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**Statutes of the BSC Social Club o.s.**

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according to Act No. 83/1990 Coll., on association of citizens, as amended  
(the "**Act on Association**")

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**Statutes of the BSC Social Club o.s.**  
(hereinafter the “**Statutes**”)

The right of association is a fundamental freedom available to every individual, which is recognised by the Czech Republic. At the same time, the Czech Republic ensures that it may be exercised by all. Based on the right of association, everyone has the right to establish organisations or communities with others and/or to take part in their activities.

In accordance with the objectives defined herein, the Statutes of the BSC Social Club Association (hereinafter the “**Association**”) ensure the democratic operation of the organisation based on the principles of self-government and promote the enforcement of the members’ rights and obligations.

**I.**  
**General provisions**

1. Name of the Association: **BSC Social Club o.s.**

2. The head office of the Association is at Prague 3, Vinohradská 2828/151, Postal Code 130 00.

3. Objectives of the Association:

The objective of the Association is to promote good relations and friendship among the employees of ExxonMobil Business Support Center Czechia s.r.o., with its registered seat at Prague 3, Vinohradská 2828/151, Postal Code 130 00, Identification No. 27069231 and employees of other companies belonging to the group of companies of ExxonMobil (as this term is defined in Section 66a par. 7 of Act No. 513/1991 Coll., the Commercial Code, as amended) within the Czech Republic (collectively hereinafter referred to as “**ExxonMobil Subsidiaries**”), including employees of non-Czech companies belonging to the group of companies of ExxonMobil (as this term is defined in Section 66a par. 7 of Act No. 513/1991 Coll., the Commercial Code, as amended) who may be based on assignment at one of the ExxonMobil Subsidiaries (known as “**Expatriate Employees**”), through social/communal, sports and cultural activities.

4. Activities of Association:

The Association shall attain its objectives in particular by way of the following methods and activities on a non-exclusive basis:

4.1 Social / Communal / Educational activities

These activities primarily include the social and charitable activities pursued by the members of the Association. A number of these activities shall be organised in cooperation with charitable organisations which are recognised and registered in Czech Republic and which play a key role in voluntary work.

These activities are, for instance:

- providing support for institutions of education – schools, colleges of higher education and universities – in the Czech Republic;
- providing support for people in need (e.g. organisation of meetings for children during the holidays and/or at the end of the year, etc.);
- setting up charity funds through the organisation of various events and the sale of goods.

4.2 Sports activities

These activities include the organisation of sports championships, the establishment of sports clubs and the organisation of various weekend sports events.

4.3 Cultural activities

The Association recognises the importance of respecting and understanding both Czech culture and the various international cultures, with special regard to the multi-cultural nature of the group of companies of ExxonMobil and the majority of the members of the Association. These activities focus on the organisation of cultural events and experiences for the members.

5. The Association shall avoid any political, linguistic, philosophical or religious opinions or declarations. Exercise of gainful activities is not an objective of the Association.
6. The donations received by the Association may only be used in accordance with the objectives and activities determined in Clauses 3 and 4 of the present Chapter I., with the provision that it is forbidden to provide any kind of cash benefit for the members by reason of their membership in the Association.
7. For the purpose of the attainment of its objectives, the Association shall establish and maintain international relations.
8. The Association is a legal entity.
9. The Association shall come into existence upon its registration.

## **II.**

### **Coming into existence and cessation of membership**

1. The Association shall have minimum 100 members. The Management Committee shall decide upon the admission of persons seeking to become members. If the number of the Association's members does not reach the minimum 100 in two consecutive years, the next General Meeting shall, as part of its agenda, deliberate the dissolution of the Association or decrease the minimum number of members.
2. The Management Committee shall keep records of the Association's members (member register) at the Association's head office. The member register shall contain the first names, surnames and addresses of the natural person members and the names, registration numbers and head offices of members who do not qualify as natural persons. In the application for admission into the Association, members shall authorise the Association to process their personal details in the member register. Members of the Preparatory Committee shall grant their consent with processing their personal details either at the first General Meeting or within 30 days after registration of the Association.

