise voting rights attached to such shares in a different way.
- 9.2 The power of attorney for representing at the General Meeting shall be in writing and shall include whether it has been granted for representing at one or more General Meetings. It is deemed that a person registered in the records of investment securities as a trustee or as a person authorized to perform the rights attached to the shares, is authorized to perform on behalf of a shareholder all rights attached to the shares registered on a particular account, including the right to vote at the General Meeting. The power of attorney form shall be available to shareholders of the Company from a moment of publication of an invitation to the General Meeting in the registered office of the Company and on the web pages of the Company. Each shareholder may notify the Company by electronic means of a granted power of attorney for his representing at the General Meeting, as well as, of recalling of a power of attorney by the principal. The notification may be performed by delivery of an e-mail message by the shareholder to the e-mail address *valna.hromada@unipetrol.cz* or *general.meeting@unipetrol.cz* with the attachment of the readable electronic copy (scan or photo picture via digital camera) of (a) a written power of attorney of the shareholder signed by the shareholder and saved in pdf, jpg or xps form, or (b) a written recall of a power of attorney signed by the shareholder and saved in pdf, jpg or xps form. In case that the e-mail message or its attachment containing the power of attorney or its recall is not readable, the Company shall request the shareholder to deliver a flawless written power of attorney or its recall again by electronic means provided that such request shall be sent by the Company to the e-mail address of the shareholder, from which the e-mail message with the defected power of attorney or its recall has been sent. In case that the written power of attorney or its recall is not readable, such power of attorney or its recall shall not be regarded as duly granted or recalled. For avoidance of any doubt, the shareholder is entitled to notify the Company of granting a power of attorney to represent him at the General Meeting, as well as, of recalling of a power of attorney by the principal by electronic means using an electronic signature.

Further potential details on notifying the Company of granting of power of attorney or its recall by electronic means may be specified in the invitation to the General Meeting pursuant to applicable law. The notification on granting of the power of attorney shall not affect the obligation of the shareholder or his representative to identify himself at the General Meeting by documents specified in the provision 9.3 hereof, except for the power of attorney.

- 9.3 The shareholder – an individual shall identify himself by a valid identity document. The shareholder – legal entity represented at the General Meeting by its statutory body or its member(s) or representative under power of attorney is further obliged to submit an shareholder – legal entity excerpt from the commercial register no older than three (3) months before the date of holding of the General Meeting. Shareholder’s representative is obliged to prove his identity by a written power of attorney containing the extent of the representative’s authority unless the granting of the power of attorney was notified to the Company by electronic means pursuant to section 9.2 hereof. In case of a power of attorney granted by the shareholder to a representative - legal entity, the representative is further obliged to submit an excerpt from the commercial register of such entity (proxy) no older than three (3) months before the date of holding of the General Meeting. The affected persons are obliged to hand over to the Company the powers of attorney and excerpts from the commercial register pursuant to this provision 9.3 hereof. Documents issued by foreign authorities, which are submitted by the shareholder or the shareholder’s representative, shall be superlegalized or accompanied with authenticity certificate (apostille), if the Czech Republic does not have a mutual legal assistance treaty concluded with a state, where the shareholder has his permanent residence or registered seat. If the above mentioned documents or authenticity certificates are in a foreign language (except for Slovak language), they must be also accompanied with an official translation into the Czech language. The authorization of persons registered in the records of investment securities as a trustee or as a person authorized to exercise rights attached to shares kept at a particular account shall be proved by the excerpt from the records of investment securities which shall be arranged by the Company for purposes of the holding of the General Meeting.
- 9.4 Members of the Board of Directors, members of the Supervisory Board and members of the Audit Committee shall attend the General Meeting. The General Meeting may be also attended by auditors and notaries in cases required by applicable law, persons proposed by the Board of Directors into bodies of the General Meeting, persons proposed into bodies of the company, legal advisors of the company and other persons specified by the Board of Directors. Other persons may attend the General Meeting only subject to the consent of General Meeting; the General Meeting shall not be attended by the public.
- 9.5 The decisive day for attendance at the General Meeting of the Company is always the seventh (7.) calendar day preceding the day of the General Meeting.

- 9.6 The Board of Directors may entrust Company employees or third persons with securing organization and technical aspects of the General Meeting (the “entrusted persons”). Entrusted persons shall be entitled to verify at presentation for the General Meeting the right of shareholder or his representative to attend the General Meeting. Until scrutineers are elected by the General Meeting, the entrusted persons are authorized to perform their position.
- 9.7 The attending shareholders or their representatives shall register in the attendance sheet which shall contain the business name or name, as the case may be, and registered office, respectively, of the legal entity or name and residence address of the individual, who is the shareholder or his representative, nominal value of the shares which entitle the shareholder to vote or, as the case may be, information that the share does not entitle the shareholder to vote. In the event of the Company refuses to register a person in the attendance sheet, the refusal and the reason thereof shall be recorded in the attendance sheet. The person convening the General Meeting or a person authorized by the person convening the General Meeting shall certify correctness of the attendance sheet with his signature.

10.

