ARTICLES OF ASSOCIATION*

O2 Czech Republic a.s.

Articles of Association with a effective date of 1 July 2021

*The English version is for informational purposes only

CONTENTS

BASIC PROVISIONS **3**
Art. 1. Business Name and Registered Office of the Company 3
Art. 2. Duration of the Company 3
Art. 3. Subject of Business (Activity) of the Company 3
SHARE CAPITAL, SHARES, SHAREHOLDERS **6**
Art. 4. Share Capital, Shares in the Company 6
Art. 5. Shareholders of the Company 6
COMPANY BODIES AND THEIR REMUNERATION **7**
Art. 6. Company Bodies 7
A) GENERAL MEETING **8**
Art. 7. The General Meeting and its Status 8
Art. 8. Authority of the General Meeting 9
Art. 9. Convening the General Meeting 11
Art. 10. Organization of the General Meeting 13
Art. 11. Conduct of the General Meeting 15
Art. 12. Voting and Quorum of the General Meeting 16
Art. 13. General Meeting Record 19
B) THE BOARD OF DIRECTORS **20**
Art. 14. Status and Authority of the Board of Directors 20
Art. 15. Composition of the Board of Directors 22
Art. 16. Meetings of the Board of Directors 23
Art. 17. Board of Directors Decision-Making 24
Art. 18. Voting by Members of the Board of Directors outside Meetings 24
Art. 19. Duties of the Board of Directors Members 25
C) SUPERVISORY BOARD **26**
Art. 20. Status and Authority of the Supervisory Board 26
Art. 21. Composition of the Supervisory Board 28
Art. 22. Meetings of the Supervisory Board 31
Art. 23. Supervisory Board Decision-Making 32
Art. 24. Voting by Members of the Supervisory Board outside Meetings 32
Art. 25. Duties of the Supervisory Board Members 32
Art. 26. Supervisory Board Committees 33
D) AUDIT COMMITTEE **33**
Art. 27. Status and Authority of the Audit Committee 33
Art. 28. Composition of the Audit Committee 35
Art. 29. Meetings of the Audit Committee 36
Art. 30. Audit Committee Decision-Making 37
Art. 31. Voting by Members of the Audit Committee outside Meetings 37
Art. 32. Duties of Audit Committee Members 37
Art. 33. Remuneration of Members of the Board of Directors, the Supervisory Board and the Audit Committee and Rules for Determining Royalties 38
ACTING for THE COMPANY **38**
Art. 34. Acting for the Company 38
FINANCIAL MANAGEMENT OF THE COMPANY **39**
Art. 35. Distribution of Profit or, as the Case May Be, other Company's Funds and Coverage of Losses 39
Art. 36. Creation and Use of the Reserve Fund and Other Funds 40
Art. 37. Financial Statements, Socioeconomic Information and Records 41
RULES FOR INCREASE AND REDUCTION OF THE SHARE CAPITAL **42**
Art. 38. Increase of the Share Capital 42
Art. 39. Payment of and Consequences of Delay in Paying up the Shares 44
Art. 40. Reduction of the Share Capital 45
FINAL PROVISIONS **47**
Art. 41. Winding up and Dissolution of the Company 47
Art. 42. Notification 48
Art. 43. Legal Status of the Company and Settlement of Disputes 49
Art. 44. Procedure for Amendments to the Articles of Association 49
Art. 45. Company's Incorporation into the Commercial Register 50
Art. 46. Provisions on Interpretation 50

I.

BASIC PROVISIONS

The joint-stock company O2 Czech Republic a.s. (hereinafter referred to as the "Company") was founded by a single action by the National Property Fund of the Czech Republic.

Article 1

Business Name and Registered Office of the Company

1. The business name of the Company shall read:

   O2 Czech Republic a.s.

2. The registered office of the Company shall be Prague.

Article 2

Duration of the Company

The Company has been established for an indefinite period of time.

Article 3

Subject of Business (Activity) of the Company

The subject of business (activity) of the Company shall be:

1. Exercise of communication activities within the territory of the Czech Republic:

   a) public fixed electronic communications network,

   b) public network for transmission of radio and television signal,

   c) public fixed telephone network,

   d) publicly available telephone service,

   e) ensuring of public mobile network,

   f) other voice services (the service is provided as publicly available),

   g) leased lines (the service is provided as publicly available),

   h) distribution of radio and television signal (the service is provided as publicly available),

i) data transfer services (the service is provided as publicly available),

j) Internet access services (the service is provided as publicly available),

k) other voice services (the service is not provided as publicly available).

2. Pursuit of radio and television re-broadcasting.

3. Project activity in construction.

4. Construction of buildings; including their alterations, maintenance and demolition.

5. Assembly, repairs, revisions and testing of electrical equipment.

6. Performance of geodetic activities.

7. Manufacture, installation, repairs of electric machinery and apparatus, electronic and telecommunication equipment.

8. Provision of technical services to personal and property protection.

9. Activities of accounting advisors, bookkeeping, administration of tax files.

10. Small scale financial services

11. Consumer credit providing and mediation

11A. Performance of an activity of a non-bank provider of consumer credit or an independent broker or an escrow agent who shall mediate consumer credit

12. Production, trading and services that are not stated in Annexes 1 through 3 to the Trade Licensing Act

13. Insurance mediation

14. Performance of an activity of an escrow insurance broker, subordinated insurance broker, insurance agent or exclusive insurance agent.

Within the framework of Production, trading and services that are not stated in Annexes 1 through 3 to the Trade Licensing Act, i.e. the Act No. 455/1991, Coll., on the Operation of Small Trades, as amended (hereinafter “the Trade Licensing Act”), the Company is engaged in the following fields:

a) publishing activities, polygraphic production, book-binding and copying activities

b) real-estate agency activities, management and maintaining of real-estate property

c) advertising, marketing, media representation

d) out-of-school training and education, organization of professional courses and trainings, including tutoring activities

e) organisation of cultural, cultural-educational and entertainment facilities, organisation of cultural performance, festivities, exhibitions, fairs, shows, selling and similar operations

f) production of measuring, testing, navigation, optical and photographic appliances and equipment

g) assembly of electronic components, electric equipment and assembly and repairs of electrical apparatus, appliances and low-voltage electronic equipment

h) preparatory and completion building works, specialised construction activities

i) wholesale and retail

j) storing and packaging of goods, manipulation with cargo and technical activities in transportation

k) provision of software, consulting in the area of information technologies, data processing, hosting and related activities and web portals

l) lease and lending of movable things

m) consulting activities, preparation of specialised papers and assessments

n) project preparation of electric appliances

o) repairs and maintenance of home appliances, cultural objects, products of fine mechanics, optical appliances and measuring equipment

p) business and services mediation

q) activities of information and news agencies

r) services in the area of administration and services of organizational and economic nature

s) research and development in the area of natural and technical science, or social science

t) production, copying, distribution, sale, letting of sound and sound – video recording and production of non-recorded data carriers and records

u) waste management (except hazardous waste)

v) pawnbroking and retail sale of second-hand goods.

II.

SHARE CAPITAL, SHARES, SHAREHOLDERS

Article 4

Share Capital, Shares in the Company

1. The share capital of the Company shall amount to CZK 3,008,821,570 (in words: Three Billion Eight Million Eight Hundred and Twenty-One Thousand Fife Hundred and Seventy Czech Crowns).

2. The share capital of the Company stated in point (1) shall be allocated to:

   a) 300,882,147 registered shares with a nominal value of CZK 10 per share, and

   b) 1 registered share with a nominal value of CZK 100.

3. The Company issued its shares as book-entered shares.

4. List of shareholders shall, in compliance with the last sentence of the provisions of the second sentence of Article 264 (1) of the Act No. 90/2012 Coll., On commercial companies and cooperatives, as amended (Business Corporations Act) be replaced by the book-entered securities register administered pursuant to Act No. 256/2004 Coll., Act on Business Activities in the Capital Market, as amended (hereinafter “the Act on Business Activities in the Capital Market”).

Article 5

Shareholders of the Company

1. The rights and obligations of a shareholder shall be set forth by the legal regulations and by these Articles of Association. A shareholder of the Company may be either a Czech or a foreign national, a legal entity or a natural person.

2. A shareholder shall be entitled in accordance with the law to attend the General Meeting, to vote at it, to ask for and receive explanations at or, as the case may be, prior to, and, provided the statutory conditions are met, also after the General Meeting, of matters concerning the Company or, as the case may be, entities controlled by the Company, if such explanation is necessary for assessment of matters included in the agenda of the General Meeting or for the exercise of shareholder rights at the General Meeting, and to submit proposals and counter-proposals. Provision of explanations shall comply above all with the provisions of Article 357 et seq. of the Business Corporations Act. Submitting of proposals and counterproposals shall be governed in particular by the provisions of Article 361 et seq. of the Business Corporations Act and Article 11 (5).

3. A shareholder shall be entitled to a proportion of the Company profits (a dividend) or other own resources of the Company, approved for distribution to the shareholders by the General Meeting, without prejudice to other persons also receiving a proportion of the profits subject to the law. The shareholder's share of the profits or other own resources of the Company shall be determined as a ratio between the nominal value of the shareholder's shares to the nominal value of shares of all shareholders. The shareholder's share of the profits or other own funds of the Company shall be determined as a ratio between the nominal value of the shareholder's shares to the nominal value of shares of all shareholders.

4. A shareholder shall not be authorized to request the return of the subject of the shareholder's contribution during the term of the Company's existence even in the event that it has been wound up.

5. In the event of liquidation of the Company, a shareholder shall have the right to a share in the liquidation balance. This proportion shall be determined and its disbursement is governed especially by the provisions of Article 549-551 of the Business Corporations Act.

6. A shareholder is obliged to observe the law, in particular to conduct himself with integrity, follow the Company's internal rules, including these Articles of Association, and exercise his rights vis-à-vis the Company in a responsible manner, in particular in such manner that no unjustified interference is incurred in rights and rightful interests of the Company or other shareholders, which are known or can and shall be known to the shareholders.

7. The Company shall act vis-à-vis all shareholders in an honest and just manner, and shall handle all shareholders under the same conditions in an equal manner, and shall enable all shareholders equal exercise of their rights. The Company shall act vis-à-vis all shareholders in a responsible manner, in particular in such manner that no unjustified interference is incurred in rights and rightful interests of the shareholders, which are known or can and shall be known to the Company.

III.

COMPANY BODIES AND THEIR REMUNERATION

Article 6

Company Bodies

1. The bodies of the Company shall be:

   A) the General Meeting,

   B) the Board of Directors,

C) the Supervisory Board and

D) the Audit Committee.

2. The Company's internal structure is organized according to the dualistic system.

A) GENERAL MEETING

Article 7

The General Meeting and its Status

1. The General Meeting shall be the supreme body of the Company.

2. The proceedings of the General Meeting shall not be public without prejudice to the possibility of presence of certain other persons according to Article 10 (5).

3. The General Meeting may also take decisions within its competence by means of a decision outside the meeting pursuant to Sections 418 to 420 of the Business Corporations Act (hereinafter referred to as "per rollam decision"), whereby per rollam decision is permissible if the General Meeting is required by law or the Articles of Association of the Company to be held or if, in the opinion of the Board of Directors, its holding is justified by the interests of the Company or the shareholders and at the same time:

   a) a decision or other binding measure has been issued by a public authority which prevents or, in the opinion of the Board of Directors, substantially impedes the holding of a General Meeting of the Company; or

   b) the holding of the General Meeting (session) is or, in the opinion of the Board of Directors, is imminently prevented or substantially impeded by an emergency or situation, including. a natural emergency (in particular a flood, atmospheric disturbance or earthquake), a civilisational emergency (in particular an accident involving the release of hazardous substances or a terrorist attack) or an emergency caused by other influences (in particular an epidemic or pandemic), or as a result of the recovery from the consequences of such an event (including a situation where, as a result of any of those emergencies, critical infrastructure is substantially disrupted or the availability of premises adequate for the holding of a General Meeting is substantially restricted); or

   c) in the opinion of the Board of Directors, it is in the interest of the Company (while respecting the rights and interests of the shareholders) that the relevant matter be decided by means of a per rollam decision.