Every member shall be entitled to consult the member register to ascertain the accuracy of his/her personal details. No copy may be provided of the member register either in its entirety or in the form of extracts. The member register may not be disclosed to third parties unless prescribed by law.

3. The Association shall be comprised of the following members:

#### 3.1 Ordinary members

3.1.1 The employees of any ExxonMobil Subsidiaries and the Expatriate Employees may become ordinary members after registration of the Association. A condition of ordinary membership is that the prospective member shall declare his/her intention of joining the Association by completing and signing the application for admission into the Association, recognise the Association's Statutes as binding on himself/herself, pay the annual or biannual Association membership fee and gain admission as a member on the basis of the decision of the Management Committee. The membership fee relating to the subject year shall be payable by members who became members of the Association prior to 1 September of the subject year.

3.1.2 The refusal of an application for admission shall not prevent the applicant from repeatedly filing an application for admission following such refusal.

#### 3.2 Associated members

3.2.1 The close persons of the ordinary members as defined in Section 116 of Act No. 40/1964 Coll., the Civil Code, as amended, and anyone who is admitted by the Management Committee as an associated member following individual deliberation may become associated members.

Entrepreneurs, temporary employees and the former employees of ExxonMobil Subsidiaries may be admitted as associated members by the Management Committee.

3.2.2 All domestic and foreign natural persons and legal entities who wish to promote the democratic operation of the Association and the enforcement of the members' rights and obligations in harmony with the Association's objectives may become associated members, provided that such participation is in accordance with legal regulation.

3.2.3 A condition of associated membership is that the applicant shall declare his/her intention of joining the Association by completing and signing the application for admission into the Association, satisfactorily verify his/her/its identity, recognise the Association's Statutes as binding on himself/herself/itself, pay the annual or biannual Association membership fee and gain admission as an associated member on the basis of the decision of the Management Committee.

3.2.4 The refusal of an application for admission shall not prevent the applicant from repeatedly filing an application for admission following such refusal.

3.2.5 Associated members shall have no right of voting and may not be elected as office holders.

### 3.3 Honorary member

3.3.1 The Management Committee may propose the appointment of honorary members to the General Meeting.

3.3.2 All domestic and foreign natural persons entitled to engage in public affairs may become honorary members who gain admission as honorary members on the basis of the decision of the Association's General Meeting and who accept the proposed honorary membership in a declaration.

3.3.3 Honorary members shall have no right of voting and may not be elected as office holders.

## 4. Cessation of membership

### 4.1 Membership shall cease:

- through resignation,
- through exclusion,
- through the member's death,
- through the termination of an ordinary member's employment with an ExxonMobil subsidiary,
- through cessation of a legal entity without a legal successor.

4.2 Members shall notify their intended resignation to the Management Committee in writing. The day of the delivery of the notice concerning the intended resignation to the Management Committee shall qualify as the day of resignation. The Management Committee shall, without delay after becoming aware of the member's resignation, delete the member from the member register.

4.3 In its decision, the General Meeting may exclude a member upon the proposal of the Management Committee if the member violates the Association's Statutes or legal regulations.

## 5. Membership fee

5.1 The Management Committee shall determine the membership fees of ordinary, associated and honorary members. The membership fee shall be payable in advance, at the end of the year preceding the subject year or as of the actual initial membership date, every calendar year. No offset is allowed in respect of the payment of the membership fee.

5.2 If a member of the Association is in arrears with the payment of his/her/its membership fee by a period of more than 3 (three) months, the Management Committee shall call upon the member to pay the fees in arrears. If the member fails to pay the membership fee in arrears in spite of a written notice within the time limit stated in the notice, the Management Committee may exclude the

member on the basis of its decision. A deletion order shall not prevent the excluded member from seeking admission repeatedly as a member following deletion.