Convening of the General Meeting

- 10.1 The General Meeting shall be held at least once per accounting period, at latest, however, within six (6) months from the last day of the previous accounting period.
- 10.2 The Board of Directors convenes the General Meeting, eventually a member of the Board of Director may convene the General Meeting provided the Board of Directors does not convene the General Meeting without undue delay and the applicable law requires convocation of the General Meeting, or if the Board of Directors cannot adopt resolutions for a longer period of time, unless the applicable law stipulates otherwise. If the Company does not have an elected Board of Directors or if the elected Board of Directors is not performing its duties over a longer period of time and the General Meeting is not even convened by any member of the Board of Directors, the General Meeting shall be convened by the Supervisory Board; the Supervisory Board may also convene the General Meeting if the Company’s interests require so. The Supervisory Board shall also propose the necessary measures. If the Supervisory Board does not convene the General Meeting it may be convened by any member of the Supervisory Board.
- 10.3 The General Meeting shall be convened by publishing of an invitation to the General Meeting on Company’s web site *www.unipetrol.cz*, web site *www.patria.cz* and in the Commercial Gazette. Publishing of the invitation to the General Meeting in the

Commercial Gazette substitutes sending of an invitation to the shareholder's address pursuant to Section 406 (1) of the Act on Corporations.

- 10.4 If the General Meeting is convened by the Board of Directors, the convocation and the proposed agenda shall be notified to the Supervisory Board, and the Board of Directors shall supplement the agenda in accordance with requests of the Supervisory Board, which shall be submitted in a time in order to keep time limits for convocation of the General Meeting in accordance with applicable law. If the General Meeting is convened by the Supervisory Board, the convocation and the proposed agenda shall be notified to the Board of Directors. The Supervisory Board shall supplement the agenda in accordance with requests of the Board of Directors which shall be submitted in a time in order to keep time limits for convocation of the General Meeting in accordance with applicable law. Together with the invitation to the General Meeting, however, not later than within the period for convocation of the General Meeting pursuant to applicable law, the convener of the General Meeting shall submit to the other body also written materials on individual items of the agenda of the General Meeting proposed by the convener.
- 10.5 The organization of the General Meeting shall be arranged by the Board of Directors. If the Board of Directors is not elected or is inactive for a long period, the organization of the General Meeting shall be arranged by its convener.

11.

Acting and decision-making of the General Meeting

- 11.1 Until the Chairman of the General Meeting is elected, the General Meeting shall be opened and chaired by the convener or a person authorized by him; the same applies if the Chairman of the General Meeting is not appointed. The General Meeting shall elect the Chairman, a minutes clerk, a verifier of the minutes and a scrutineer or scrutineers. Should any of these persons specified in previous sentence stop performing their positions during the General Meeting, the General Meeting shall elect a new person into such position. The election shall be organized by the Chairman of the General Meeting or a person authorized by the convener.
- 11.2 The General Meeting may adopt decisions provided that the General Meeting is attended by shareholders owning shares with the nominal value representing more than a half (1/2) of the registered capital of the Company.
- 11.3 If the General Meeting is not able to adopt decisions after a lapse of one (1) hour from its scheduled commencement, the Board of Directors shall, if it is necessary, convene in accordance with applicable law a substitute General Meeting with the same agenda.

- 11.4 One (1) vote is attached to each share of nominal value of CZK 100 (in words: one hundred Czech crowns). Total number of votes at the Company is 181,334,764.
- 11.5 Voting shall be carried out by ballot papers. Board of Directors of the Company may decide to carry out voting at the General Meeting (*na valné hromadě*) by suitable electronic means which allow the Company to verify identity of persons authorized to exercise the voting right and determine shares on which vote is casted. Terms and conditions of voting at the General Meeting by electronic means shall be determined by the Board of Directors. Terms and conditions of voting at the General Meeting by electronic means shall be stated in invitation to the General Meeting.
- 11.6 A voting shall be carried out upon an instruction of the chairman of the General Meeting. At first a proposal of a convenor of the General Meeting shall be voted on. If such proposal is not approved, then counterproposals in the order of their submission shall be voted on.
- 11.7 A decision of the General Meeting shall be adopted by the majority of votes of attending shareholders, unless these Articles of Association or applicable law stipulate different majority.
- 11.8 The qualified majority of two thirds (2/3) of votes of attending shareholders is required for adoption of a decision of the General Meeting:
- a) on approving of a transfer or a pledge of enterprise or such part thereof, which would substantially change the current structure of the enterprise or which would substantially change the scope of business of the Company,
 - b) on amendments of the Articles of Association,
 - c) by virtue of which the Articles of Association are changed,
 - d) on authorization of the Board of Directors to increase the registered capital,
 - e) on the possibility of a set-off of a monetary receivable from the Company against a receivable to pay an issue price,
 - f) on issuance of convertible or priority bonds, and
 - g) on winding up of the Company with liquidation and on distribution of liquidation balance.
- 11.9 Apart from qualified or, if applicable, simple majority of votes of attending shareholders also a majority of at least two thirds (2/3) of votes of attending shareholders of each class of shares whose rights are affected by such decision is required for a decision of the General Meeting on:
- a) approving of a transfer or a pledge of enterprise or such part thereof, which would substantially change the current structure of the enterprise or which would substantially change the scope of business of the Company, and
 - b) change of the amount of registered capital.