4. The following rules shall apply to per rollam decisions:

   a) the Board of Directors or any other person authorized to convene the General Meeting shall submit the draft resolution(s) to all shareholders of the Company in the manner in which the General Meeting of the Company is convened Article 42 (1);

b) the person authorised to convene a General Meeting shall ensure that at least 15 days before the date of submission of the proposal(s) for the resolution(s) referred to in point (a) of this paragraph (such date being hereinafter referred to as the "date of submission"), a notice of such intention is published on the Company's website, setting out, in particular, information about the date of submission, the proposals themselves and the relevant documents relating to such proposals, or the manner in which shareholders may view such proposals and documents (such notice being hereinafter referred to as the "per rollam notice");
c) the record date for per rollam decisions shall be the seventh day preceding the date of submission;
d) no later than the date of submission, the ballot papers must be available to the shareholders;
e) the deadline for receipt of shareholder comments on the draft resolutions shall be specified in the per rollam notice and shall be at least 15 days from the date of submission;
f) the per rollam notice shall also specify, in accordance with the law and these Articles of Association, the other conditions of the per rollam decision, in particular the manner in which the shareholder may indicate their approval of the proposed decision (information on the ballot papers and how to obtain them); and
g) all draft resolutions delivered to the shareholders pursuant to point (a) of this paragraph, as well as the per rollam notice, shall be available on the Company's website at least until the results of the per rollam decision are announced in accordance with the procedure under Section 420 (1) of the Business Corporations Act.

Article 8

Authority of the General Meeting

1. The General Meeting shall have the exclusive authority to:

a) approve the Rules of Procedure of the General Meeting,

b) decide on amendments to these Articles of Association, unless any change which occurred under any other legal circumstances is involved,

c) decide on an increase of the share capital or on the authorisation of the Board of Directors pursuant to Article 511 et seq. of the Business Corporations Act, i.e. on the authorisation of the Board of Directors to decide on an increase of the share capital) or on the option to offset monetary receivable due from the Company against receivable of payment of the subscription price of shares,

d) decide on the reduction of the share capital,

e) decide on issue of bonds, where the decision by the General Meeting is required by the Business Corporations Act,

f) decide to wind up the Company with liquidation, appoint and dismiss the liquidator, approve the final liquidation report and a proposal how the liquidation balance would be used,

g) decide on transformation of the Company, unless otherwise provided in the law governing transformation of corporations and cooperatives,

h) decide on a change in class of shares and any change in the rights attached to individual classes of shares,

i) decide on changes of the share certificates into book-entered shares, or of book-entered shares to share certificates, or on changes in the form of shares,

j) elect and dismiss members of the Supervisory Board, with the exception of those who are elected in employee elections according to Article 21 (2),

k) approve regular and extraordinary financial statements and consolidated financial statements and, in cases when required by law, also interim financial statements, decide upon the distribution of profits or other own funds or cover of losses,

l) approve transfer or pledging or mortgaging of a business establishment or any such part thereof that would result in a significant change in the actual subject of the business or operations of the Company,

m) decide on approval of the rules of remuneration to members of the Supervisory Board and the Audit Committee and stipulation of remuneration to members of the Supervisory Board and the Audit Committee,

n) decide on approval of silent partnership and other contracts conferring a right to share in the profit or other own funds of the Company,

o) decide on approval of agreements on the performance of the office of members of the Supervisory Board and the rules for provision of perquisites to members of the Supervisory Board of the Company, to which there is no right arising from the law, agreement on the performance of the office as approved by the General Meeting, or from an internal regulation approved by the General Meeting,

p) decide on determination of an auditor to carry out mandatory audits or to audit other documents where the determination is required by law,

q) elect and dismiss of the members and substitute members of Audit Committee,

r) decide on approval of agreements on the performance of the office of members of the Audit Committee and the rules for provision of perquisites to members of the Audit Committee, to which there is no right arising from the law, agreement on the performance of the office as approved by the General Meeting, or from an internal regulation approved by the General Meeting,

s) decide on approval of financial assistance if such approval is required by law,

t) decide on instructions for members of the Board of Directors, or any other body of the Company, in accordance with the law and these Articles of Association,

u) decide on approval of the remuneration policy pursuant to Section 121 (k) of the Act on Business Activities in the Capital Market and on approval of the remuneration report pursuant to section 121 (o) of the Act on Business Activities in the Capital Market,

v) decide on approval of significant transactions subject to the conditions set forth in Section 121 (s) of the Act on Business Activities in the Capital Market,

w) decide other matters that the General Meeting has the power to decide pursuant to the law or pursuant to these Articles of Association.

2. The General Meeting may not reserve the right to decide on matters on which the law or these Articles of Association do not provide that such decision comes under the authority of the General Meeting.

3. If so approved by the General Meeting in advance and if further conditions arising from legal regulations are fulfilled, the Company may provide financial assistance pursuant to Article 311 of the Business Corporations Act to obtain shares of the Company. Subject to fulfilment of the conditions arising from legal regulations, financial assistance may also be provided pursuant to Article 318 of the Business Corporations Act.

Article 9

Convening the General Meeting

1. The General Meeting shall be convened at least once a year by the Board of Directors, so that it is held no later than six months from the last day of the accounting period; the Board of Directors may also convene it when it considers this necessary in the Company's interests. Under the conditions set forth in Article 402 (2) of the Business Corporations Act, the General Meeting may also be convened by a member of the Company’s Board of Directors instead of by the Board of Directors.

2. The Board of Directors shall convene a General Meeting without unreasonable delay after finding out that the total loss of the Company shown in any financial statements has reached the amount upon coverage whereof from available resources of the Company the unpaid loss would reach one half of the share capital of the Company or after such situation can be anticipated with respect to all circumstances or for any other serious reason, and shall propose to the General Meeting wind-up of the Company or adoption of another appropriate measure, unless the law stipulates otherwise.

3. The Supervisory Board or other persons shall convene the General Meeting in cases set forth by law in the same manner as the Company's Board of Directors.

4. A shareholder or shareholders who have shares which nominal value equals at least 1% of the Company's share capital may request the Board of Directors to convene a General Meeting to discuss proposed matters. Each of the proposed matters must be supplemented by a justification or draft resolution. The application shall be enclosed with a current excerpt from the statutory registry, where Company's shares are registered, and, if not, the Company shall be entitled to obtain the necessary excerpt by itself at the expense of such shareholder or shareholders.

   The shareholder or shareholders pursuant to the preceding subparagraph of this point (4) have the right that the matter proposed by them is included in the agenda of the General Meeting on the assumption such proposal containing a justification or draft resolution concerning each of the points of such proposal shall be delivered to the Company's Board of Directors within the deadline set forth in Article 369 (2) of the Business Corporations Act.

5. The General Meeting shall be convened by written invitation sent in the manner stated in Article 42 (1), at least 30 days prior to the General Meeting, unless the Business Corporations Act stipulates a shorter period.

   An invitation to the General Meeting shall include at least:

   a) the business name and registered office of the Company,

   b) the place, date and time of the General Meeting,

   c) indication as to whether a regular or a substitute General Meeting is being convened,

   d) agenda of the General Meeting, including the name of any person proposed as member of an elected body of the Company,

   e) the record date applicable to participation in the General Meeting and an explanation of its importance for voting at the General Meeting,

   f) draft resolution of the General Meeting and explanation thereof, unless otherwise provided in the law or in these Articles,

   g) other requisites stipulated by these Articles of Association, General Meeting's decision, or by legal regulations.

6. The record date of participation in the General Meeting is the seventh day before the day the General Meeting is held. The Company shall procure an extract from the statutory registry, where the Company's shares are registered, according to the situation as of the record date; this extract serves to determine the persons entitled to participate in the General Meeting, and to exercise shareholders' rights in the General Meeting, including the voting right, unless the law or these Articles of Association stipulate otherwise.

7. The place, date and hour of the General Meeting shall be determined in such a manner so as avoid undue inconvenience to shareholders' attendance of the General Meeting.

Article 10

Organization of the General Meeting

1. A shareholder shall participate in the General Meeting in person or by proxy, unless otherwise stipulated by law; the shareholder participating in such manner is considered present.

   A power of attorney for representing a shareholder at the General Meeting shall be in writing, unless the law or these Articles of Association stipulates otherwise and it must indicate whether it was granted by the shareholder to the proxy for representation at one or more than one General Meeting of the Company. For granting the power of attorney, the shareholder may also use a standard form which shall be made available by the Company in compliance with Article 120 (3 and 4) of the Act on Business Activities in the Capital Market.

   Shareholders may also notify the Company of the granted power of attorney for representation at the General Meeting as well as of its withdrawal by the principal in the electronic form. Where such notification does not enable the Company to check whether statutory requirements of the power of attorney have been met or to unambiguously identify the signed person (in particular where the notification is not delivered to the Company's data box or where a guaranteed electronic signature based on a qualified certificate issued by an accredited provider of certification services it is not attached to the notification), the Company shall be entitled, but not obliged, to request additional information to prove representation of the shareholder. Where representation of the shareholder is demonstrated in some of the above-mentioned manners, the Company shall not request presentation of the written power of attorney.

   A shareholder may also be represented at the General Meeting or in exercising other rights attached to shares by a person entered in investment tools register or book-entered securities register as an administrator or person authorized to exercise rights attached to the share. Authorisation of an administrator or such person to represent the shareholder at the General Meeting shall be demonstrated by an excerpt from such statutory register, which excerpt shall be procured by the Company. Where the shareholder's representation is proven in some of the above-mentioned manners, the Company shall not request presentation of the written power of attorney.

2. The attending shareholders shall be registered in an attendance list which contains the business name and the registered office of the legal entity or the name and the domicile of the natural person who is a shareholder, or also his proxy, the nominal value of the shares which authorize their holders to vote, or indication that no voting rights are attached to the shares. The convener shall provide for the registration of the shareholders the attendance list. If the convener refuses to enter a certain person in the attendance list, such fact shall be stated

in the attendance list, with the reasons for refusal. The accuracy of the attendance list shall be confirmed by the signatures of the convener of the General Meeting or by a person nominated by him.

3. A shareholder who is a natural person shall produce a proof of identity at registration (i.e. at registration in an attendance list). The proxy of a shareholder – a natural person shall also provide power of attorney signed by the shareholder, unless the law or these Articles of Associations stipulates otherwise. The signature of the shareholder on power of attorney must be officially verified.

   A member of the statutory body of a shareholder - legal entity shall show proof of identity, provide an original or officially verified copy of an extract from the Commercial Register or another document proving the existence of the legal entity and the method of acting by members of the statutory body on its behalf. The proxy of a shareholder - legal entity shall also provide power of attorney signed by member(s) of the statutory body, unless the law or these Articles of Association stipulate otherwise. The signature on the power of attorney must be officially verified.

   If the above-mentioned documents are issued by or provided with a certificate of a foreign authority or institution, they must be also provided with a stamp of apostille or other certificate required by Czech authorities in official communication in case of similar foreign documents. If the above-mentioned documents or certificates are made in foreign language they must also be provided with official translation into Czech language.

   This shall be without prejudice to further statutory requirements for shareholders' attendance or representation at the General Meeting.