5.3 Members resigned or excluded from the Association for any reason may not lay any claim for the assets of the Association or for the partial or full repayment of the paid membership fee.

### **III. Members' rights and obligation**

#### 1. The ordinary members of the Association

- have the rights of consultation and voting at the General Meeting,
- may elect and may be elected as the Association's office holders,
- may make proposals,
- are entitled to the benefits due to the members of the Association,
- are entitled to take part in the activities and events of the Association,
- are entitled and obliged to take part in the implementation of the Association's objectives to the best of their abilities,
- are obliged to comply with the provisions of the Association's Statutes,
- are obliged to pay the membership fee of the amount determined biannually or annually by the deadline determined by the Management Committee,
- are obliged to report any changes in their personal details to the Management Committee within 8 days.

#### 2. The associated members of the Association

- have the right of consultation at the General Meeting,
- are entitled to take part in the activities and events of the Association,
- are entitled to take part in the implementation of the Association's objectives to the best of their abilities,
- are obliged to pay the membership fee of the amount determined biannually or annually by the deadline determined by the Management Committee,
- are obliged to observe the provisions of the Association's Statutes.

#### 3. The honorary members of the Association

- have the right of consultation at the General Meeting,
- are entitled to take part in the activities and events of the Association,
- are entitled to take part in the implementation of the Association's objectives to the best of their abilities
- are obliged to pay the membership fee of the amount determined biannually or annually by the deadline determined by the Management Committee,
- are obliged to observe the provisions of the Association's Statutes.

### **IV. Bodies and office holders of the Association**

#### 1. Bodies of the Association:

- 1.1 General Meeting,
- 1.2 Management Committee,
- 1.3 Supervisory Committee,
- 1.4 Sections and Sub-Sections.

#### **1.1 General Meeting**

1.1.1 The General Meeting is the supreme body of the Association which consists of ordinary, associated and honorary members. The Association shall hold a General Meeting at least once annually. The General Meeting shall be convened by the President by 31 March of each year (ordinary General Meeting). A General Meeting shall also be convened if ordered by a court or requested in writing by one third of the members in a letter addressed to the Management Committee stating the reasons and purpose. The President shall convene a General Meeting

initiated by one third of the members in writing by the 60th day following the delivery of the letter, at the latest. The President shall be entitled to convene an extraordinary General Meeting. The President shall be obliged to convene an extraordinary General Meeting if the Management Committee so decided or if requested by at least one third of the members in writing in a notice submitted to the Management Committee which states the purpose thereof. If the President fails to convene an extraordinary General Meeting by the 60th day reckoned from the receipt of the written request, the Management Committee shall convene the General Meeting by the 30th day reckoned from the 60th day, at the latest. If the Management Committee fails to meet the obligation of convening the General Meeting, at least one third of the members shall be entitled to do so. The assignee of the Preparatory Committee of the Association determined in the application for the registration of the Association shall convene the first General Meeting within 30 days from registration of the Association. Should he fail to do so, every other member of the Preparatory Committee is entitled to convene the first General Meeting.

1.1.2 The General Meeting shall be convened at least 15 days prior to the scheduled date in writing by stating the venue, time and planned agenda of the meeting.

Members may request the addition of further items to the agenda at least 8 days prior to the date of the General Meeting. The Management Committee shall decide whether to add the proposed item to the agenda and shall inform the General Meeting thereof upon the opening of the General Meeting. The General Meeting may only adopt decisions on the items on the agenda.

The General Meeting shall have a quorum if more than one half of the ordinary members are present. If the General Meeting cannot be held due to the lack of a quorum and the members were informed thereof in the invitation to the General Meeting, the repeated General Meeting shall have a quorum regardless of the number of attendees. The repeated General Meeting may only discuss the items on the original agenda. The repeated General Meeting shall be held within 3 days from the General Meeting.