- 11.10 Apart from qualified or, if applicable, simple majority of votes of attending shareholders also a majority of at least three quarters (3/4) of votes of attending shareholders having such shares is required for a decision of the General Meeting on:
- a) change of class or form of shares,
 - b) change of rights attached to certain class of shares,
 - c) restriction on transferability of registered shares or book-entered shares, and
 - d) withdrawal of participating securities from trading on a European regulated market.
- 11.11 A majority of at least three quarters (3/4) of votes of attending shareholders is required for a decision of the General Meeting on:
- a) exclusion or restriction of pre-emptive rights to obtain priority or convertible bonds,
 - b) possibility to distribute profits to other persons than shareholders pursuant to the provision 34 (1) of the Act on Corporations,
 - c) exclusion or restriction of pre-emptive rights of shareholder in case of increasing of the registered capital by subscription of new shares,
 - d) increase of the registered capital by non-monetary contributions, and
 - e) transformation of the Company, unless applicable law stipulates otherwise.
- If the Company issued different classes of shares, a majority of at least three quarters (3/4) of votes of attending shareholders of each class of shares is required for a decision. This shall not apply if such decision would not affect owners of such classes of shares.
- 11.12 A decision on consolidation of shares shall also require consent of all shareholders whose shares should be consolidated.
- 11.13 The matters which were not included in the agenda of the General Meeting can be discussed or decided provided that all shareholders of the Company agree.

V.
Board of Directors

12.
Status and powers of the Board of Directors

- 12.1 The Board of Directors is Company's statutory body.
- 12.2 The Board of Directors shall decide on all matters of the Company, except for matters entrusted by applicable law or by these Articles of Association to powers of other bodies of the Company.
- 12.3 No one is entitled to give instructions to the Board of Directors regarding business management, unless stipulated otherwise by law. Members of the Board of Directors may ask the General Meeting to grant an instruction regarding business management; this shall not affect their obligation to act with the due managerial care.
- 12.4 The Board of Directors is responsible particularly for:
- a) business management;
 - b) furnishing of a due bookkeeping;
 - c) convening Company's General Meetings;
 - d) furnishing preparation of annual, extraordinary, consolidated or, if applicable, interim financial statements including proposal for distribution of profits or settlement of losses and submitting them for a review by the Supervisory Board and for an approval by the General Meeting;
 - e) preparing report on business activities of the Company and on state of its property and other reports required by applicable laws;
 - f) carrying out resolutions of the General Meeting.
- 12.5 The Board of Directors shall ask the Supervisory Board of the Company for its prior consent to the following acts:
- a) encumbrance, disposal or renting of Company's property if the book value of such property exceeds under one agreement or, if applicable, several related agreements the amount of CZK 200,000,000 (in words: two hundred million Czech crowns);
 - b) issuance of bonds, if their issuance does not require the consent of the General Meeting;
 - c) provision of a loan or other financial indebtedness by the Company to other person or reception of a loan or other financial indebtedness by the Company from other person, if such loan or indebtedness exceeds in each individual case the amount of CZK 300,000,000 (in words: three hundred million Czech crowns);
 - d) realization of investment with financial costs under one agreement or, if applicable, under several related agreements exceeding the amount of CZK 300,000,000 (in words: three hundred million Czech crowns);

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- e) provision of an indemnification, guarantee or other security for debts of third parties; this shall not apply to a case when the Company provides an indemnification, guarantee or other security for debts of persons controlled by the Company, unless the value of such debts, indemnifications, guarantees or other security exceeds the amount of CZK 150,000,000 (in words: one hundred and fifty million Czech crowns);
- f) provision of sponsoring and donations exceeding in each particular case the amount of CZK 1,000,000 (in words: one million Czech crowns);
- g) establishment or dissolution of a foreign organizational unit of the Company;
- h) (1) writing of a founding legal act, adoption of articles of association or conclusion of an agreement on establishing of a corporation, foundation or other legal entity, conclusion of an association agreement or establishing an interest association, or (2) writing of legal acts or conclusion of an agreement on contribution into a corporation, foundation or other legal entity and writing of legal acts or conclusion of an agreement on acquisition, pledging or disposal of ownership interests in other legal entities, including entities with registered offices outside the Czech Republic;
- i) exercising voting rights at general meetings of corporations which are directly controlled by the Company, *i.e.*, in such corporations in which the Company holds directly an ownership interest amounting to at least fifty per cent (50%) in their registered capital and which according to their most recent annual financial statements or consolidated annual financial statements (if such corporations prepare consolidated annual financial statements) attained a turnover of at least CZK 15,000,000 (in words: fifteen million Czech crowns) ("Directly Controlled Corporations"), in the following matters:
 - deciding on election, appointment and recall of members of statutory and supervisory bodies of Directly Controlled Corporations; this shall not apply in case of Directly Controlled Corporations in which the Company as a shareholder or a member holds an ownership interest amounting to at least fifty per cent (50%) in their registered capital and where the Company concluded with other shareholders or members of such Directly Controlled Corporation a shareholders' or similar agreement provided that the proposal for election, appointment or recall was submitted by another shareholder or member of such Directly Controlled Corporation in accordance with such shareholders' or similar agreement; if it is necessary to recall a member of a statutory body of a Directly Controlled Corporation without undue delay, the consent of the Supervisory Board may be granted subsequently,
 - deciding on transformations of Directly Controlled Corporations,
 - deciding on amendments of articles of association or a founding legal act of a Directly Controlled Corporation,

- deciding on distribution of net profits on the basis of the non-consolidated annual financial statements of a Directly Controlled Corporation,
 - deciding on winding up of a Directly Controlled Corporation, and
 - deciding on transfer, lease or pledge of enterprise of a Directly Controlled Corporation or such part thereof, which would substantially change the current structure of the enterprise or the scope of business or activity of a Directly Controlled Corporation.
- j) setting the Company's strategy and setting the Company's long-term business plan, annual business plan and mid-term business plan, including resources and means for their securing and mechanisms for controlling of their performance;
- k) adopting and amending of the rules of procedure of the Board of Directors;
- l) documents submitted by the Board of Directors to the General Meeting, and
- m) proposals of the Board of Directors for increasing of the registered capital by a decision of the Board of Directors pursuant to section 511 et seq. of the Act on Corporations;
- n) conclusion of employment relationship with the Chief Executive Officer of the Company and recalling him from this function.

