

STATUTES
of the interest grouping of legal persons

CzechMed - Česká asociace dodavatelů zdravotnických prostředků
- zájmové sdružení právnických osob

(CzechMed – Czech Association of Suppliers of Medical Devices)

Part I **Liminary Provisions**

Article 1

Česká asociace dodavatelů zdravotnických prostředků (“CZECHMED”) - zájmové sdružení právnických osob (Czech Association of Suppliers of Medical Devices (“CzechMed”) – interest grouping of legal persons) was established by a Memorandum of Association of 26 May 1998, with the following Statutes constituting an integral part thereof:

Article 2

The name of the interest grouping of legal persons is CzechMed - Česká asociace dodavatelů zdravotnických prostředků - zájmové sdružení právnických osob (hereinafter referred to as the “Association”).

Article 3

The Association’s registered office is at Praha 1, Letenská 8, 118 00.

Article 4

Following its foundation, the Association was registered under number 102/98 in the register of interest groupings of legal persons kept by the Praha 1 District Authority, Vodičkova 18, on 26 June 1998. Since 1 January 2014, the Association has been registered under File No L 58582 in the Associations Register kept by the Municipal Court in Prague.

Part II **Duration of the Association**

Article 5

The Association is established for an indefinite period of time.

Part III **Purpose of the Association**

Article 6

The Association has been established to enable its members to market products for the highest quality health care, for the most effective health protection and for the most effective treatment of disorders, and to provide them with all possible support in these endeavours. This basic purpose of the Association is specifically manifested as follows:

(a) the Association has an open structure and is accessible to other legal persons under the conditions

laid down in these Statutes;

- (b) the Association contributes to market transparency;
- (c) the Association represents the specific and common interests of its members via specialised working groups and project teams;
- (d) the Association represents the interests of suppliers of medical devices in interactions with the government, professional associations, and consumer groups, and other specific activities relating to medical facilities;
- (e) the Association promotes a high standard of ethics in the field of medical devices;
- (f) the Association provides information for healthcare workers;
- (g) the Association drafts proposals for processes and expert assessments in matters related to medical devices, including compliance with the principles of the European Union.

Part IV Objects of the Association

Article 7

The Association's principal objects of activity are as follows:

- (a) to arrange for direct contact with government departments, including, but not limited to, the Ministry of Health of the Czech Republic, the Parliament of the Czech Republic and the Health Committee thereof;
- (b) to arrange for direct contact with local representatives of international organisations, including, but not limited to, the WHO and the Red Cross;
- (c) to arrange for direct contact with the professional and general medical community and their interest groupings and trade associations;
- (d) to maintain a direct relationship and the exchange of views and "know-how" with relevant governmental and non-governmental organisations, including health insurance companies;
- (e) to help to create a legal environment that supports the rapid entry of innovative medical devices on the market and to make them accessible to patients;
- (f) to contribute, through its Code of Ethics, to the improvement of standards in the healthcare sector;
- (g) to advocate for the consolidation of ethical standards of cooperation between suppliers of medical devices and the professional medical community;
- (h) to dedicate itself to providing education in the field of medical devices and presenting the value they add to society at large;

- (i) to participate in administrative and other proceedings in which the interests of Association members may be affected.

Part V Acting on Behalf of the Association

Article 8

The Association chairperson, Association vice-chairperson and Association president act on behalf of the Association. Signing on behalf of the Association is carried out in such a way that two Association representatives in the positions mentioned in the first sentence of this Article affix their signatures to the handwritten or printed name of the Association.

Part VI Legal Status of the Association

Article 9

The Association is a legal person with the full capacity to acquire rights and assume obligations, i.e. to act in legal relationships in its own name and to bear economic liability deriving from such legal relationships. Furthermore, the Association has the capacity to be a party to proceedings and, as a party, to act autonomously before courts and other state bodies.

Article 10

The Association is an interest grouping of legal persons within the meaning of Section 20f *et seq.* of Act No 40/1964, the Civil Code.

Article 11

The Association is liable with its entire assets for non-compliance with its obligations. Association members are not liable for the Association's undertakings.

Article 12

The Association's legal status is governed by Act No 40/1964, the Civil Code, applicable legislation, and these Statutes.

Part VII Financial Standing

Article 13

Membership fee and payment for Association services

(1) Association membership is subject to the obligation to pay an annual membership fee of CZK 10,000 (ten thousand Czech crowns) to support the running of the Association. The annual membership fee is payable no later than 12 months after the acquisition of membership and in subsequent years no later than 12 months from the anniversary date of the acquisition of membership.

(2) All Association members are further obliged to pay the Association a charge for services provided to Association members in the performance of and in connection with the performance of the Association's activities specified in the Article (7) of these Statutes for each year of membership. The amount of the service charge depends on the type of membership. The service charge is payable no later than 12 months after the acquisition of membership and in subsequent years no later than 12 months from the anniversary date of the acquisition of membership.