At the voting on the voluntary dissolution of the Association and the modification of the Statutes the General Meeting shall have a quorum, if more than two third of the ordinary members are present. Should there be no quorum at the General Meeting, a repeated General Meeting shall be convened. The repeated General Meeting shall be held within the subject month, but no later than fifteen days following the date of the first General Meeting was held.

1.1.3 The following matters shall fall within the exclusive competence of the General Meeting:

- amendment of the Statutes (change of the seat in the competence of the Management Committee according to par. 1.2.1 hereof is not considered as an amendment of the Statutes),
- election and recall of the Management Committee, the members of the Supervisory Committee and distribution of the offices within the General Meeting,
- determination of annual budget,
- approval of annual financial settlement,
- approval of annual report of Management Committee,
- declaring the dissolution of the Association,
- decision on merger with another association.

1.1.4 Each ordinary member shall have one vote; in the event of a tie in the votes, the Chairman of the General Meeting shall have the casting vote.

1.1.5 The General Meeting shall, in general, adopt its decision by open ballot and by simple majority, based on the votes of 50% of the ordinary members of a quorate General Meeting + 1 vote. In the course of the adoption of decisions, „yes”, „no” and „abstention” votes may be cast.

1.1.6 The two-third majority of the ordinary members of a quorate General Meeting shall be required for the following:

- amendment of the Statutes,
- recall of the members of the Management Committee and members of the Supervisory Committee,
- decision on merger with another association.

- 1.1.7 The four-fifth majority of the ordinary members of a quorate General Meeting shall be required for declaring the voluntary dissolution of the Association, and if the modification of the Statutes concerns the objectives of the Association.
- 1.1.8 Upon the initiative of any of the attending members, the General Meeting shall be entitled to order a secret ballot approved by simple majority.
- 1.1.9 The members of the Management Committee and the members of the Supervisory Committee shall be elected by secret ballot from the list of names approved by ExxonMobil Business Support Center Czechia s.r.o.
- 1.1.10 The General Meeting shall elect a President of the Association from the members of the Management Committee who accept the nomination for the post of President. The General Meeting shall elect a President by secret ballot, without delay following the election of the members of the Management Committee.
- 1.1.11 The General Meeting shall be chaired by a member of the Association appointed by the President in agreement with the Management Committee (Chairman of the General Meeting).
- 1.1.12 The Chairman of the General Meeting shall draft an attendance sheet of the attendees of the General Meeting which shall contain the names and addresses of the attendees.
- 1.1.13 Minutes shall be taken of the General Meeting by the minutes keeper elected by the General Meeting which shall be attested by two members elected by the General Meeting (attestor of the minutes).
- 1.1.14 Members shall be informed of the decisions adopted by the General Meeting through copies of the minutes of the General Meeting sent to them within one month of the date of the General Meeting. Members may contact the Management Committee with comments concerning the minutes of the General Meeting. The final minutes of the General Meeting shall be approved at the following General Meeting.
- 1.1.15 A member may request another member of the Association, based on his/her authorisation, to represent him/her at the General Meeting in connection with any item on the agenda, excluding the election of the members of the Management Committee.
- 1.1.16 The agenda of the annual ordinary General Meeting shall contain at least the following items:
- establishment of quorum of meeting;
  - approval of minutes of previous General Meeting;
  - reports of the Sections concerning their activities;
  - review of the books;
  - report of the Supervisory Committee;
  - approval of the books;
  - budget debate and/or approval of budget;
  - approval of plan for following year's activities;
  - appointment of members of the Supervisory Committee (if relevant);
  - appointment of members of the Management Committee (if relevant).