13.

Board of Directors composition and terms of office

- 13.1 The Board of Directors shall have seven (7) members, which shall be elected and recalled by the Supervisory Board.
- 13.2 The term of office of each member of the Board of Directors shall be three (3) years. Member of the Board of Directors may be re-elected.
- 13.3 The Board of Directors shall elect a chairman and two (2) vice-chairmen from its members. Each of the vice-chairmen individually shall fully substitute the chairman in performance of his office.
- 13.4 A member of the Board of Directors may resign from his office by a written notification addressed to the Supervisory Board and delivered to the Company, while informing the Board of Directors of the resignation. The member of the Board of Directors, however, may not do so at a time which is impractical for the Company. The term of the office of the resigning member of the Board of Directors shall end upon expiry of one (1) month after delivery of such notification to the Company, unless the Supervisory Board approves a different end of the term of office upon request of the resigning member.

- 13.5 In case the member of Board of Directors dies, resigns, is recalled or in case of other termination of his term of office, the Supervisory Board shall elect a new member of the Board of Directors within two (2) months.
- 13.6 The Chairman or the Vice-chairman of the Board of Directors may resign from his office of the Chairman or the Vice-chairman by a written notification addressed to the Board of Directors and delivered to the Company or by resigning directly at a meeting of the Board of Directors. The performance of the position of the Chairman or the Vice-chairman of the Board of Directors shall terminate on a day when resignation is discussed on the next meeting of the Board of Directors, unless the Board of Directors approves a different moment of the office termination upon request of the resigning member. Termination of performance of the Chairman or Vice-chairman office does not cause the termination of office of member of the Board of Directors.
- 13.7 A member of the Board of Directors shall not:
- a) carry out a business activity within a scope of business of the Company, (even in favour of other persons) or intermediate business with the Company for a third person,
 - b) be a member of statutory body or a person in a similar position in other legal entity, unless such entity is a member of the same holding group,
 - c) participate in a business activity of other corporation as a member with unlimited liability or as a person controlling other person with the same or similar scope of business.
- 13.8 A member of the Board of Directors shall notify in writing to the Supervisory Board any event under Section 13.7 of these Articles of Association, if such an event occurs in the course of his/her performance of the position of the member of the Board of Directors. In such case the Supervisory Board shall proceed in line with Section 442 of the Act on Business Corporations.
- 13.9 A member of the Board of Directors shall perform his office in person; this, however, does not prevent him from authorizing another member of the Board of Directors in a particular case to vote on behalf of him in his absence at the meeting of the Board of Directors.

14.

Decision-making of the Board of Directors

- 14.1 In case of decision-making of the Board of Directors on its meeting, the Board of Directors may adopt decisions if there are present more than a half (1/2) of all members of the Board of Directors. Decision shall be adopted by the simple majority

of votes of all members, unless applicable law requires a qualified majority. Each member of the Board of Directors shall have one (1) vote.

14.2 If all elected or appointed members of the Board of Directors agree so, the meetings of the Board of Directors may take place via communication means, i.e., via videoconference or teleconference:

- a) A consent of the member of the Board of Directors to holding of the particular meeting of the Board of Directors via communication means may be provided either verbally at the preceding meeting of the Board of Directors, or any time before the holding of the respective meeting in writing or through an e-mail sent from a company e-mail address assigned to the member of the Board of Directors, at latest, however, at the very beginning of the respective meeting in verbal form (which includes also the videoconference or teleconference communication).
- b) The member of the Board of Directors attending the meeting via communication means shall introduce himself/herself and other members present at the meeting shall confirm his/her identity by clearly stating his full name; rules of procedure of Board of Directors may allow for other suitable manner of verification of identity of the members of the Board of Directors. Such verification of the identity shall be recorded in the minutes of the meeting.
- c) Members of the Board of Directors attending the meeting via communication means are deemed to be present at the meeting and shall be recorded in the attendance list attached to the minutes of the meeting. In case of interruption of connection in the course of the meeting the respective member of the Board of Directors affected by such interruption shall be deemed not to be present from the moment of interruption of connection until the moment of eventual re-connection to the meeting via communication means. The occurrence of the interruption of connection must be recorded in the minutes of the meeting.
- d) The meetings of the Board of Directors held via communication means may be attended only by members of the Board of Directors and persons invited to such meeting of the Board of Directors. Persons attending the meeting of the Board of Directors via communication means must be mutually audible.
- e) On the meeting of the Board of Directors held via communication means, any voting shall be performed in the way that the Chairman asks step by step all individual members of the Board of Directors on their voting on a particular resolution and the members of the Board of Directors expressly state whether they vote for, against, or abstain; rules of procedure of Board of

Directors may allow for other suitable manner of voting on the meeting of the Board of Directors held via communication means. At the meeting of the Board of Directors held via communication means a secret voting may not be performed.