4. The number of votes of a shareholder shall depend on the nominal value of his/her/its shares. To each share with nominal value of CZK 10 one vote is attached. To the share with nominal value of CZK 100 ten votes are attached. The total number of votes in the Company is 300,882,157.

5. Members of the Board of Directors, the Supervisory Board and the Chairman or the Vice-Chairman or other designated member of the Audit Committee shall participate in the General Meeting. If necessary, the Board of Directors shall arrange that relevant top management members attend the General Meeting so that shareholders can obtain, in accordance with the law, qualified explanations necessary for assessment of subjects on the agenda of the General Meeting; this does not prejudice the possibility to provide an explanation ex post as allowed in Article 358 (1) of the Business Corporations Act. The auditor shall be authorized to participate, if necessary, in the appropriate part of the General Meeting in order to present his/her/its findings to the shareholders of such General Meeting approving the Company's financial statement. Other persons may attend the General Meeting on invitation by the Board of Directors, and the General Meeting does not decide otherwise, or if their presence follows on from the law. Participation of a shareholder's proxy pursuant to Section 399 (2) of the Business Corporations Act is not allowed.

Article 11

Conduct of the General Meeting

1. Unless the Business Corporations Act stipulates otherwise, the General Meeting shall elect, in a procedure under Article 12 (1), a chairman, a minutes clerk and one or more persons to verify the minutes and one or more persons to count the votes; persons who are not shareholders of the Company may also be elected. Until the election of the Chairman, the General Meeting shall be presided over by a convener or a person appointed by him unless the Business Corporation Act stipulates otherwise; the same applies if no Chairman of the General Meeting arises from the election. If the convener or the person appointed by him does not assume the chair of the General Meeting, though it is his duty before the election of the Chairman, the General Meeting can elect the Chairman directly by voting on a proposal submitted by any shareholder or by the Supervisory Board. The General Meeting can rule that the Chairman of the General Meeting and the person to verify the minutes shall be the same person.

2. If for any serious reasons the Chairman of the General Meeting cannot continue to preside, then the person who presided over the General Meeting until the election of the Chairman shall assume the conduct of the General Meeting until a new Chairman of the General Meeting is elected. If no such person is available, the General Meeting can elect the Chairman directly by voting on a proposal submitted by the convener, any shareholder or by the Supervisory Board. If for any serious reasons any other elected General Meeting's body cannot continue to carry out his/her function, the General Meeting shall elect another person in the given function.

3. The Chairman of the General Meeting shall be obliged to ensure the presentation of all proposals and counterproposals, which had been submitted by the person who convened the General Meeting or by shareholders, to the shareholders in a timely and proper manner. The Chairman of the General Meeting shall also be obliged, in accordance with law, to provide answers to the requests of the shareholders in relation to the Company or, as the case may be, entities controlled by the Company, which are necessary for assessment of matters included in the agenda of the General Meeting or for exercising of shareholder rights at the General Meeting, unless such explanation had already been given to shareholders pursuant to the third sentence of Article 358 (2) of the Business Corporations Act or the explanation will be given to them ex post pursuant to Article 358 (1) of the Business Corporations Act.

4. Any requests for explanation must be submitted at the General Meeting in suitable form. The shareholders may be called upon to submit such proposals, counterproposals or questions in writing; however, this requirement cannot be binding on shareholders.

5. If a shareholder intends to raise counterproposals in matters included in the agenda of the General Meeting, he must deliver them in written form to the Company at least 5 business days prior to the date of the General Meeting. This shall not apply to proposals for election or dismissal of specific persons to/from the Company’s bodies, or any related changes concerning any such persons (e.g.

a proposal to approve an executive service agreement), or to other cases arising from the law. The Board of Directors shall publish its counterproposal, with an explanatory memorandum, if applicable, or with its standpoint in accordance with conditions laid down in the law. Counterproposals delivered after this deadline will not be admitted for discussion at the General Meeting. Likewise, proposals or counterproposals submitted by shareholders which, according to the law or by virtue of their nature, could not be submitted by shareholders will not be admitted for discussion.

A shareholder shall be entitled to present proposals concerning matters included in the agenda of the General Meeting prior to publication of the invitation to the General Meeting. The Board of Directors shall publish a proposal which is delivered to the Company no later than 5 days prior to the publication of the invitation to the General Meeting, including its standpoint thereto, together with the invitation to the General Meeting at the Company's website. If the proposal is delivered after the deadline has lapsed, the Board of Directors will proceed in accordance with the provisions of Article 362 of the Business Corporations Act.

Article 12

Voting and Quorum of the General Meeting

1. The voting shall proceed in accordance with these Articles of Association and Rules of Procedure of the General Meeting approved by the General Meeting, which shall specify the voting rules ensuing from these Articles of Association; Rules of Procedure of the General Meeting must provide all shareholders with a fair possibility to exercise their rights. Unless otherwise stipulated in the Articles of Association or identified otherwise in compliance with the Articles of Association the voting process includes ballots provided with signatures of individual shareholders. If any of the present shareholders is not capable of affixing his or her signature the ballot will be signed by a person empowered to count the votes (scrutineer). Voting at a General Meeting reaching a quorum thanks to the number of attending shareholders (pursuant to Article 10 (1)) may be carried out in the form of correspondence voting. The conditions for such type of voting are defined by the Board of Directors pursuant to the Article 398 (3) of the Business Corporations Act in compliance with the Company's Articles of Association. If determined by the Rules of Procedure approved for a given General Meeting the shareholders attending the General Meeting may use a voting machine instead of ballots. Each such voting machine must enable the checking of identity of each person entitled to exercise his or her voting right and the identification of shares connected to the voting right. After the approval of the Rules of Procedure, which determine that a particular session of the General Meeting will use the aforementioned voting machine, this machine can be used. A proposal presented by a person who convoked the General Meeting shall be voted at first and in case that this proposal shall not be approved, the voting of other proposals and counterproposals relating to the matter in question shall proceed in the order they were submitted. Once a submitted proposal is approved, the shareholders shall no longer vote on other proposals and counterproposals contradictory to the approved proposal. The General Meeting must be informed about all proposals and counterproposals which had been

submitted, duly and on time, to the relevant point of the agenda of the General Meeting before voting.

2. The General Meeting shall be deemed as having a quorum if shareholders who have shares with an aggregate nominal value exceeding a half of the share capital of the Company are present (as stipulated in Article 10 (1)). When judging whether the General Meeting constitutes a quorum for making decisions and when voting at a General Meeting, the shares without voting rights shall not be taken into consideration or, if the voting right attached therewith cannot be exercised then such shares or securities cannot be taken into consideration.

3. If the General Meeting is not deemed as having a quorum even after one hour from the designated beginning of the General Meeting, the Board of Directors shall reconvene a substitute General Meeting, if still warranted by the situation, to take place within 6 weeks after the date of the originally convened General Meeting. The Board of Directors shall convene the substitute General Meeting by a new invitation in the manner stated therein for convocation of the General Meeting; the term stated in Article 9 (5) shall be reduced to 15 days and the invitation does not need to contain adequate information outlining the substance of the matters included in the agenda of the General Meeting. The invitation must be published within 15 days after the date of the originally convened General Meeting. The substitute General Meeting must have the same agenda and constitutes a quorum under the same terms as the ordinary General Meeting.

4. Issues not included in the proposed agenda of the General Meeting may be decided by the General Meeting only if all shareholders consent to this.

5. The General Meeting shall adopt decisions by a simple majority vote of the shareholders present, unless law or these Articles of Association require otherwise.

6. General Meeting decisions regarding the changes in these Articles of Association, matters leading to amendments of these Articles of Association, increase of the share capital, reduction of the share capital, mandate of the Board of Directors to increase the share capital, possibility to offset a pecuniary receivable of the Company against the receivable for the payment of the subscription price, convertible or priority bonds and the winding up of the Company with liquidation, approval of a final liquidation report and a proposal on the use of the liquidation balance and the matters referred to in Article 8 (1) (l) shall require at least a two-thirds majority of the votes of the present shareholders.

7. If the General Meeting is deciding on an increase in the share capital or on reduction of the share capital, or any matter laid down in Article 8 (1) (l)) the consent of shareholders present for each kind of shares whose rights are affected by the decision; when voting on behalf of the given kind of shares, at least two thirds of shares of shareholders present are required.

8. General Meeting decisions regarding transformation of the Company require at least a three-quarters majority of votes of shareholders present, unless the law requires a greater majority.

9. General Meeting decisions regarding a change in form of shares, limitations to the transferability of registered shares and the de-listing of shares from the European regulated market shall require at least a two-thirds majority of the votes of shareholders present and at least three-quarters of the votes of shareholders present holding these shares shall be also required.

10. General Meeting decision regarding a change in the kind of shares, on a change in the rights connected with individual kinds of shares shall require the affirmative vote of at least two-thirds of the shareholders present and the affirmative vote of at least three-quarters of the shareholders present holding these shares shall be also required.

11. General Meeting decision regarding the elimination or restriction of the priority right to convertible and priority bonds, allowing the profit or other own funds of the Company to be distributed to other persons than the shareholders pursuant to Article 34 (1) of the Business Corporations Act, as well as the elimination or restriction of their priority right to subscribe new shares during an increase of the share capital and an increase of the share capital through by way of in-kind contribution shall require the affirmative vote of at least three-quarters of the shareholders present. For such decisions of the General Meeting at least three-quarters of the votes of present shareholders holding each kind of shares issued shall also be required, unless the decisions do not affect the owners of these shares.

12. A decision on joining of shares or a change in the kind of shares to non-voting shares requires approval from all shareholders concerned by such change.

13. The General Meeting shall decide on provision of a financial assistance by at least two-thirds of the votes of present shareholders.

14. Decisions according to point 6 and decisions on other matters which become effective as of the date of record in the Commercial Register must be written up in the form of a notarial record. A notarial record shall be drawn up in other cases as required by the law.

15. Correspondence voting will be accepted only when meeting the following conditions:

    a) the conditions for the voting identified by the Board of Directors are specified in the invitation to the General Meeting;

    b) shareholders may cast their votes in writing before the General Meeting within deadlines set by the Board of Directors and published in the invitation to the General Meeting; later casting of ballots will not be recognized;

    c) correspondence vote must meet all criteria set in paragraph 16 below;

    d) in order to determine the legality of the vote, all shareholders using correspondence voting will be regarded as being physically present at the General Meeting.

16. All correspondence votes must meet all parameters of this paragraph otherwise they will be ignored as well as the presence of the shareholder casting the correspondence vote. Correspondence votes must contain the following items:

    a) first name, surname, date of birth and place of residence of the shareholder (in case of natural person) or name of business, registered seat and identification code (or in case of foreigners a similar identification number or code to identify each entity) in case of corporate entity. The same identification details are required for shareholders' proxies,

    b) agenda item that is subject to the correspondence vote or the wording of the motion which is subject to the vote,

    c) number and nominal value of shares of a given shareholder,

    d) certified signature of a person casting a vote. This also applies to all people acting as shareholder proxies in correspondence voting. The official certification of signature and the proving of the right to act as someone's proxy is ruled by Article 10 (1) and (3) of the Articles of Association,

    e) legal entity must add the original or certified copy of the extract from the Commercial Register or some other document proving the existence of the legal entity and the manner of acting of members of the statutory body on his or her behalf; the provisions of Article 3) shall apply mutatis mutandis.

17. Once a correspondence vote is cast it cannot be changed or withdrawn by the shareholder. Each shareholder may, however, be present at a General Meeting in a manner described in Article 10 (1). In such case correspondence votes cast previously on items that are scheduled after the shareholder has registered in the attendance list will be ignored.