## **1.2 Management Committee**

- 1.2.1 The Management Committee is the operative body of the Association which manages the operation of the Association between two General Meetings, including the following:
- assessment of applications for admission into the Association;
  - submission of a proposal for exclusion of a member to the Management Committee;
  - approval of draft items on the agenda of the General Meeting;
  - providing for the implementation of the decisions of the General Meeting;
  - adoption of decisions with respect to the activities of the Association;

- decision on the admission of members;
- establishment of membership fees;
- may exclude members who do not pay their membership fees;
- may decide on the relocation of the Association's head office;
- may decide that persons who are not members of the Association may also take part in certain activities organised by the Association;
- providing for keeping the documents of the Association, as part of which the Management Committee shall keep the following:
  - member register;
  - minutes of the meetings of the Management Committee;
  - minutes of the General Meetings;
  - list of authorisations stating purpose and term of validity.

1.2.2 The Management Committee shall manage the Association's assets in accordance with the legal rules. The Management Committee shall be entitled to all competence which is not expressly delegated to the General Meeting or the Supervisory Committee by law or by the present Statutes. This competence includes in particular:

- management of the funding of the Association;
- ensuring that the books of the Association comply with the Act No. 563/1991 Coll., on accounting, as amended (hereinafter the "Act on Accounting");
- preparation of budget and analysis of utilisation of funds;
- keeping contact with the authorities and submission of official/legal documents;
- convening of the General Meeting.

1.2.3 The President or other member of Management Committee authorized by the Management Committee shall represent the Association before courts and other authorities.

Two members of Management Committee shall collectively on behalf of the Association perform legal acts of value not exceeding CZK 25,000 excluding disposal with the Association's bank accounts. The President and the Treasurer shall collectively on behalf of the Association perform legal acts of value exceeding CZK 25,000 including disposal with the Association's bank accounts.

The Management Committee may assign tasks to one or several of its members. The relevant authorisations may be signed by the President and the Treasurer - on the basis of the decision of the Management Committee. The Management Committee shall determine the extent and term of validity of such authorisations.

1.2.4 The Management Committee shall consist of at least 7 (seven) ordinary members; the members shall be elected by the General Meeting by secret ballot for a period of 2 years in accordance with Clause 1.1.9 of Chapter IV. The members of the Management Committee may be re-elected.

If a Management Committee membership position becomes vacated through resignation, departure from the ExxonMobil Subsidiaries or death, the Management Committee shall convene an extraordinary General Meeting within 3 months of the event for the election of a new Management Committee member. The Management Committee may, in the meantime, appoint a new member in place of the former Management Committee member.

1.2.5 The members of the Management Committee shall not bear personal liability for the decisions adopted by the Association; their liability shall be limited to their own activities. The Association shall bear full liability for the activities of the individuals and bodies appointed by it.

1.2.6 The Management Committee shall feature at least the following offices:

- President;
- Vice-President;
- Treasurer;
- Secretary;
- Social and Communal Activities Coordinator;



- Sports Activities Coordinator;
- Cultural Activities Coordinator.

The members of the Management Committee shall receive no remuneration for holding these offices.

The detailed responsibilities of the individual Management Committee members shall be determined by the Management Committee.

1.2.7 The Management Committee shall meet on the last Thursday of every month or at any time at the President's request as and when required by the operation of the Association. The meetings of the Management Committee shall be convened by the President in writing. The planned items on the agenda shall also be stated. The invitation shall be sent to the members with such timing that there shall be a minimum period of 15 days between receipt of the invitation and the date of the meeting. The Management Committee shall only have a quorum if one half of its members are present at the meeting. The Management Committee shall adopt its decisions by simple majority and by open ballot. In the course of the adoption of decisions, the ordinary members of the Management Committee shall have one vote each, while the President, too, shall have one vote. In the event of a tie in the votes, the President shall have the casting vote. Minutes shall be kept of the meetings of the Management Committee. The minutes shall be kept by one member of the Management Committee and shall be attested by the President. Decisions adopted in the absence of the President or Vice President shall be invalid.

The minutes of the meetings of the Management Committee shall be taken in English and Czech and shall be approved at the next meeting of the Management Committee as the first item on the agenda.

1.2.8 The Management Committee shall keep records of the minutes of the General Meetings (Records of Minutes of General Meetings). The records shall be accessible to any member of the Association.