- f) Other conditions for holding of the meeting of the Board of Directors by communication means may be stipulated in the rules of procedure of the Board of Directors.
 - g) The provision 14.1 hereof shall be used accordingly.
- 14.3 The Board of Directors may adopt a decision outside of the meeting of the Board of Directors through a voting in writing or through a voting by communication means (particularly through e-mail, teleconference or videoconference). Other conditions of *per rollam* voting may be stipulated in the rules of procedure of the Board of Directors. The provision 14.1 hereof shall be used accordingly.
- 14.4 If a meeting of the Board of Directors takes place, the *per rollam voting* may be applied to members of the Board of Directors not attending the meeting.
- 14.5 Details on decision-making of the Board of Directors may be stipulated in the rules of procedure of the Board of Directors. The rules of procedure of the Board of Directors and amendments thereof shall be adopted by the Board of Directors with prior consent of the Supervisory Board.
- 14.6 Costs of holding the meeting of the Board of Directors including attendance by the members of the Board of Directors as well as further activities of the Board of Directors shall be borne by the Company.
- 14.7 The Company shall compensate the Board of Directors members for the reasonable costs incurred in relation with attending meetings of the Board of Directors.

VI. Supervisory Board

15. Status and powers of the Supervisory Board

- 15.1 The Supervisory Board is Company's controlling body, which supervises performance of powers by the Board of Directors and functioning of the Company.

- 15.2 No one is entitled to give instructions to the Supervisory Board pertaining to its statutory obligation to supervise the performance of powers of the Board of Directors.
- 15.3 The Supervisory Board is responsible particularly for:
- a) reviewing of performance of powers by the Board of Directors, particularly reviewing of fulfillment of tasks assigned to the Board of Directors by the General Meeting, observing of the Articles of Association and applicable law within Company's activities, reviewing of Company's business activity, state of assets, receivables, debts, obligations and proper and verifiable accounting. The Supervisory Board shall submit results, conclusions and recommendations of its controlling activity to the General Meeting;
 - b) reviewing of annual, extraordinary, consolidated or, if applicable, interim financial statements and proposal for distribution of profits or settlement of losses and submitting of its standpoints to the General Meeting;
 - c) discussing of all proposals of the Board of Directors submitted to the General Meeting and potentially submitting of its standpoints on the respective matters to the General Meeting;
 - d) asking the Board of Directors for insertion of an item into the agenda of General Meeting;
 - e) electing and recalling of members of the Board of Directors;
 - f) approving of agreements on performance of the office with individual members of the Board of Directors;
 - g) approving of managerial agreements or other agreements regarding wages and other benefits provided by the Company to individual members of the Board of Directors or their close persons;
 - h) setting a subject-matter, content and deadline for submission by the Board of Directors of annual financial plans, long term financial plans and plans of Company's development strategy;
 - i) proposing to the Company's General Meeting of the auditor for purposes of verification (audit) of the financial statements and consolidated financial statements of the Company as well as for verification (audit) of other documents if such verification (audit) is requested by applicable law provided that the Supervisory Board takes into account the recommendation of the Company's Audit Committee. The Supervisory Board is obliged to duly reason its proposal in the case when it does not respect the recommendation of the Audit Committee. In particular, the Supervisory Board must clarify the grounds for not respecting of the Audit Committee's recommendation;
 - j) exercising other powers which are entrusted to the Supervisory Board by applicable law or by these Articles of Association.
- 15.4 The Supervisory Board is authorized to grant its prior consent to:

- a) acting and acts of the Board of Directors pursuant to the provision 12.5 hereof;
 - b) benefits to be provided by the Company to a member of the Board of Directors which are not granted by law or approved agreement on performance of an office, any agreement pursuant to the provision 15.3 g) hereof or by internal regulation approved by the Supervisory Board;
- 15.5 Each member of the Supervisory Board is entitled to nominate a member of the Board of Directors or propose recalling of a member of the Board of Directors. A voting on election or recalling of a member of the Board of Directors shall be carried out by a secret voting of the Supervisory Board; *per rollam* voting shall not be possible in this case.

16.

Supervisory Board composition and terms of office

- 16.1 The Supervisory Board shall have nine (9) members, which shall be elected and recalled by the General Meeting. Section 16.13 shall not be affected hereby.
- 16.2 The term of office of each member of the Supervisory Board shall be three (3) years. Member of the Supervisory Board may be re-elected.
- 16.3 Unless the number of members of the Supervisory Board decreased bellow one half, the Supervisory Board may appoint substitute members till the next General Meeting. The time period when the substitute member of the Supervisory Board performs the position shall not be counted towards the term of office of the member of the Supervisory Board.
- 16.4 The Supervisory Board shall elect a chairman and two (2) vice-chairmen from its members. Each of the vice-chairmen individually shall fully substitute the chairman in performance of his office.
- 16.5 A member of the Supervisory Board may resign by a written notification addressed to the Supervisory Board and delivered to the Company. The member of the Supervisory Board, however, may not do so at a time which is impractical for the Company. The term of the office of the resigning member of the Supervisory Board shall end upon expiry of one (1) month after delivery of such notification to the Company, unless the Supervisory Board approves a different end of the term of office upon request of the resigning member.
- 16.6 The Chairman or the Vice-chairman of the Supervisory Board may resign from his office of the Chairman or the Vice-chairman by a written notification addressed to the Supervisory Board and delivered to the Company or by resigning directly at a

meeting of the Supervisory Board. The performance of the position of the Chairman or the Vice-chairman of the Supervisory Board shall terminate on a day when resignation is discussed on the next meeting of the Supervisory Board, unless the Supervisory Board approves a different end of the office term of office upon request of the resigning member. Termination of performance of the Chairman or Vice-chairman position does not cause the termination of office of member in the Supervisory Board.