Article 13

General Meeting Record

1. The General Meeting record shall be made by the minutes clerk within 15 days from the date of closing of the General Meeting. The General Meeting record shall contain:

    a) the business name and registered office of the Company,

    b) the place and time of the General Meeting,

    c) the name of the Chairman of the General Meeting, minutes clerk, person(s) to verify the minutes and the person(s) authorized to count votes,

    d) a description of discussion of matters included in the agenda of the General Meeting,

    e) resolutions of the General Meeting with results of voting, and

f) the content of protest of a shareholder, member of the Board of Directors or Supervisory Board concerning the resolution of the General Meeting.

2. Proposals and declarations submitted to the General Meeting for discussion and the list of attendance at the General Meeting shall be attached to the record.

3. The record shall be signed by the Chairman of the General Meeting or convener of the General Meeting, minutes clerk and the person(s) to verify the minutes.

4. General Meeting records, together with the invitation to the General Meeting and the attendance list of the shareholders present, shall be filed in the archive of the Company during the term of the Company's existence.

5. Any of the shareholders of the Company may request the Board of Directors to release a copy of the record or part thereof for the entire period of existence of the Company. The copy of the record or any portion thereof and its delivery to the shareholder shall be made at the shareholder's expense unless otherwise stipulated in the Business Corporations Act.

B) THE BOARD OF DIRECTORS

Article 14

Status and Authority of the Board of Directors

1. The Board of Directors shall be the statutory body, managing the Company's activities and acting for the Company on its behalf. Nobody is authorised to give instructions to the Board of Directors regarding the commercial management of the Company, unless law or these Articles of Association stipulates otherwise.

2. The Board of Directors shall make decisions on all Company business not reserved to the authority of the General Meeting or the Supervisory Board of the Company by legal regulations or by these Articles of Association, unless law or these Articles of Association stipulate otherwise.

3. The Board of Directors shall especially be authorized to:

   a) secure the business activities and ensure the operational management of the Company,

   b) approve the Rules of Procedure of the Board of Directors,

   c) execute the rights of employer,

   d) convene the General Meeting,

   e) ensure the preparation and submit to the General Meeting for discussion the matters coming under the authority of the General Meeting,

f) implement the General Meeting resolutions in accordance with law and these Articles of Association,

g) ensure due and proper keeping of accounts and Company documents, in line with legal regulations applicable,

h) submit to the Supervisory Board for review the Company's regular, extraordinary or, as the case may be, interim financial statement, always in its consolidated as well as unconsolidated form, unless any of such form is redundant due to its nature, and the proposal for distribution of profit or the other Company's funds or for coverage of losses and the report by the Board of Directors pursuant to the provisions of Article 82 of the Business Corporations Act,

i) use retained earnings in line with the decision of the General Meeting,

j) decide in accordance with the law on the use of the Funds of the Company,

k) prepare the annual report according to the provisions of Article 21 of the Act No. 563/1991 Coll., On accounting, as amended (the Accounting Act), the provisions of Article 118 of the Act on Business Activities in the Capital Market and Article 37 (7) of these Articles of Association, including the report by the Board of Directors pursuant to the provisions of Article 82 of the Business Corporations Act, semi-annual report pursuant to the provisions of Article 119 of the Act on Business Activities in the Capital Market, interim report or equivalent quarterly information in accordance with the provisions of Article 119a of the Act on Business Activities in the Capital Market and a summary explanatory report pursuant to the provisions of Article 118 (9) of the Act on Business Activities in the Capital Market,

l) determine business policy,

m) stipulate principles for the collective agreement,

n) decide on use of the Reserve Fund, subject to the conditions stated in Article 36 (4),

o) grant and withdraw procuration,

p) stipulate the rules for the creation and use of the Social Fund on the basis of collective bargaining,

q) enter into an agreement on mandatory audit or, if applicable, on other services to be rendered with the auditor

r) discuss the audit report with the auditor,

s) organize employee elections according to the definition in Article 21 (2), including the promulgation of an election regulation according to Article 21 (14).

t) prepare a draft remuneration policy pursuant to Section 121 (k) of the Act on Business Activities in the Capital Market and a draft remuneration report pursuant to Section 121 (o) of the Act on Business Activities in the Capital Market, and submit these as proposals to the General Meeting for approval; in the event that the Board of Directors submits a new proposal to the

General Meeting after the original proposal had not been approved by the General Meeting, the proposal is based on the views of shareholders recorded in the minutes of the previous General Meeting,

u) submit to the General Meeting a proposal for approval of a significant transaction under the conditions specified in Section 121 (s) et seq. of the Act on Business Activities in the Capital Market.

4. If required by a decision by the Supervisory Board, the Board of Directors has the duty to ensure that the Supervisory Board is given access to all documents and records relating to the Company operations, so that it can exercise its powers in line with the law and these Articles of Association. The Board of Directors shall comply with these duties by providing the relevant information or documents, as the case may be, following a resolution by the Supervisory Board, to the Chairman of the Supervisory Board, or, if the Supervisory Board so decides, it will allow the Chairman of the Supervisory Board or a designated member to participate at meetings of the Board of Directors or at other meetings in which members of the Board of Directors take part.

5. The Board of Directors has the duty to provide to the Supervisory Board, prior to convening a General Meeting, a draft agenda of the General Meeting, including documents for the deliberations of the General Meeting; the Supervisory Board may give its opinion on any such proposals. The Board of Directors does not have to wait with convening the General Meeting until the Supervisory Board gives its opinion, and any such opinion given is not binding on the Board of Directors.

6. Members of the Board of Directors are recorded in the Commercial Register.

7. The activities of the Board of Directors follow the instructions and principles approved by the General Meeting, which must be in accordance with the law and with these Articles of Association. Members of the Board of Directors can ask the General Meeting, in accordance with the law, to issue such instruction regarding the business management of the Company.

8. The Board of Directors shall make sure that the Supervisory Board, its committees and the Audit Committee can exercise their authority according to the law and these Articles of Association.

Article 15

Composition of the Board of Directors

1. The Board of Directors shall consist of 5 members. Members of the Board of Directors are elected and dismissed by the Supervisory Board. A member of the Board of Directors may only be a natural person who is legally competent, has civil integrity in the sense given by the Trade Licensing Act, and for whom no circumstances constituting an obstacle for carrying out a trade in accordance with the Trade Licensing Act; a member of the Board of Directors must meet also other statutory conditions and his circumstances must not present a legal impediment to the discharge of the office (unless such impediment ceases to exist). The members of the Board of Directors shall be elected from individual persons who

have the required skills and experience. An individual who nominates a new member of the Board of Directors shall procure that such individual's professional resume is available at the Supervisory Board.

2. The term of office of individual members of the Board of Directors shall be five years. A member of the Board of Directors may be re-elected.

3. A member of the Board of Directors can resign on his membership by way of a written letter of resignation served to the Company and addressed to the Supervisory Board. The membership ends upon the lapse of one month from the receipt of the letter of resignation, unless the Supervisory Board sets an earlier date or, with consent of the resigning member, a later date. The resigning member can ask the Chairman of the Supervisory Board (or, in his absence, the Vice-chairman) to convene a meeting of the Supervisory Board to discuss the member's resignation. In the event of their absence or inactivity, the meeting can be called by any member of the Supervisory Board on request of the resigning member of the Board of Directors. If the agenda of a Supervisory Board meeting includes a matter of resignation of a member of the Board of Directors, the member of the Board of Directors can announce his resignation to the Supervisory Board in person, instead of in writing, if the circumstances allow. The resignation rules set forth in Section 58 of the Business Corporations Act shall not apply.

4. If a member of the Board of Directors dies, resigns, is dismissed or tenure otherwise expires, the Supervisory Board shall be obliged to elect a new member of the Board of Directors within two months.

5. The Chairman and Vice--chairman shall be elected and dismissed by members of the Board of Directors from amongst the members thereof.

Article 16

Meetings of the Board of Directors

1. The Board of Directors shall usually meet once a calendar month, but no less than 12 times per calendar year.

   A meeting of the Board of Directors shall be convened by its Chairman or in their absence a Vice-Chairman. If the Chairman or the Vice-chairman do not convene the Board of Directors meeting when they are obliged to do so, any member thereof may convene the Board of Directors meeting.

2. The Board of Directors may, in compliance with legal regulations and at its discretion, invite to its meetings members the Supervisory Board of the Company, members of the Audit Committee, employees of the Company or other persons. The Supervisory Board shall have the right to deputize its member to attend a meeting of the Board of Directors.

3. The activities of the Board of Directors shall be regulated by the Rules of Procedure.

4. The minutes of the proceedings of the meetings of the Board of Directors and decisions approved shall be prepared and signed by the Chairman and minutes clerk; a list of participants is attached to the minutes. A copy of the minutes shall be delivered to the Audit Committee if the matter at hand involves or falls within the powers of the Audit Committee.

5. Any expenses in connection with the meetings and with other activities of the Board of Directors shall be covered by the Company.

Article 17

Board of Directors Decision-Making

1. The Board of Directors shall be deemed to have a quorum if a simple majority of all members of the Board of Directors is present.

2. For a decision to be passed, the consent of a simple majority of all Board of Directors members shall be required. In the event of a deadlock, the Chairman does not hold a decisive vote.

Article 18

Voting by Members of the Board of Directors outside Meetings

1. Members of the Board of Directors can vote per rollam.

2. The voting outside a meeting may take either of the following forms:

   a) in writing or by means that make it possible for the voting Board members to express their will, including identification of the voting person (e.g. e-mail),

   b) by means transferring the voting Board member's voice or their voice and picture (such as telephone, conference calls or videoconference).

3. If a meeting of the Board of Directors is convened, other members who do not attend the meeting in person may join it in the form pursuant to point (2), without regard to the fact whether the number of members attending the meeting in person is sufficient for the Board of Directors' to constitute a quorum. The members who join the meeting of the Board of Directors in such manner may vote at such meeting only subject to fulfilling the conditions for voting outside a meeting, in particular pursuant to point (2).

4. The Rules of Procedure for Board meetings can stipulate details of the procedure referred to in point (1) through (3).

Article 19

Duties of the Board of Directors Members

1. Members of the Board of Directors shall exercise their authority with due care of a prudent manager and not disclose confidential information and facts to third parties, if such disclosure might be detrimental to the Company. A member of the Board of Directors shall also be obliged to keep the duty of confidentiality after his/her office expired. Next to other statutory requirements, the following duties fall within the obligation to act with the due care of a prudent manager:

   a) to discharge the duties of the office with the necessary loyalty, knowledge and diligence,

   b) to participate in activities of the Board of Directors actively, independently and with professional knowledge of the issues involved,

   c) to extend one's knowledge and experience, and

   d) if any potential conflict of interests of the Company with interests that affect the individual member of the Board of Directors, whether directly or indirectly, is identified during decision-making of the Board of Directors, to abstain from voting setting forth the reason therefor or, as the case may be, not to participate during the relevant part of the Board of Directors meeting, without prejudice to other duties arising from the law.

2. The members of the Board of Directors shall be obliged to respect the restrictions relating to the ban on competitive conduct. No member of the Board of Directors shall be allowed:

   a) do business in the subject of business of the Company, not even for another person, or to procure any Company's business for another person,

   b) to participate in the business of another business corporation as a member with unlimited liability or as an entity controlling another entity with the same or similar subject of business or activity,

   c) be a member of a statutory or another body of another legal entity with the same or similar subject of business or activity, or be a person in a similar position, save that such a legal entity belongs to the same concern as the Company.

3. The non-competition clause pursuant to point 2 above does not apply if the Supervisory Board gives its consent to a member of the Board of Directors having activities which are subject to the ban. In such a case, the non-competition clause does not apply only in the scope of the consent, without prejudice to duties of disclosure or other duties of the Board of Directors member and without prejudice to the related powers of the Company and its bodies under the relevant laws.