(3) The membership fee and service charge are payable at the domestic banking institution where the Association's bank account is maintained further to invoices (tax documents) issued by the Association for this purpose.

(4) Association members in arrears in the payment of their membership fee and/or service charge pursuant to paragraph (2) of this Article may not exercise the right to vote at the Association's general meeting.

(5) If an Association member is in arrears in the payment of the membership fee or service charge, the Association board may, on pain of expulsion, invite that member to fulfil this obligation within a grace period of not less than one month.

(6) An Association member who fails to fulfil this obligation within the grace period may be expelled from the Association by the Association's general meeting.

(7) In the performance of its activities and in connection therewith pursuant to Article 7 of these Statutes, the Association provides its members with the following services in particular:

- collecting latest news from the field of medical devices, including but not limited to media monitoring, and the provision of such information, in particular via a newsletter, and legislation to Association members;
- the provision of discounts for members at events organised by the Association;
- the presentation of member companies' logos on the homepage of the Association's website with clickable links to the members' websites;
- the presentation of members' company names and hyperlinks to the members' websites in the Members section of the Association website;
- the presentation of members' company names and websites in the CzechMed brochure;
- the organisation and conducting of the meetings of individual working groups established within the Association as required by the heads of working groups;
- the recording of minutes of working group meetings and the distribution thereof to members (by email or by the posting thereof on the intranet or another platform);
- the organisation and conducting of teleconferences according to the current needs of Association members;

- the presentation of member companies' logos, with clickable links to the members' websites, on the homepage at www.czechmed.cz;
- the presentation of members' company names and hyperlinks to the member companies' websites in the Members section at www.czechmed.cz;
- the presentation of members' company names and websites in the CzechMed brochure;
- the promotion and support of Association members' interests in interactions with various partners, organisations and institutions.

Article 14

All funds and subsidies provided to the Association by the State or other legal entities in connection with the objects of the Association's activities become the property of the Association.

Article 15

Paid membership fees and charges for Association services, as well as other contributed property and assets, may be used solely to engage in the Association's activities defined in these Statutes.

Part VIII Financial Management of the Association

Article 16

(1) The Association draws up a budget to manage its finances. The budget is drawn up for the calendar year by the Association president. The draft budget for the calendar year must be submitted by the Association president to the Association board for discussion and approval no later than one month before the beginning of the calendar year. After approving the budget, the board submits it to the next general meeting for a final decision.

(2) If the budget has not been approved by the Association's general meeting before the beginning of the calendar year, budget management is governed according to the budget set for the previous calendar year (provisional budgeting rules) pending the general meeting's approval of the budget.

Article 17

The Association is obliged to keep accounts on the position and movements in the Association's assets in accordance with applicable accounting legislation.

Article 18

The financial statements are the responsibility of the president. If the Association reports a profit for a calendar year, this profit is transferred to the Association's assets for the following calendar year. If the Association reports a loss for a calendar year, each Association member contributes to the coverage of that loss at the ratio of the amount of its last known obligation to pay the service charge to the sum of all members' last known obligation to pay the service charge. Article 13(4), (5) and (6) applies to an Association member who fails to contribute to such coverage of a loss.

Part IX **Association Membership**

Article 19

Association membership is voluntary. The Association has an unlimited, and hence open-ended, number of members. Only a legal person may be an Association member.

Article 20

(1) Association membership is subject to a decision by the Association's board to grant membership further to a membership application. Membership applicants who fail to specify in their application the type of membership they wish to hold will be admitted as associate members. Membership is further subject to the membership applicant's written endorsement of the content of the Association's Statutes and to its signing of the Association's Code of Ethics.

(2) If an Association member is converted under Act No 125/2008 on conversions of companies and cooperatives, its Association membership and the attendant rights and obligations pass to that member's successor in title, unless the Association's board expresses its opposition thereto. To this end, each Association member is obliged to inform the Association's board about the process of conversion at least one (1) month before the conversion is registered in a public register. If the conversion is to result in the dissolution of an existing member prior to the payment of that member's membership fee and service charge, the obligation to pay the membership fee and service charge passes in full to the successor in title who is to be an Association member. Notwithstanding the above, this obligation applies only in the year in which the conversion takes effect and is not carried forward to subsequent years. Similarly, if a member is dissolved after the membership fee and service charge have been paid, the Association's claim to such payments is preserved in full and the member's successor in title, if any, is entitled to neither a full nor a partial refund.

Part X **Types of Membership**

Article 21

(1) There are three types of Association membership, namely:

- Associate
- Standard
- Premium

Where these Statutes refer to an Association member or Association members, this means any or all Association members (regardless of the type of membership), unless the context clearly indicates otherwise.

(2) Rights and obligations associated with the individual types of membership are defined below by these Statutes. The Association's board determines the extent and specific content of services under Article 13(7) hereof that are provided within the scope of each type of membership.