- 16.7 A member of the Supervisory Board shall not:
- a) carry out a business activity within a scope of business of the Company, (even in favour of other persons) or intermediate business with the Company for a third person,
 - b) be a member of statutory body or a person in a similar position in other legal entity with the same or similar scope of business, unless such entity is a member of the same holding group,
 - c) participate in a business activity of other corporation as a member with unlimited liability or as a person controlling other person with the same or similar scope of business.
- 16.8 Should the General Meeting elect the member of the Supervisory Board, the invitation to the General Meeting shall include an eventual notice pursuant to Section 452 of the Act on Corporations and the agenda of the General Meeting shall include an item on potential disagreement pursuant to Section 452 of the Act on Corporations.
- 16.9 The Supervisory Board may, on the basis of its decision, establish committees of the Supervisory Board to support realization of Company's strategic goals through submitting of standpoints and recommendations to the Supervisory Board. Only members of the Supervisory Board shall be members of the Committees of the Supervisory Board. A decision of the Supervisory Board on establishment of a particular committee shall stipulate committee's composition and powers in a way that the powers of other Company's bodies would not be affected. Details on meetings of a committee of the Supervisory Board and its powers shall be stipulated in rules of procedure of a committee of the Supervisory Board, which shall be approved by the Supervisory Board.
- 16.10 A member of the Supervisory Board shall perform his office in person; this, however, does not prevent him from authorizing another member of the Supervisory Board in a particular case to vote on his behalf in his absence at the meeting of the Supervisory Board.

- 16.11 Costs of holding the meeting of the Supervisory Board including attendance by the members of the Supervisory Board as well as further activities of the Supervisory Board shall be borne by the Company.
- 16.12 The Company shall compensate the Supervisory Board members for the reasonable costs incurred in relation with attending meetings of the Supervisory Board.
- 16.13 In case the Company has more than five hundred (500) employees in labor law employment relationship (*pracovní poměr*), the two thirds (2/3) of members of the Supervisory Board shall be elected by the General Meeting and the one third (1/3) of members of the Supervisory Board shall be elected by the Company employees. A member of the Supervisory Board, who was elected by the employees of the Company, may be recalled by employees of the Company. Only employees of the Company in the labor law employment relationship (*pracovní poměr*) shall have the right to elect and recall such member(s) of the Supervisory Board of the Company.

17.

Decision-making of the Supervisory Board

- 17.1 In case of decision-making of the Supervisory Board on its meeting, the Supervisory Board may adopt decisions if there are present more than half of all members of the Supervisory Board. Decision shall be adopted by the simple majority of votes of all members, unless applicable law requires qualified majority. Each Supervisory Board member shall have one (1) vote.
- 17.2 If a simple majority of all elected or appointed members of the Supervisory Board agree so, the meetings of the Supervisory Board may take place via communication means, i.e., via videoconference or teleconference:
- a) A consent of the member of the Supervisory Board to holding of the particular meeting of the Supervisory Board via communication means may be provided either verbally at the preceding meeting of the Supervisory Board, or any time before the holding of the respective meeting in writing or through an e-mail sent from a company e-mail address assigned to the member of the Supervisory Board, at latest, however, at the very beginning of the respective meeting in verbal form (which includes also the videoconference or teleconference communication).
 - b) The member of the Supervisory Board attending the meeting via communication means shall introduce himself/herself and shall confirm his/her identity by clearly stating his full name; rules of procedure of Supervisory Board may allow for other suitable manner of verification of

identity of the members of the Supervisory Board. Such verification of the identity shall be recorded in the minutes of the meeting.

- c) Members of the Supervisory Board attending the meeting via communication means are deemed to be present at the meeting and shall be recorded in the attendance list attached to the minutes of the meeting. In case of interruption of connection in the course of the meeting the respective member of the Supervisory Board affected by such interruption shall be deemed not to be present from the moment of interruption of connection until the moment of eventual re-connection to the meeting via communication means. The occurrence of the interruption of connection must be recorded in the minutes of the meeting.
- d) The meetings of the Supervisory Board held via communication means may be attended only by members of the Supervisory Board and persons invited to such meeting of the Supervisory Board. Persons attending the meeting of the Supervisory Board via communication means must be mutually audible.
- e) On the meeting of the Supervisory Board held via communication means, any voting shall be performed in the way that the Chairman asks step by step all individual members of the Supervisory Board on their voting on a particular resolution and the members of the Supervisory Board expressly state whether they vote for, against, or abstain; rules of procedure of Supervisory Board may allow for other suitable manner of voting on the meeting of the Supervisory Board held via communication means. At the meeting of the Supervisory Board held via communication means a secret voting may not be performed.
- f) Other conditions for holding of the meeting of the Supervisory Board by communication means may be stipulated in the rules of procedure of the Supervisory Board.
- g) The provision 17.1 hereof shall be used accordingly.

17.3 The Supervisory Board may adopt a decision outside of the meeting of the Supervisory Board through a written voting or through a voting by communication means (particularly through e-mail, teleconference or videoconference). Other conditions of *per rollam* voting may be stipulated in the rules of procedure of the Supervisory Board. The provision 17.1 hereof shall be used accordingly.

17.4 If a meeting of the Supervisory Board takes place, the *per rollam voting* may be applied to members of the Supervisory Board not attending the meeting.

- 17.5 Details on Supervisory Board's acting and performance of controlling activity shall be stipulated in the rules of procedure of the Supervisory Board. The rules of procedure of the Supervisory Board and its amendments shall be approved by the Supervisory Board.