1.2.9 The President and the Treasurer shall be entitled to represent the Association collectively, towards third parties, except as set out in Clause 1.2.3 of Chapter IV. The President and the Treasurer shall be entitled to dispose of the Association's bank account collectively.

1.2.10 The President shall:

- manage the operation of the Association;
- convene the meetings of the Management Committee;
- make the necessary preparations for the meetings of the Management Committee;
- chair the meetings of the Management Committee;
- provide for the lawful operation of the Association;
- provide for the convening of the General Meeting, the preparation of the documents necessary for discussing the items on the agenda and the timely forwarding thereof to the members;
- provide for the implementation of the decisions of the General Meeting and the Management Committee;
- organise and coordinate the administrative work within the Association;
- if the Association has any employees, exercise the employer's rights;
- manage the Association's local and international relations;
- exercise the rights in connection with the bank accounts together with the Treasurer.

1.2.11 The members of the Management Committee shall:

- play an active role in the work of the Management Committee;
- provide for the implementation of the decisions of the Association;
- provide for the preparation of the documents necessary for discussing the items on the agenda of the General Meeting and the timely forwarding thereof to the members;
- perform the administrative work related to the operation of the Association.

#### 1.2.12 Term and termination of the performance of the office of the members of the Management Committee

The term of office of the members of the Management Committee shall last 2 years.

The performance of the office of the members of the Management Committee shall terminate:

- through resignation;
- through recall;
- through the member's death;
- through the termination of the member's employment with an ExxonMobil Subsidiary, provided that the member is an ExxonMobil employee.

1.2.13 The founder Management Committee shall be elected by the members of the Preparatory Committee (in accordance with the Act on Association) and their election shall be approved and confirmed by the first General Meeting.

1.2.14 The performance of the office of the President, Vice-President, Treasurer and Secretary elected by the first General Meeting shall last for a period of 2 years.

### **1.3 Supervisory Committee**

1.3.1 The Association's Supervisory Committee shall be comprised of three members elected for a term of 3 years in accordance with Clause 1.1.9 of Chapter IV. The members of the Supervisory Committee may be re-elected. The Supervisory Committee shall only have a quorum if all the members are present at the meeting. The members and President of the Management Committee may not be the members of the Supervisory Committee. Following the election by the General Meeting of the members of the Supervisory Committee, the members shall elect the President of the Supervisory Committee of themselves by secret ballot and by simple majority.

1.3.2 The Supervisory Committee shall be convened by the President of the Supervisory Committee at least once annually, in writing, with regard to the planned items on the agenda. The Supervisory Committee shall adopt its decisions by open ballot and by simple majority. The Supervisory Committee shall keep records, on the basis of which it is possible to establish the contents and date of the decisions adopted at the meeting of the Supervisory Committee, the method of decision-making, the ratios of yes and no votes cast, the number of abstentions and the effect of the decisions (Records of Decisions of the Supervisory Committee). These records shall be accessible to any members of the Association. In other respects, the operation of the Supervisory Committee shall be duly governed by the rules applicable to the Management Committee.

1.3.3 The Supervisory Committee shall supervise the operation and management of the Association. As part of this, the Supervisory Committee may request reports from the members of the Association and, if the Association has any employees, may request information from the Association's employees, and may consult the Association's books and documents and review those.

1.3.4 The members of the Supervisory Committee may or shall attend the General Meeting with the right of consultation. The Management Committee may invite the members of the Supervisory Committee to its own meetings. The members of the Supervisory Committee shall attend these meetings with the right of consultation.

1.3.5 The Supervisory Committee shall inspect all reports and proposals featured on the agenda of the General Meeting, and shall disclose its opinion thereon to the General Meeting prior to the adoption of a decision on the given item on the agenda.