4. Breach of duties specified in point (1) and (2) shall bring about consequences set forth by legal regulations.

5. Members of the Board of Directors shall be liable to the Company, under the terms and conditions and to the extent set forth by legal regulations, for any detriment caused to the Company by breach of duties in the course of performing their functions. Should such detriment be caused by more than one member of the Board of Directors, such members shall be liable jointly and severally.

C) SUPERVISORY BOARD

Article 20

Status and Authority of the Supervisory Board

1. The Supervisory Board is a controlling body of the Company. It shall supervise the exercise of the powers of the Board of Directors and the realization of the Company's activities.

2. In line with the decision of the Supervisory Board or its Rules of Procedure, the Supervisory Board shall especially be authorized to:

   a) inspect all documents and reports concerning the Company's activities,

   b) examine whether the accounting records are properly kept and reflect reality,

   c) examine whether the business activity of the Company is being performed in accordance with legal regulations and these Articles of Association.

3. The Supervisory Board shall especially be authorized to:

   a) review the regular, extraordinary and consolidated or, as the case may be, interim financial statements and proposals for distribution of profits or the other Company’s funds or for coverage of losses, and to submit its standpoint to the General Meeting its standpoint,

   b) elect and recall members of the Board of Directors,

   c) approve agreements on the performance of the office of members of the Board of Directors in compliance with the provisions of Article 438 (2) of the Business Corporations Act,

   d) decide on approval of remuneration to members of the Board of Directors according to the provisions of Article 61 (1) of the Business Corporations Act,

   e) convene a General Meeting, if the interests of the Company so require, and propose any necessary measures to the General Meeting,

   f) submit to the General Meeting and to the Board of Directors its standpoints, recommendations, proposals and results of its inspection activities,

g) review the exercise of the powers of the Board of Directors, based on the request of the shareholders who have shares which nominal value amounts to at least 1% of the share capital, in respect of the matters determined in the application, and review the relevant shareholders of the outcome of the review in accordance with the law,

h) based on the request of the shareholders who have shares which nominal value amounts to at least 1% of the share capital, claim the right for compensation for damages incurred by the Company vis-à-vis a member of the Board of Directors or the Supervisory Board, or the meeting of any duties arising from a settlement agreement pursuant to the provisions of Article 53 (3) of the Business Corporations Act, or the final payment of the subscription price, against a shareholder who is in delay with the payment,

i) to be informed by the Board of Directors in matters set forth in Article 14 (4) or 14 (5),

j) decide on issues concerning benefits for the Supervisory Board members or the members of the Audit Committee insofar as it is in accordance with law,

k) review Board of Directors report under Article 82 of the Business Corporations Act; to inform the General Meeting of the review of this report and to submit its standpoint to the General Meeting,

l) submit an auditor to the General Meeting,

m) review the draft remuneration policy under Section 121 (k) of the Act on Business Activities in the Capital Market and the draft remuneration report under Section 121 (o) of the Act on Business Activities in the Capital Market prepared by the Board of Directors and make a report to the General Meeting which is the approval body,

n) review the proposal of the Board of Directors for approval of a significant transaction under the conditions set forth in Section 121 (s) et seq. of the Act on Business Activities in the Capital Market and report on it to the General Meeting which is the approval body,

o) establish an internal procedure for the regular assessment of significant transactions pursuant to Section 121 (v) (3) of the Act on Business Activities in the Capital Market.

4. The members of the Supervisory Board shall attend the General Meeting of the Company and report the results of their inspection activities to the General Meeting. Members of the Supervisory Board must be given floor whenever they request it.

5. The Supervisory Board shall exercise its powers in other matters where required by law or by these Articles of Association.

6. The Supervisory Board shall approve the Rules of Procedure of the Supervisory Board, which are to govern the activities of the Supervisory Board.

Article 21

Composition of the Supervisory Board

1. The Supervisory Board of the Company shall have 3 members. No Supervisory Board member shall be simultaneously a member of the Board of Directors, CEO, Proxy or any person authorized to act on behalf of the Company as recorded in the Commercial Register. A member of the Supervisory Board may only be a natural person who is legally competent, has civil integrity in the sense given by the Trade Licensing Act; a member of the Supervisory Board must meet also other statutory conditions and his circumstances must not present a legal impediment to the discharge of the office (unless such impediment ceases to exist). Members of the Supervisory Board shall be assumed to have appropriate professional skills and experience for the proper performance of their duties as members. An individual, or a group of individuals, that nominates a new member of the Supervisory Board shall procure, where possible, that such individual's professional resume be available at the General Meeting. An individual, or a group of individuals, that nominates a new member of the Supervisory Board shall see, where possible, that a sufficient number of persons among the members of the Supervisory Board are individuals who have no commercial or similar relations with the Company.

2. Two thirds of Supervisory Board members are elected and recalled by the General Meeting. One third of Supervisory Board members is elected and recalled by employees of the Company (“employee elections”).

3. In employee elections, only a person can be elected that:

   a) had been nominated in accordance with point (6), and

   b) as of the start of the employee elections, he/she has an employment relationship with the Company, and there is no employment termination agreement or notice outstanding, nor has his/her employment been terminated with immediate effect of the same moment.

4. In employee elections, only a person can vote who at the time of the employee elections has an employment relationship with the Company (“eligible employee”).

5. Each eligible employee has one vote in employee elections.

6. The right to nominate candidates for election or recall in employee elections has:

   a) a group of 10% of eligible employees who, as of the date of filing of the candidate list for the election of a Supervisory Board member elected by employees (“employee representative”) or a petition for the recall of a Supervisory Board member elected by employees, have an employment relationship with the Company,

   b) the Board of Directors, or

   c) a trade union organisation.

Each eligible employee, as well as the Board of Directors, may sign an unlimited number of candidate lists or petitions for the recall of an employee representative in employee elections.

7. For employee elections to be deemed valid, the ballot must be secret and a minimum of one third of eligible employees' votes must be cast in the ballot ("quorum"); the number of eligible employees as of the last day of the elections is deemed decisive. If the employee elections do not have a quorum or, for any other reason, the position of employee representative is not filled by election, the Board of Directors shall organize substitute employee elections without undue delay.

8. In employee elections, a candidate with the highest number of votes cast by participating eligible employees shall be elected employee representative. In the event of a hung vote, the duration of employment with the Company shall be considered, with the candidate who has been an employee for longer becoming employee representative; if this criterion cannot resolve the situation, the matter shall be decided by a draw which the Board of Directors shall organize.

9. Candidates who were not elected employee representatives become substitutes, up to the total number of three. The order of substitutes follows the number of votes cast for the candidates in the elections; in the event of a hung vote, the procedure set forth in point (8) above shall apply. If an office of an employee representative is terminated, the first substitute on the list shall assume the position, and serves his/her office in the Supervisory Board as employee representative for the remaining tenure of the original member of the Supervisory Board – employee representative he/she replaced. The position of a substitute also expires upon:

   a) the commencement of a tenure of a newly elected employee representative,

   b) the termination of his/her employment relationship with the Company,

   c) the moment when his/her written letter of resignation on the position of a substitute is served to the Company,

   d) his/her recall (the rules for recalling employee representatives apply similarly to the recall of substitutes),

   whichever occurs earlier.

10. Without undue delay, the Board of Directors shall organize employee elections (including a recall of an employee representative, if applicable) if proposed by a group of eligible employees according to point (6) (a) above. The Board of Directors shall also organize employee elections (including a recall of an employee representative, if applicable) if so required by the law or these Articles of Association, or if it deems it advisable to recall an employee representative for reasons of protecting Company interests; such reasons may include in particular the following:

    a) the employee representative's employment relationship has terminated or will terminate, and, at the same time, the law does not associate the

expiration of membership in the Supervisory Board for the employee representative with the termination of employment with the Company, or

b) the employee representative has been declared bankrupt pursuant to Section 153 of the Act No. 89/2012, the Civil Code, as amended, or the bankruptcy can be reasonably expected.

An employee representative has the duty to inform the Board of Directors of circumstances referred to in (a) and (b) above.

If the law associates the expiration of membership in the Supervisory Board for the employee representative with the termination of employment with the Company, the office of employee representative in the Supervisory Board shall expire always in this way, as of the moment specified in the laws applicable at the time.

11. The Board of Directors will propose an election regulation so that an employee representative would be recalled in employee elections by a simple majority of votes of the participating eligible employees.

12. If the recall of an employee representative is organized by the Board of Directors and a substitute cannot assume the office, the Board of Directors will at the same time organize an election of a new employee representative, which shall be conditional on the recall of the serving employee representative.

13. If an employee representative finds himself/herself in a position where a breach of the non-competition clause according to Article 25 (2) is imminent or he/she is already in breach of the clause, he/she shall notify the Board of Directors of this fact. The Board of Directors may, at its discretion, present a prohibition of competition to employees for approval. The approval process shall be similarly governed by points (4) and (7) above, with each eligible employee having one vote; if a quorum cannot be reached, the Board of Directors is not required to organize a second vote, and the competition is permitted by a simple majority of votes of participating eligible employees.

14. In all other respects, employee elections are held in accordance with the provisions of the law. The details of employee elections and other elections anticipated in points (2) – (13) above shall be set forth in an election regulation which shall be prepared and approved by the Board of Directors in accordance with the law.

15. Unless provided otherwise in these Articles of Association, Supervisory Board members are elected into office for a period of five years. Re-election of a member is allowed.

16. A member of the Supervisory Board may resign from his/her office by means of a written statement served to the Company and addressed to the Supervisory Board.; The membership ends upon the lapse of one month from the receipt of the letter of resignation, unless the Supervisory Board sets an earlier date or, with consent of the resigning member, a later date. The resigning member can ask the Chairman of the Supervisory Board (or, in his absence, the Vice-chairman) to convene a meeting of the Supervisory Board to discuss the member's resignation. If the Supervisory Board Chairman (or, in his absence, the Vice-

chairman) fails to convene the Supervisory Board meeting, on which the resignation of the member of the Supervisory Board shall be discussed, on the date set forth in advance, otherwise without undue delay, the resigning member of the Supervisory Board shall be entitled to convene the Supervisory Board meeting by himself/herself. If the agenda of a Supervisory Board meeting includes a matter of resignation of a member of the Supervisory Board, the member of the Supervisory Board can announce his resignation to the Supervisory Board in person, instead of in writing, if the circumstances allow. The resignation rules set forth in Section 58 of the Business Corporations Act shall not apply.

17. If a member of the Supervisory Board who was not elected by employees dies, resigns from office, is dismissed or the term of his/her office expires otherwise, a new member of the Supervisory Board shall be elected within two months, unless he is appointed pursuant to point (19).

18. If a member of the Supervisory Board who was elected by employees dies, resigns, is recalled or his/her office expires in any other way, a new member of the Supervisory Board must be elected within two months, unless the position is filled with a substitute member according to point (9).

19. If the office of a Supervisory Board member elected by the General Meeting (or co-opted to replace a Supervisory Board elected by the General Meeting) expires, the Supervisory Board may, subject to conditions laid down in the law, appoint (co-opt) substitute members to take office until the next General Meeting

20. The Supervisory Board shall elect and dismiss the Chairman and Vice-chairman from amongst the members thereof.

21. The Supervisory Board shall designate one of its members to represent the Company in proceedings in courts and other bodies conducted against members of the Board of Directors.

Article 22

Meetings of the Supervisory Board

1. The Supervisory Board shall meet as it finds it appropriate, usually once in a trimester, but no less than four-times per calendar year.