**VII.
Audit Committee**

**18.
Status and powers of the Audit Committee**

- 18.1 The Audit Committee is Company's body, which, without affecting liability of members of the Board of Directors or the Supervisory Board, performs particularly the following:
- a) supervises efficiency of the internal controlling, the risk management system;
 - b) supervises efficiency of the internal audit and its functional independence if the internal audit function is established;
 - c) supervises procedure of preparation of financial statements and consolidated financial statements and submits to the Board of Directors or the Supervisory Board its recommendations for securing the integrity of accounting system and financial reporting;
 - d) recommends to the Supervisory Board an auditor, provided that such recommendation must be well reasoned, unless the directly applicable EU law requires otherwise;
 - e) evaluates independence of statutory auditor and auditing company and provision of non-audit services by statutory auditor and auditing company to the Company;
 - f) discusses with auditor threats to his independence and the safeguards applied to mitigate those threats;
 - g) supervises the process of statutory audit, while taking into consideration the report on the system of audit quality assurance issued by the competent authority;
 - h) gives its standpoint to termination of the agreement on statutory audit or repudiation of the agreement on statutory audit for reasons specified by applicable law;
 - i) considers whether the statutory auditor's proposal for the provision of the statutory audit services shall be subject to an engagement quality control review by another statutory auditor or audit firm in accordance with directly applicable EU law;
 - j) informs the Supervisory Board of results of the statutory audit and its findings gathered in course of supervising the statutory audit;

- k) informs the Supervisory Board of contributions of the statutory audit to securing the integrity of accounting system and financial reporting;
- l) decides on continuance of performance of the statutory audit by the statutory auditor if it considers that the quality control review by another statutory auditor or audit firm in accordance with directly applicable EU law shall not be necessary;
- m) approves provision of other non-audit services;
- n) approves report of findings of the tender process on selection of the statutory auditor in accordance with directly applicable EU law;
- o) decides in other matters specified by applicable law and directly applicable EU law.

18.2 The Auditor shall regularly provide reports to the Audit Committee on significant matters arising from the statutory audit, in particular, on relevant deficiencies in internal control with regard to the procedure of preparation of financial statements and consolidated financial statements.

18.3 Members of the Audit Committee shall attend the General Meeting and shall inform the General Meeting on results of its activity.

19.

Audit Committee composition and terms of office

19.1 The Audit Committee shall have three (3) members, which shall be appointed by the General Meeting from members of the Supervisory Board or third persons. Members of the Audit Committee shall not perform an office of a member of the Board of Directors or a procurator. If the General Meeting does not appoint the Audit Committee members, the members of the Audit Committee shall be those members of the Supervisory Board selected by the Supervisory Board. The majority of members of the Audit Committee must be independent and professionally qualified. A person shall be considered professionally qualified if he (i) performed for at least two (2) years an executive position in an accounting unit which carries out its business in the same area as the Company, or (ii) was responsible for performance of risk management, evaluation of compliance of activities with applicable laws, internal audit or actuarial function or other similar function.

19.2 At least one member of the Audit Committee must be a person, who is or was a statutory auditor or a person, whose knowledge and experience in the accounting area guarantee that the position of the member of the Audit Committee will be duly performed, while taking into account the area, where the Company carries out its business; this member must be always independent.

*Convenience English translation of Czech official version
In case of discrepancy, Czech version prevails*

- 19.3 The term of office of each member of the Audit Committee shall be three (3) years. Member of the Audit Committee may be re-appointed.
- 19.4 The Audit Committee shall elect a chairman and a vice-chairman from its members. The vice-chairman shall fully substitute the chairman in performance of his office. In case the Audit Committee does not elect the chairman, the chairman shall be appointed or recalled by the Supervisory Board. The chairman of the Audit Committee must be independent.
- 19.5 A member of the Audit Committee may resign from his office by a written notification addressed to the Audit Committee and delivered to the Company. The term of the office of the resigning member of the Audit Committee shall end upon expiry of one (1) month after delivery of such notification to the Company, unless the Audit Committee approves a different end of the term of office upon request of the resigning member.
- 19.6 The Chairman or the Vice-chairman of the Audit Committee may resign from his office of the Chairman or the Vice-chairman by a written notification addressed to the Audit Committee and delivered to the Company or by resigning directly at a meeting of the Audit Committee. The performance of the position of the Chairman or the Vice-chairman of the Audit Committee shall terminate on a day when resignation is discussed on the next meeting of the Audit Committee, unless the Audit Committee approves a different end of the office term of office upon request of the resigning member. Termination of performance of the Chairman or Vice-chairman position does not cause the termination of office of member in the Audit Committee.
- 19.7 Unless the number of members of the Audit Committee decreased below one half, the Supervisory Board may appoint substitute members of the Audit Committee until the next General Meeting. Only a substitute independent member of the Audit Committee may be appointed to the vacant position of independent member of the Audit Committee. The time period when the substitute member of the Audit Committee performs the position shall not be counted towards the term of office of the member of the Audit Committee.
- 19.8 A member of the Audit Committee shall perform his office in person; this, however, does not prevent him from authorizing another member of the Audit Committee in a particular case to vote on his behalf in his absence at the meeting of the Audit Committee.
- 19.9 Costs of holding the meeting of the Audit Committee including attendance by the members of the Audit Committee as well as further activities of the Audit Committee shall be borne by the Company.

- 19.10 The Company shall compensate the Audit Committee members for the reasonable costs incurred in relation with attending meetings of the Audit Committee.

20.