1.3.6 The Supervisory Committee shall inform the body entitled to take action or its competent member and shall initiate the convening of a General Meeting if it becomes aware that:

- a) a breach of law or an event (omission) otherwise grossly violating the interests of the Association occurred in the course of the operation of the Association, where the termination

of such breach of law or event or the elimination or alleviation of its consequences necessitates the decision of the body that is entitled to take action.

b) A fact giving rise to the liability of the members of the Management Committee arises.

1.3.7 At the initiative of the Supervisory Committee, the body entitled to take action shall be convened within 30 days of such initiative. If the meeting is not convened within this time limit, the Supervisory Committee itself shall be entitled to convene the body concerned.

1.3.8 If the authorised body fails to take the measures which are necessary in the interest of the restoration of lawful operations, the Supervisory Committee shall, without delay, notify the competent state authority.

#### **1.4 Sections and Sub-Sections**

1.4.1 Any of the members of the Association may propose the establishment of Sections and Sub-Sections to the Management Committee in harmony with the objectives and activities determined in Clauses 2 and 3 of Chapter I. The written application of 10% of the members but at least 15 members shall be required for the establishment of a Section. The applicants shall become members of the Section (Sub-Section) in case of its establishment.

1.4.2 The Sections and Sub-Sections shall hold regular meetings with the competent Management Committee Coordinator, of which minutes shall be taken. The Sections and Sub-Sections shall be responsible for collecting the documents related to the utilisation of the funds spent and for forwarding them to the Treasurer to facilitate the Association's bookkeeping.

1.4.3 The budget of each Section shall be established on the basis of the proposed activities of the given Section. Following the approval of the budget, the Management Committee shall place the funds at the disposal of the Section to the extent necessary for the fulfilment of the activities of the Section.

The Management Committee shall be notified of any conflicts between the Sections.

1.4.4 Each Section shall be headed by the office holders elected by the members of the Section at the meeting of the Section. Section meetings shall be convened at least two weeks prior to the date thereof. It is mandatory for the members of the Section to attend the Section meetings.

1.4.5 Each Section shall have at least two office holders, the Section Chairman and the Section Treasurer, who are simultaneously ordinary members. The Section Chairman and the Section Treasurer shall receive no remuneration for their work and the term of their office is a period of two years. They shall be elected and recalled on the basis of the simple majority decision of the members attending the Section meeting.

1.4.6 Ordinary Association membership shall not automatically permit Section or Sub-Section membership. Given Section or Sub-Section shall decide on admission of its new members. The Management Committee may order the payment of further membership fees to cover a Section's special needs.

1.4.7 A Section may also organise activities which are open to all the members of the Association.

#### **V. Accounting**

1.1.1 The accounting year shall extend from 1 January to 31 December.

1.1.2 The Management Committee shall draft the Association's balance sheet and annual report by the end of every accounting year in accordance with the Act on Accounting.

1.2.3 The Association's funds shall be placed onto the Association's bank account(s).

Only the Treasurer and the President shall be entitled to collectively open and close bank accounts (Clause 1.2.3 of Chapter IV.) and to request loans on behalf of the Association and its Sections.

The Treasurer and the President shall keep records of the copies of bank account statements.

## **VI. Cessation of the Association**

1. The Association shall terminate if
  - declared dissolved by the General Meeting,
  - the General Meeting decides upon its merger with another social organisation,
  - the decision of the Ministry of Interior of the Czech Republic on its termination comes into legal force.
2. In the case of the Associations voluntary dissolution the relevant tasks shall be carried out by the President, the Treasurers and two liquidators appointed by the General Meeting. The office holders and the liquidators shall receive no remuneration for their work.
3. In case of voluntary dissolution after payment of outstanding liabilities, the remaining assets will be distributed in line with the objectives of the Association, with the exclusion of distribution to the members.