2. The meeting of the Supervisory Board shall be convened by its Chairman or in his absence the Vice-chairman. If the Chairman or any of the Vice-Chairmen do not convene the Supervisory Board meeting when they are obliged to do so, any member thereof may convene the Supervisory Board meeting.

3. The Supervisory Board may, in compliance with legal regulations and at its own discretion, invite to its meetings members of the Board of Directors, the Audit Committee, employees of the Company or other persons.

4. The minutes of the proceedings of the meeting of the Supervisory Board and approved decisions shall be prepared.

5. Any expenses in connection with the meetings and with other activities of the Supervisory Board shall be covered by the Company.

Article 23

Supervisory Board Decision-Making

1. The Supervisory Board meeting shall be deemed to have a quorum if a simple majority of all Supervisory Board members is present. For a decision to be adopted in respect of all matters discussed by the Supervisory Board, the consent of a simple majority of all Supervisory Board members shall be required, unless otherwise provided in the law or these Articles of Association. In the event of a deadlock, the vote of the Chairman is not decisive.

Article 24

Voting by Members of the Supervisory Board outside Meetings

1. Members of the Supervisory Board can also vote per rollam. In such event, the provisions of Article 18 shall apply mutatis mutandis.

Article 25

Duties of the Supervisory Board Members

1. The Supervisory Board Members shall exercise their office with due care of a prudent manager and keep secret all confidential information and facts which, if disclosed to third parties, might cause detriment to the Company. This shall not, however, affect the rights of the Supervisory Board Members ensuing from the inspection authority of this Company body. A member of the Supervisory Board shall be obliged to keep the duty of confidentiality also after his/her office has expired. The duty to act with the due care of a prudent manager is subject to the same provisions as set forth in Article 19 (1).

2. The Supervisory Board members shall also be obliged like members of the Board of Directors to respect the restrictions relating to the ban on competitive conduct ensuing from Article 19 (2). The non-competition clause does not apply if the General Meeting, or, as the case may be, employees pursuant to Article (21) (13) 13, gives its consent to a member of the Supervisory Board having activities which are subject to the ban. In such a case, the non-competition clause does not apply only in the scope of the consent, without prejudice to duties of disclosure or other duties of the Supervisory Board member and without prejudice to the related powers of the Company bodies under the relevant laws.

3. Any breach of point (1) and (2) shall bear the consequences set forth in legal regulations.

4. The Supervisory Board members shall be liable to the Company, under the terms and conditions and to the extent set forth by legal regulations, for any detriment

caused to the Company by the breach of their duties in the exercise of their offices. Should such detriment be caused by more than one member of the Supervisory Board, such members shall be liable jointly and severally.

Article 26

Supervisory Board Committees

1. The Supervisory Board has the right to establish within its competence committees (hereinafter referred to as the “Supervisory Board Committees”) as its advisory and initiative bodies.

2. The details on the form of the meeting of each of the Supervisory Board Committees and their powers shall be set out in the rules of procedure of each of the Supervisory Board Committees, which shall be approved by the Supervisory Board.

D) AUDIT COMMITTEE

Article 27

Status and Authority of the Audit Committee

1. The Company shall establish an Audit Committee.

2. The Audit Committee shall:

   a) monitor the procedure of drafting the financial statements and consolidated financial statements as well as the integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting methods used by the Company, and makes recommendations to assure the integrity of accounting and financial reporting systems to the Board of Directors or the Supervisory Board,

   b) monitor the effectiveness of the Company internal control and risk management systems and of internal audit and its functional independence ; in this connection, the Audit Committee shall review at least annually the internal control and risk management systems, with a view to ensuring that the main risks of the Company are properly identified and managed; the Audit Committee shall further recommend to the Board of Directors or the Supervisory Board of the Company for issues relating to internal audit of the Company, and supports the effectiveness of the internal audit function, in particular by:

      i) making recommendations on the selection of the head of the internal audit department, his election, as well as the re-election to the office or his dismissal, and on the department's budget and other issues related to the internal audit as specified in the statute of the internal audit department, and

ii) monitoring the responsiveness of management of the Company to findings and recommendations of the internal audit department;

c) monitor the process of the mandatory audit; in this connection, the Audit Committee shall also receive and evaluate information related to the process of carrying out the auditing of accounts, review the effectiveness of the mandatory audit and how the Company management follows auditor's recommendations; the Audit Committee shall cooperate to improve the communications between the auditor and the Company management,

d) inform the Supervisory Board of the conclusions of the mandatory audit and the findings obtained in the process of mandatory audit monitoring, and how the mandatory audit contributed to assuring the integrity of the accounting and financial reporting systems.

e) review the independency of the statutory auditor and the auditor company as well as the non-audit services rendered to the Company by the statutory auditor and the audit firm; in this connection, the Audit Committee shall also monitor and assess the objectivity of, and cooperates with, the auditor, receive and evaluate information capable of jeopardizing the auditor's independence, including discussing with the auditor any risks to his independence and measures taken by the auditor to mitigate those risks, and reviews the nature and scope of any non-audit services provided by the auditor to the Company,

f) approve the provision of other non-audit services in cases mandated by the law,

g) recommend the auditor to the Supervisory Board of the Company, using a procedure according to the relevant laws and regulations,

h) accept and discuss with the auditor the information, declarations and communications pursuant to law, and

i) provide information on matters falling within the powers of the Audit Committee to other Company bodies or to the management of the Company, if the Audit Committee deems it necessary, and in cases specified in the law, also to third parties,

j) inspect documents and records relating to the Company operations in a scope necessary for the discharge of duties of the Audit Committee,

k) present an annual report of the Audit Committee's activities to the Public Audit Oversight Board, in which it shall review its own activities.

3. The Audit Committee shall also carry out what is imposed on it by law, in particular the Act No. 93/2009 Coll., on auditors and on the amendment to some other laws, and Regulation (EU) No 537/2014 of the European Parliament and of the Council. The Audit Committee's audit-related powers shall be without prejudice to the powers of other Company bodies prescribed by law.

4. The Audit Committee approves, and subjects its activities to, the Rules of Procedure.

Article 28

Composition of the Audit Committee

1. The Audit Committee shall have 3 members.

2. The Audit Committee members shall be elected and dismissed by the General Meeting. The Audit Committee members are elected from the members of the Supervisory Board or from third parties.

3. A member of the Audit Committee may only be a natural person who is legally competent, has civil integrity in the sense given by the Trade Licensing Act, and for whom no circumstances constituting an obstacle for carrying out a trade in accordance with the Trade Licensing Act; a member of the Audit Committee must meet also other statutory conditions and his circumstances must not present a legal impediment to the discharge of the office (unless such impediment ceases to exist). Members of the Audit Committee shall be assumed to have appropriate professional skills and experience for the proper performance of their duties as members. An individual who nominates a new member of the Audit Committee shall procure, where possible, that such individual's professional resume be available. If further requirements for the Audit Committee members or for composition of the Audit Committee result from the legal regulations, such requirements shall also be fulfilled.

4. The Audit Committee members shall be elected for the period of five years. A member of the Audit Committee may be re-elected.

5. A member of the Audit Committee may resign from his/her office by means of a written statement served to the Company and addressed to the Audit Committee. The membership ends upon the lapse of one month from the receipt of the letter of resignation, unless the Audit Committee sets an earlier date or, with consent of the resigning member, a later date. The resigning member can ask the Chairman of the Audit Committee (or, in his absence, the Vice-chairman) to convene a meeting of the Audit Committee to discuss the member's resignation. If the Audit Committee Chairman (or, in his absence, the Vice-chairman) fails to convene the Audit Committee meeting, on which the resignation of the member of the Audit Committee shall be discussed, on the date set forth in advance, otherwise without undue delay, the resigning member of the Audit Committee shall be entitled to convene the Audit Committee meeting by himself/herself. If the agenda of an Audit Committee meeting includes a matter of resignation of a member of the Audit Committee, the member of the Audit Committee can announce his resignation to the present members of the Audit Committee in person, instead of in writing, if the circumstances allow. The resignation rules set forth in Section 58 of the Business Corporations Act shall not apply.

6. General Meeting can elect substitute members of the Audit Committee up to the total amount of three (3) setting forth their rank order. Substitute members of

the Audit Committee must comply with the same requirements as the members of the Audit Committee pursuant to point (3) and are subject accordingly to the provisions of point (2), (4) and (5) save for the fourth sentence. In the circumstances described in point (6) a member of the Audit Committee shall become a member of the Audit Committee; his membership of the Audit Committee shall at all times expire no later than five years following their election as the substitute member of the Audit Committee, unless otherwise stipulated in the law. The General Meeting can also change the rank order of the already elected substitute members of the Audit Committee.

7. If a member of the Audit Committee dies, resigns from office, is dismissed or the term of office expires otherwise, a substitute member of the Audit Committee in the predetermined rank order will become ordinary member of the Audit Committee. If the vacant office cannot be manned with the substitute member of the Audit Committee as described above, the Audit Committee continues to be quorate and requirements on the Audit Committee's composition and members ensuing from legal regulations are fulfilled, the General Meeting shall not be obliged to proceed according to point (8).

8. If a member of the Audit Committee dies, resigns from his/her office, is dismissed or the term of his/her office expires otherwise, the vacant office cannot be manned with the substitute member of the Audit Committee (see point (7) above) and the Audit Committee is at the same time no longer quorate or the requirements on the Audit Committee's composition and members ensuing from legal regulations are not fulfilled, the General Meeting shall elect new members of the Audit Committee within three months.

9. The Audit Committee shall elect and dismiss the Chairman and Vice-Chairman (who shall be the Chairman's deputy) from amongst the members thereof, while complying with all and any special requirements which the law specifies for the Chairman of the Audit Committee.

Article 29

Meetings of the Audit Committee

1. The Audit Committee shall meet as it finds it appropriate, usually once in a trimester, but no less than 4 times per calendar year.

2. The meeting of the Audit Committee shall be convened by its Chairman or, in his/her absence, the Vice-Chairman.

3. If the Chairman or the Vice-Chairman do not convene an Audit Committee meeting when they are obliged to do so any member thereof may convene the Audit Committee meeting.

4. The minutes of the proceedings of the meeting of the Audit Committee and approved decisions shall be prepared.

5. Any expenses in connection with the meetings and with other activities of the Audit Committee shall be covered by the Company.

Article 30

Audit Committee Decision-Making

1. The Audit Committee meeting shall be deemed to have a quorum if a simple majority of all Audit Committee members is present.

2. For a decision to be passed in all matters falling within the competence of the Audit Committee, the consent of the majority of all members is required. In the event of a deadlock, the Chairman does not hold a decisive vote.

Article 31

Voting by Members of the Audit Committee outside Meetings

1. Members of the Audit Committee can vote per rollam. In such event, the provisions of Article 18 shall apply mutatis mutandis.

Article 32

Duties of Audit Committee Members

1. The Audit Committee Members shall exercise their office with due care of a prudent manager and keep secret all confidential information and facts which, if disclosed to third parties, might cause detriment to the Company. The duty to act with the due care of a prudent manager is subject to the same provisions as set forth in Article 19 (1).

2. Any breach of point (1) shall bear the consequences set forth in legal regulations.

3. The Audit Committee members shall also be obliged like members of the Board of Directors to respect the restrictions relating to the ban on competitive conduct ensuing from Article 19 (2). The non-competition clause does not apply if the General Meeting gives its consent to a member of the Audit Committee having activities which are subject to the ban. In such a case, the non-competition clause does not apply only in the scope of the consent, without prejudice to duties of disclosure or other duties of the Audit Committee member and without prejudice to the related powers of the Company bodies under the relevant laws.

4. The Audit Committee members shall be liable to the Company, under the terms and conditions and to the extent set forth by legal regulations, for any detriment caused to the Company by the breach of their duties in the exercise of their offices. Should such detriment be caused by more than one member of the Audit Committee, such members shall be liable jointly and severally.