Decision-making of the Audit Committee

- 20.1 In case of decision-making of the Audit Committee on its meeting, the Audit Committee may adopt decisions if there are present more than half of all members of the Audit Committee. Decision shall be adopted by the simple majority of votes of all members, unless applicable law requires qualified majority. Each member of the Audit Committee shall have one (1) vote.
- 20.2 If all elected or appointed members of the Audit Committee agree so, the meetings of the Audit Committee may take place via communication means, i.e., via videoconference or teleconference:
- (a) A consent of the member of the Audit Committee to holding of the particular meeting of the Audit Committee via communication means may be provided either verbally at the preceding meeting of the Audit Committee, or any time before the holding of the respective meeting in writing or through an e-mail sent from a company e-mail address assigned to the member of the Audit Committee, at latest, however, at the very beginning of the respective meeting in the oral form (which includes also the videoconference or teleconference communication).
 - (b) The member of the Audit Committee attending the meeting via communication means shall introduce himself/herself and shall confirm his/her identity by clearly stating his full name; rules of procedure of Audit Committee may allow for other suitable manner of verification of identity of the members of the Audit Committee. Such verification of the identity shall be recorded in the minutes of the meeting.
 - (c) Members of the Audit Committee attending the meeting via communication means are deemed to be present at the meeting and shall be recorded in the attendance list attached to the minutes of the meeting. In case of interruption of connection in the course of the meeting the respective member of the Audit Committee affected by such interruption shall be deemed not to be present from the moment of interruption of connection until the moment of eventual re-connection to the meeting via communication means. The occurrence of the interruption of connection must be recorded in the minutes of the meeting.

- (d) The meetings of the Audit Committee held via communication means may be attended only by members of the Audit Committee and persons invited to such meeting of the Audit Committee. Persons attending the meeting of the Audit Committee via communication means must be mutually audible.
 - (e) On the meeting of the Audit Committee held via communication means, any voting shall be performed in the way that the Chairman asks step by step all individual members of the Audit Committee on their voting on a particular resolution and the members of the Audit Committee expressly state whether they vote for, against, or abstain; rules of procedure of Audit Committee may allow for other suitable manner of voting on the meeting of the Audit Committee held via communication means. At the meeting of the Audit Committee held via communication means a secret voting on any of the proposed resolutions may not be performed.
 - (f) Other conditions for holding of the meeting of the Audit Committee by communication means may be stipulated in the rules of procedure of the Audit Committee.
 - (e) The provision 20.1 hereof shall be used accordingly.
- 20.3 The Audit Committee may adopt a decision outside of the meeting of the Audit Committee through a voting in writing or through a voting by communication means (particularly through e-mail, teleconference or videoconference). Other conditions of *per rollam* voting may be stipulated in the rules of procedure of the Audit Committee. The provision 20.1 hereof shall be used accordingly.
- 20.4 If a meeting of the Audit Committee takes place, the *per rollam voting* may be applied to members of the Audit Committee not attending the meeting.
- 20.5 Details on Audit Committee's acting and performance of controlling activity shall be stipulated in the rules of procedure of the Audit Committee, which shall be approved by the Audit Committee.

VIII.

Other provisions

21.

Distribution of profits, settlement of losses and creating of funds

- 21.1 Profits may, in accordance with a decision of the General Meeting, be used particularly for: a distribution among shareholders, an increase of the registered

capital from Company's own resources, voluntary contributions to reserve or other funds of the Company (provided that such funds were created), a distribution among members of the Board of Directors and the Supervisory Board of the Company, a distribution among Company's employees and other purposes allowed by law, or potentially a settlement of losses or a transfer to a retained profits account. The previous sentence hereof shall be used similarly on a decision of the General Meeting on method of distribution of retained profits from previous periods. The General Meeting shall decide on a ratio, in which shareholders, members of the Board of Directors, members of the Supervisory Board and employees shall participate on the distributed profits provided that this ratio shall be applicable only for an individual distribution of profits and may not be used for profits distribution in other time periods, unless shall be decided otherwise.

- 21.2 The Company's duty to create and supplement the reserve fund as such duty was regulated in Section 217 of the Act No. 513/1991 Coll., the Commercial Code, valid as of 31.12.2013, was cancelled based on the decision of the General Meeting of the Company dated 26.5.2014 on amendments to the Articles of Association and submission to the Act on Corporations as a whole. The right to decide on disposing of the reserve fund in the extent in which it was created as of 26.5.2014 is vested within the powers of the Board of Directors; this shall not affect the right of the General Meeting to decide on the distribution of this reserve fund among the shareholders.
- 21.3 The Board of Directors may decide on establishment of reserve or other funds of the Company and disposing with them.
- 21.4 Company's losses may, in accordance with a decision of the General Meeting, be covered from retained profits from previous periods, share premium, reserve or other funds (provided that such funds were created), by a decrease of the registered capital, or potentially by a settlement of losses from results of future business activity by their transferring to account of losses from previous periods.

22.

Submission under Commercial Corporations Act

- 22.1 By adoption of these Articles of Association the Company submitted itself under the regime of the Act No. 90/2012 Coll., the Commercial Corporations Act (the "Act on Corporations") as a whole, based on the decision of the General Meeting of the Company dated 26.5.2014.
- 22.2 Rights and obligations not expressly regulated by these Articles of Association shall be governed by the applicable law.

23.

Change in Articles of Association

- 23.1 The changes in the Articles of Association shall become valid and effective at the moment when they are approved by the General Meeting, unless the resolution of the General Meeting on the change in the Articles of Association or the applicable law provides that the changes become valid and effective on the different date.
- 23.2 These Articles of Association were adopted on 26.5.2014 and are valid in the wording of changes approved by the resolution of the General Meeting of 2.6.2015, 21.6.2016 and 7.6.2017.

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