## **VII. Financial operation of the Association**

1. The Association shall primarily derive its assets from the fees paid by the members and the donations and contributions of natural persons and legal entities.
2. The Association shall operate on the basis of the annual budget plan. Its revenues may be constituted also by the gains obtained from irregular performance of the accessory activity (e.g. organising of various social, cultural, sport and other events and sale of goods etc.).
3. The Association shall not distribute the profits attained in the course of its operation and any such profits shall be used for the activities determined in the present Statutes.
4. The Association shall be liable for its debts with its own assets. The members shall not owe financial liability beyond the payment of their membership fees.
5. The Association may not provide any benefit for responsible persons, sponsors and the relatives of these persons, with the exception of the benefits provided by the Association for its members on the basis of their membership in accordance with the Statutes.
6. The Association may not issue bills of exchange or any other debt-securities.
7. In the event of the cessation of the Association, the General Meeting shall decide upon the assets of the Association.

## **VIII. Conflict of interests**

1. A member may not take part in the adoption of the decision of either the General Meeting or the Management Committee who or whose close relative or spouse is exempted from an obligation or

liability or is awarded any other benefit or is otherwise interested in the legal transaction to be concluded on the basis of the decision.

2. A person who is
  - a) a member of the Management Committee,
  - b) engaged in employment or any other work-related legal relationship with the Association in connection with activities other than those of his/her office/assignment, unless a legal rule provides otherwise,
  - c) a close relative of any of the persons referred to in paragraphs a) and b) may not be the President of the Supervisory Committee, its member or the auditor of the Association.
3. Senior office holders and the persons nominated as such shall notify all social organisations concerned in advance that they simultaneously hold such offices with another social organisation.
4. Decisions and accessibility:
  - The Management Committee of the Association shall keep records of the body decisions in the archive of decisions. These records shall contain the contents, date and effect of the decisions, the ratios of those voting for and against and (in the case of open ballot), their persons.
  - The President shall provide for notifying the persons concerned of the decisions of the Association in writing, in a verifiable manner.
  - Any of the members may view the documents generated in connection with the operation of the Association at the Association's head office, by prior arrangement with the Association's Secretary.

## **IX.**

### **Applicable legal regulations. Supervisory competence Legal remedy against the decisions of the bodies of the Association**

1. The Association is established pursuant to the Act on Association. All the respective provisions of the Act on Association apply to the Association.
2. Ministry of Interior is entitled to powers stipulated in the Act on Association.
3. Any of the members of the Association may challenge validity of decision of any of the bodies of the Association according to the provisions of the Act on Association.

## **X.**

### **Other provisions**

1. The regulation of any issues not regulated in the present Statutes and the interpretation of the present Statutes shall fall within the competence of the Management Committee until the next General Meeting.
2. One copy of the present Statutes shall be handed over to each member. Members shall observe the provisions of the present Statutes and the decisions adopted on the basis thereof.
3. For the purposes of the present Statutes, the members of the Management Committee and the Supervisory Committee shall qualify as senior office holders.
4. Any notice, request, demand waiver or other communication to be given or made between the members and the Association shall be in writing, and sent per registered mail with postal receipt, or per courier to the members to their addresses contained in the member register, and to the Association to its registered seat, or per e-mail or fax in a certifiable way. If a document sent in

accordance with these rules fails to be delivered because the member has not reported the changes of his/her personal details, then the delivery shall be regarded as valid.

5. These Statutes have been executed both in Czech and in English language. In case of discrepancy between both language versions, the Czech version shall prevail.
6. If any provision of these Statutes is held to be null, invalid or unenforceable, partly or wholly, all other provisions of these Statutes shall continue to apply. Moreover, the members shall replace any provisions of these Statutes so held to be null, invalid or unenforceable by a provision of comparable effect. A failure of the members to replace such provision shall neither effect the validity of the remaining provisions of these Statutes nor the validity of the valid or enforceable part of any provision held partially invalid, which provision shall take effect to the maximum extent permitted by law.
7. In matters not regulated in the present Statutes, the Act on Association and the provisions of other relevant Czech legal regulations in force shall govern.

In Prague on [...] 2007