Article 33

Remuneration of Members of the Board of Directors, the Supervisory Board and the Audit Committee and Rules for Determining Royalties

1. The royalties shall be due to members of the Board of Directors and the Supervisory Board on condition that the royalties have been approved by the General Meeting and that further conditions stipulated by law and these Articles of Association are met.

2. Any member of the Board of Directors, Supervisory Board and the Audit Committee shall have a right to remuneration for the performance of office in accordance with the law and the agreement for the performance of office.

3. The royalties shall belong to the persons who were members of the Board of Directors or the Supervisory Board in the previous accounting period. The members of the Board of Directors and the Supervisory Board shall be entitled to a proportional part of the royalties in the case of exercising of office in the Company's bodies for a period shorter than one year. No proportional part shall be granted if the relevant person exercised his/her office as a member of the Board of Directors or Supervisory Board member for a period shorter than two months in the preceding accounting period.

4. The Company may, in accordance with law, provide members of the Board of Directors, Supervisory Board and the Audit Committee with perquisites other than remuneration and royalties, especially if no provision of goods or services by the Company within standard commercial relationships is involved, on the basis of the rules for provision of perquisites to Members of the Supervisory Board or, if applicable, the Audit Committee approved by the General Meeting in accordance with Article 8 (1) (o) or Article 8 (1) (r) and on the basis of the rules for provision of performance to Members of the Board of Directors approved by the Supervisory Board in accordance with Article 20 (3) (d).

IV.

ACTING FOR THE COMPANY

Article 34

Acting for the Company

1. Unless required otherwise by the law, two members of the Board of Directors act jointly on behalf of the Company.

2. Signing shall be carried out as follows: individuals authorized to act for the Company shall affix their signature to the business name of the Company.

V.

FINANCIAL MANAGEMENT OF THE COMPANY

Article 35

Distribution of Profit or, as the Case May Be, other Company's Funds and Coverage of Losses

1. The accounting profit, or the designated part thereof, shall be obligatorily used for purposes as stipulated by law.

2. After the mandatory contribution as per point 1 above, the accounting profit, including any retained earnings of the previous years, as well as any other own funds in accordance with the law, can be used in the following ways:

   a) cover losses,

   b) pay a share in the Company profits (dividends) or other own funds of the Company to shareholders in accordance with law,

   c) pay dues to the members of the Board of Directors or Supervisory Board in accordance with law and these Articles of Association,

   d) determine the employees' share in profits in accordance with law,

   e) increase the share capital of the Company in accordance with the provisions of Article 495 et seq. of the Business Corporations Act, and

   f) create a Reserve Fund pursuant to Article 36 (1) or, as the case may be, Article 36 (2),

   g) pay under a silent partnership agreement if concluded by the Company,

   h) allocate to other funds created from profit.

   The above-mentioned order of manners of distribution of profits or the other Company's funds is not binding for the General Meeting. The General Meeting does not need to decide on the distribution of profits, or any other own funds, in all the following ways. The General Meeting may also decide that the profit (or, as the case may be, a part thereof) shall not be distributed and shall be assigned to the account of accumulated profits of previous years or to another fund.

3. The Company is allowed to pay advances for interests in profits subject to conditions set forth in the law.

4. Unless set forth otherwise in accordance with the law, dividends, royalties or shares of the other Company's funds shall be due within three months following the date on which a resolution of the General Meeting regarding distribution of profits or other funds of the Company was adopted.

5. The Company will pay the share of the profit or other own resources to those persons who were shareholders or otherwise entitled persons on the record date for the exercise of their claim. This record day precedes the due date by 30 days, unless otherwise specified in accordance with the law. At the same time, the Company will make every effort to take into account other rules that apply to it when determining this record date, in particular stock exchange rules (e.g., if required by stock exchange rules, then this record date will not be earlier than the third trading day of the stock exchange following the day on which the General Meeting of the Company approved the disbursement, and that the Company publishes a notice of a decision to that effect at least two trading days before the record date). Unless otherwise specified in accordance with the law, the Company will pay the shareholder or other entitled person a share in the profit or other own resources at its own expense and risk through a Czech or foreign bank, or a savings or credit union or a securities dealer.

6. The losses of the Company shall be covered in particular from the Reserve Funds except for the part of the Reserve Funds which cannot be used pursuant to legal regulations. The General Meeting may however decide on the covering of losses by the use of other funds of the Company (including profits), unless such funds are predicated for specific use by the applicable law, or on the covering of losses by reduction of the share capital, or may decide to assign the losses to the account of accumulated losses of previous years or do with it in any other way in accordance with by the law.

Article 36

Creation and Use of the Reserve Fund and Other Funds

1. Unless otherwise stipulated in the law, the Company shall be under no obligation to create or contribute to a Reserve Fund. The Company can still do so on a voluntary basis, subject to conditions set forth in the law. In such way, the Company can create or contribute to Reserve Funds in particular by way of transferring profits or other own funds of the Company unless such have been otherwise assigned to another purpose. The Company can use its voluntary Reserve Funds in full or in part for any purpose permitted in the law, or dissolve them.

2. The Company shall create a Reserve Fund in cases where it is obliged to do so pursuant to legal regulations. In such cases the applicable legal regulations must be followed. When an obligatory Reserve Fund is created in connection with provision of a financial assistance, the Company may use any own funds, unless otherwise indicated by the laws.

3. Should a General Meeting's resolution on increase of the share capital by subscription of shares so stipulate, a Reserve Fund may be created by additional payments exceeding the subscription price of shares during increase of the share capital or by using the amount (or any portion thereof), in which the value of the in-kind contribution exceeds the nominal value of shares to be released to the subscriber as a counter-performance. The Company shall also have the right to

create a Reserve Fund by reduction of the share capital pursuant to the provisions of Article 544 (1) (b) of the Business Corporations Act.

4. The Board of Directors shall decide on the creation of, contribution to, use of or the dissolution of the Reserve Fund, unless the law or these Articles of Association provide that such decision in the specific context comes under the authority of the General Meeting. The Reserve Fund created pursuant to point (2) above may not be used as long as the legal presumptions persist.

5. The Company shall create a Social Fund. The General Meeting shall decide on contribution of profit or other own funds to the Social Fund. This shall be without prejudice to provisions of Article 14 (3) (p).

Article 37

Financial Statements, Socioeconomic Information and Records

1. The Company shall, in the prescribed manner and in compliance with legal regulations, keep accounts and records; the Board of Directors shall arrange for preparation of financial statements and submit them to the requisite bodies of the Company.

2. The Board of Directors shall be responsible for proper accounting. The Board of Directors shall submit the financial statement, compiled in accordance with legal regulations applicable regarding the keeping of accounting records, to the auditor together with an application for the review of the financial results of the Company for the appropriate accounting period. Upon receiving the auditor's report on the review of the financial statements and the financial results of the Company for the accounting period, the Board of Directors shall submit the financial statements together with the auditor's report and the proposal for distribution of profit or the other Company’s funds or for coverage of losses for review to the Supervisory Board without undue delay.

3. The financial statements must include complete information regarding the property and financial situation of the Company and the amount of profit gained or losses incurred in the preceding accounting period. This shall be without prejudice to the particulars as to the contents of the financial statements under law.

4. The Supervisory Board shall review the financial statements and the proposal for distribution of profit or the other Company’s funds or coverage of losses and shall report its conclusion to the General Meeting.

5. In accordance with the law, the Company shall be obliged, through its auditor, to provide for:

   a) review of the Company's financial statements and consolidated financial statements,

   b) making of a report on the review of the financial statements and consolidated financial statements of the Company,

c) review of other documents required under law and preparation of appropriate reports.

6. The Company shall be obliged to publish data from the financial statements in the manner stipulated by applicable legal regulations.

7. In addition to the financial statements the Board of Directors shall also ensure semi-annual report under Article 119 of the Act on Business Activities in the Capital Market and the annual report according to the provisions of Article 21 of Act on Accounting and the provisions of Article 118 of the Act on Business Activities in the Capital Market, interim report or equivalent quarterly information pursuant to the provisions of Article 119a of the Act on Business Activities in the Capital Market and a summary explanatory report pursuant to the provisions of Article 118 (9) of the Act on Business Activities in the Capital Market, or, if applicable, other reports required by law.

   The annual reports shall contain:

   a) names of Board of Directors members with their brief professional resume,

   b) names of Supervisory Board members with their brief professional resume and information on their potential relations with the Company,

   c) names of the Audit Committee members with their brief professional resume and information on their potential relations with the Company,

   d) information on remuneration of members of the Board of Directors, the Supervisory Board and the Audit Committee and on the manner and methods of determination thereof, and

   e) names of members of Supervisory Board Committees with their brief professional resume.

   This shall be without prejudice to the particulars as to the contents of annual reports under law.

VI.

RULES FOR INCREASE AND REDUCTION OF THE SHARE CAPITAL

Article 38

Increase of the Share Capital

1. In accordance with the provisions of Article 464-466 and Article 468-515 of the Business Corporations Act, without limitation, the following rules for increases of the share capital shall apply:

a) any increase in the share capital or, as the case may be, on the authorisation of the Board of Directors to decide on an increase of the share capital shall be decided by the General Meeting,

b) an invitation to the General Meeting must, in addition to the information required by Article 9 (5), including other information required by the law,

c) after receiving the resolution of the General Meeting, the Board of Directors shall be obliged to file an application to enter the resolution in the Commercial Register; in cases set forth in the law, the Board of Directors may do so in concurrence with the application to record the new amount of the share capital in the Commercial Register,

d) the subscription price for shares being subscribed may be paid by way of a pecuniary contribution; in-kind contribution is allowed provided all statutory conditions have been met,

e) the priority right of shareholders to subscription for new shares may be prohibited or restricted by the resolution of the General Meeting only if it is in an important interest of the Company; shareholders do not have a priority right to subscribe shares not subscribed by another shareholder,

f) the General Meeting resolution announcing the increase of the share capital shall be implemented either by the Board of Directors or through another person by contract,

g) if the conditions stated by the Business Corporations Act, these Articles of Association or the decision of the General Meeting are complied with, the Board of Directors shall file an application for the entry of the increase of the share capital in the Commercial Register. The increase of the share capital shall become effective as of the date of the registration thereof, unless the law implies otherwise,

h) if new shares are issued as part of increasing the share capital, they will have the same right to a proportion of profits attached to them as the original shares.

2. The General Meeting of the Company may decide on conditional increase of the share capital; such decision shall be subject to a decision by the General Meeting regarding issue of bonds to which, in addition to the right to revenue, also the right to convert such bonds to Company shares (convertible bonds) or the priority right to subscribe for Company shares (priority bonds) are attached. The procedure of conditional increase of the share capital of the Company shall further follow in particular point (1) and the provisions of Article 286 et seq. and Article 505 et seq. of the Business Corporations Act.

3. Subject to conditions stipulated by provisions of law, the decision on increase of Company's share capital from own funds shown in approved financial statements within the equity of the Company can be taken. Shareholders participate in the increase of the share capital in proportion to the nominal value of their shares. The increase of the share capital shall be effected either by the

issue of new shares, and their distribution among shareholders, or by raising the nominal value of the existing shares.

4. The Board of Directors may be authorized by the resolution of the General Meeting to decide on the increase of the share capital under the conditions stipulated by the Business Corporations Act and these Articles of Association. Thereby, the following rules shall apply:

   a) the increase of the share capital may be effected by subscription of new shares following an increase of the share capital of the Company or from the Company's own funds (with the exception of retained profit),

   b) the share capital may be increased by no more than one half of the amount of the share capital at the time when the General Meeting makes such authorization, unless the General Meeting sets forth a lower limit; the Board of Directors may increase the share capital several times within the given limit,

   c) the General Meeting may grant the authorization for a period of up to five years from the day when the relevant General Meeting was held.

Article 39

Payment of and Consequences of Delay in Paying up the Shares

1. Upon the decision of the General Meeting the subscription price of shares may be paid up both through pecuniary contributions and in-kind contributions.

2. Pecuniary contributions, unless any agreement on offset thereof is concluded, must be paid up to a special bank account or a savings and loan cooperative account to be opened for such purpose by the Company. The subscriber shall pay-up at least 30% of nominal value of the shares within a period set forth by the General Meeting, unless the General Meeting stipulates any higher amount and potential share premium if the shares are subscribed for by pecuniary contributions; the subscriber shall pay-up the other part of the subscription price within 1 year from registration of increase of the share capital in the Commercial Register, unless the General Meeting stipulates any shorter time limit.

3. If the subject of in-kind contributions is

   a) movable property, the subscriber shall be obliged to hand over the subject of contribution to the Company before filing the application for registration of increase of the share capital in the Commercial Register, unless otherwise provided in the law,

   b) immovable property, the subscriber shall be obliged to release the subject of contribution to the Company filing the application for registration of increase of the share capital in the Commercial Register; this shall be without prejudice to other obligations pursuant to provisions of law.

4. Other in-kind contributions are made as of the effective date of the contribution agreement.

5. If ownership of the subject of the in-kind contribution does not pass over to the Company, the depositor will pay up the value of in-kind contribution in cash, and the Company is obliged to return to such person the in-kind contribution that the Company took in its possession, unless the Company is obliged to return the in-kind contribution to an entitled person or has already done so. If a depositor transfers shares to another shareholder, acquirer shall be liable for performance of the obligation to pay the value of the in-kind contribution in cash, unless the acquisition had been made on the European regulated market.

6. If a subscriber fails to pay the subscription price or any portion thereof within the period set forth by the General Meeting, the subscriber shall also pay default interest from the amount determined in accordance with the Business Corporations Act.

7. Should the subscriber be in delay with payment of the subscription price of the shares, he shall be obliged to pay default interest as stipulated in point (6) within the period stated by the Board of Directors, but no later than 1 month after the day, on which he fully paid up the subscription price or on which he was expelled from the Company. Should the delay of the subscriber with payment of the subscription price of the shares exceeds one month, the Board of Directors must call upon the subscriber to pay up within a grace period of 60 days from the receipt of the notice, and proceed pursuant to the provisions of Article 344 et seq. of the Business Corporations Act, unless without undue delay (and, as the case may be, even before the lapse of the period decisive for expulsion of the subscriber) it either files an action for the payment of the subscription price of shares or it convenes a General Meeting with the purpose of reducing the share capital by refraining from issuing shares pursuant to the provisions of Article 536 of the Business Corporations Act.

Article 40

Reduction of the Share Capital

1. Reduction of the share capital shall be subject, in particular, to the provisions of Article 467 and Article 516-548 of the Business Corporations Act, except for the provisions of Article 527- 531 of the Business Corporations Act, with the option of reducing the share capital by withdrawing shares from circulation on the basis of an agreement (pursuant to provisions of Article 532-535 of the Business Corporations Act). When shares are withdrawn from circulation on the basis of an agreement, the Company shall proceed in accordance with the following rules:

   a) the General Meeting may decide that the share capital be reduced to the extent of the nominal values of shares to be withdrawn from circulation, or that the share capital be reduced by a fixed amount,

   b) a draft agreement on the purchase of shares for the purpose of withdrawing them from circulation shall be presented by the Board of Directors in the manner mandated by the law,

c) in the event that the share capital is not reduced by a fixed amount, the Board of Directors under the authorization of the General Meeting shall file an application to enter the new amount of the share capital in the Commercial Register in the extent in which agreements had been concluded with the shareholders in accordance with the resolution of the General Meeting,

d) after the registration of the new amount of share capital in the Commercial Register, the Board of Directors shall submit to the person registering the book-entered securities without undue delay an order to cancel the shares bought by the Company on the basis of an agreement.

2. For the reduction of the share capital the following rules shall apply:

a) any reduction in the share capital shall be decided upon by the General Meeting,

b) the invitation to the General Meeting shall include the information pursuant to Article 9 (5), as well as other information required by the provisions of Article 516 of the Business Corporations Act unless otherwise stipulated by legal regulations,

c) without undue delay following the resolution of the General Meeting, the Board of Directors shall be obliged to file an application to enter the resolution in the Commercial Register,

d) the resolution of the General Meeting to reduce the share capital shall be implemented by the Board of Directors itself or contractually through a third party,

e) within 30 days of the date on which the decision of the General Meeting became effective vis-à-vis third parties, the Board of Directors shall be obliged to inform in writing known creditors, who have incurred claims against the Company prior to that date, of the extent of reduction of the share capital, together with a call for them to register their claims, unless the law does not so require,

f) the Board of Directors shall ensure the publishing of the decision of the General Meeting on reduction of the share capital after the registration thereof in the Commercial Register, together with the notice to creditors to register their claims, at least twice consecutively within an interval of at least 30 days in the manner stipulated in Article 42 (1), unless the law does not so require,

g) the Board of Directors shall file, after all the legal conditions have been met, the application for entry of the reduction of share capital in the Commercial Register,

h) the share capital cannot be reduced below the legal amount thereof stipulated in the provisions of Article 246 (2) of the Business Corporations Act,

i) if the Company is obliged to reduce the share capital, it shall use for such reduction its own shares if the Company owns such shares. In other cases as well, the Company shall use in particular its own shares for reduction of the share capital; the share capital may be reduced in another manner only if the Company's own shares are not sufficient for reduction of the share capital to the extent stipulated by the General Meeting or if the purpose of reduction of the share capital would not be complied with,

j) prior to registration of reduction of the share capital in the Commercial Register and prior to the meeting of all legal conditions, shareholders cannot be provided with performance due to reduction of the share capital, nor can unpaid portions of the subscription price of their shares be waived or reduced for the same reason.

VII.

FINAL PROVISIONS

Article 41

Winding up and Dissolution of the Company

1. The Company shall be wound up:

   a) on the date specified in the decision of the General Meeting as the day on which the Company shall be wound up, otherwise on the date when such a decision was adopted,

   b) on the date of dissolution of the company, if the company is dissolved as a result of a merger, transfer of assets to a participant, or as a result of a demerger,

   c) on the date set forth by a judicial decision on Company's winding up, or on the date when such a court decision comes into legal force,

   d) on the termination of the bankruptcy proceedings after the terms of the order on settlement have been met or on the termination of the bankruptcy proceedings due to the total lack of debtor’s assets.

2. The Company shall become dissolved upon its deletion from the Commercial Register unless the law stipulates otherwise.

Article 42

Notification

1. Shareholders shall be informed about the date of the General Meeting, as well as given other information as required by law, by these Articles of Association or by resolution of the General Meeting, through a notice published on a website whose URL is derived from the Company's ID number: www.ico60193336.cz, and in the Commercial Bulletin.

   Matters that are required to be published according to law or these Articles of Association shall be published in the Commercial Bulletin (Obchodní věstník), unless any other manner of publishing is stipulated by law. Other facts or information shall be also published in the Commercial Gazette provided that it is requested by law.

2. Any correspondence to be sent to particular persons shall be delivered at their addresses given to the Company, unless the law, these Articles of Association or an agreement with the respective subject stipulates otherwise. Under the cited conditions, correspondence may also be delivered to electronic addresses, unless the nature of the correspondence excludes that.

   The Company may, in justified cases, contact the shareholders by means of a registered letter sent to the shareholder's registered office or domicile as listed in the statutory register where the Company's shares are registered and which replaces the list of shareholders (Article 4 (4)). At the request of a shareholder, the Company may use other appropriate means of communication, provided that the principle of equal treatment of shareholders is not violated.

   Subject to the above conditions, correspondence may also be delivered to an electronic address, unless the nature of the matter precludes it.

3. The annual report, semi-annual and summary explanatory report as well as interim report or equivalent quarterly information in accordance with the Act on Business Activities in the Capital Market, shall be published by the Company in the manner stipulated law.

4. The annual report in the extent stipulated by law must be published at least within four months after the end of the calendar (or fiscal) year. The semi-annual report must be published within two months after the end of the first six calendar months. The interim report or equivalent quarterly information must be published within legal deadlines in the course of the relevant six months of the accounting period. The summary explanatory report must be provided to shareholders at the Company's regular General Meeting.

5. The provisions of point (3) to (4) shall apply accordingly to consolidated annual and semi-annual reports, should the Company prepare them.

Article 43

Legal Status of the Company and Settlement of Disputes

1. The Company is in compliance with the Act No. 90/2012 Coll., On commercial companies and cooperatives (Business Corporations Act) as a whole.

2. In the event of disputes between the shareholders and the Company, if any, disputes between the Company and members of its bodies, as well as disputes between the shareholders themselves which relate to their participation in the Company, shall be settled amicably. In case such disputes are not settled amicably, the relevant Czech court pertaining to the registered office of the Company shall hear and rule on such disputes, unless such a procedure is excluded by legal regulations or the parties sign an arbitration agreement.

Article 44

Procedure for Amendments to the Articles of Association

1. The General Meeting shall decide on amendments to these Articles of Association, unless a change that occurred on the other legal grounds is involved.

2. Any proposals for amendments to these Articles of Association shall be prepared with respect to the mandatory provisions of the legal regulations.

3. If a shareholder intends to exercise at the General Meeting counter-proposals to the proposed alterations to these Articles of Association, the procedure pursuant to Article 11 (5) shall apply.

4. The submitter shall submit a proposal for changes of and amendments to these Articles of Association together with their rationale to the General Meeting. Upon approval by the General Meeting, the Board of Directors shall provide for preparation of the new full version of these Articles of Association, and shall file the same with the Registration Court. Should the General Meeting decide on amendments to these Articles of Association pursuant to the provisions of Article 431 (1) of the Business Corporations Act, any amendments to these Articles of Association shall take effect as of the date of entry of such facts in the Commercial Register. Any other amendments to these Articles of Association shall take effect upon its passing by the General Meeting, unless a later effective date is stipulated by the decision of the General Meeting amendments to these Articles of Association or by law.

5. If the General Meeting adopts a decision resulting in an amendment to the contents of these Articles of Association, such decision shall replace a decision on an amendment to these Articles of Association. If the decision of the General Meeting does not stipulate whether or, as the case may be, in what manner these Articles of Association shall be amended, the Board of Directors shall decide on the amendment to these Articles of Association in compliance with the decision of the General Meeting. Any such decision of the Board of Directors must be authenticated in the form of a notarial record.

Article 45

Company's Incorporation into the Commercial Register

1. The Company is registered in the Commercial Register at the Municipal Court in Prague in section B, under reference No. 2322.

2. The facts that are required by a legal regulation to be recorded in the Commercial Register and the change and termination of the recorded facts shall be recorded in the Commercial Register.

Article 46

Provisions on Interpretation

1. If securities are mentioned anywhere in these Articles of Association, and the context does not suggest otherwise, the securities shall be understood to include also book-entered securities.

2. If any provision of these Articles of Association appears invalid, non-effective, or disputable in view of legal regulations in force or changes therein, or if any provision is missing, other provisions of these Articles of Association shall remain unaffected by this fact. Instead of the provision concerned either the provision of the particular legal regulation which due to its nature and purpose is the closest to the contemplated purpose of these Articles of Association shall apply, or, if the legal regulations do not include such a provision, the manner of settlement which is common in business relations shall apply.