(3) Associate membership is limited in time to the first twelve (12) months and is intended only for new Association members. On the first day of the month following the expiry of those first twelve (12) months, associate membership automatically changes to standard membership unless the member notifies the board at least two (2) months in advance that it wishes to terminate its membership. In this case, Association membership ends upon expiry of the first twelve (12) months. An associate member wishing to change its membership to premium membership must notify the board thereof in writing by the end of the term of its associate membership. In this case, the membership changes from associate to premium. Standard or premium membership cannot be changed to associate membership.

(4) The following rights are attached to associate membership:

- the right of access to information provided by the Association to its members;
- the right to attend the Association's general meeting and the right to vote at the general meeting, with each associate member of the Association having one (1) vote when votes are cast.

(5) The following rights are attached to standard membership:

- the right of access to information provided by the Association to its members;
- the right to attend the Association's general meeting and the right to vote at the general meeting, with each standard member having two (2) votes when votes are cast;
- the right to be elected to the Association's bodies;
- the right to participate in the Association's individual working groups.

(6) The following rights are attached to premium membership:

- the right of access to information provided by the Association to its members;
- the right to attend the Association's general meeting and the right to vote at the general meeting, with each premium member having three (3) votes when votes are cast;
- the right to be elected to the Association's bodies;
- the right to participate in the Association's individual working groups and to contribute to the Association's management by participating in the Association's steering group, which consists of the board and the heads of the individual working groups.

(7) Members are obliged to pay a charge for Association services provided to members in the performance of the Association's activities, and in connection therewith, in an amount depending on the type of membership.

Article 22

(1) Association membership may be terminated by a member's written notice of withdrawal from the Association or by a decision of the Association's general meeting to expel an Association member. Association membership ends upon expiry of four calendar months following the calendar month in which the member's written notice of withdrawal from the Association is served on the Association's board.

(2) The Association's general meeting may decide to expel an Association member if that Association member violates member obligations deriving from the Association Statutes and from a decision of the Association's general meeting, especially if the member is in arrears in the payment of the membership fee or the service charge or fails to cover a loss reported by the Association further to a decision of the general meeting, or if the member repeatedly breaches the Code of Ethics. Other

Association members may also decide to expel an Association member outside the general meeting (in a vote by correspondence). A decision of the Association's general meeting to expel an Association member terminates the Association membership of that member on the date specified in the decision or, if no such date is specified, on the date on which this decision is approved by the Association's general meeting or by Association members outside the general meeting. At the request of an Association member, the Association's chairperson is obliged to issue written confirmation of the termination of its membership.

Article 23

If a member's Association membership is terminated during the year, the Association remains fully entitled to the membership fee and service charge for the relevant year from that member.

Part XI Member Rights and Obligations

Article 24

(1) All members, to the best of their abilities, are obliged to actively assist the Association's activities in connection with the purpose of the Association's objects of activity and to maintain the Association's good reputation.

(2) Under the Statutes, all members are obliged to pay the annual membership fee and charge for the Association's services under Article 13(1) and (2) of the Statutes to the Association annually and in a due and timely manner, i.e. within the time limits laid down by these Statutes.

(3) All members are obliged to contribute to the coverage of the Association's losses incurred in the management of the Association in accordance with the principles set out in Article 18 of these Statutes.

(4) All members are obliged to comply with these Statutes and the Association's Code of Ethics.

(5) All members are obliged to inform the Association of significant facts concerning their legal personality, in particular of any loss or restriction of their legal capacity, their conversion into another company type, a change in their legal form, or an insolvency order.

Article 25

(1) Members have the right to receive complete and truthful information from the Association's bodies on the Association's activities, especially on its financial management and the results of its activities. Members also have the right, as provided for in these Statutes, to submit suggestions, proposals and comments to the Association's bodies and to receive an appropriate response from the Association's bodies to these suggestions, proposals and comments. Standard and premium members may participate in the Association's activities by actively engaging in the Association's working groups and bodies.

(2) All members have the right to a share in the liquidation surplus upon dissolution of the Association without a successor in title.

Part XII
Bodies of the Association

Section 1
General Meeting of the Association

Article 26
General meeting and competence thereof

- (1) The Association's supreme body is its general meeting, which decides on all Association matters except those expressly reserved for other bodies under these Statutes.
- (2) Association members have the right to participate in the management of the Association through the general meeting, where they exercise their rights and obligations under these Statutes.
- (3) Each member appoints one representative to the Association's general meeting, who is then authorised to act on behalf of that member. This representative is obliged to produce written authorisation to represent the member at the Association's general meeting. Each Association member may withdraw its representative with a notice in writing at any time until the general meeting is opened.
- (4) The maximum number of representatives at the Association's general meeting is equal to the number of Association members.
- (5) The following are included in the exclusive competence of the Association's general meeting:
 - (a) the review and approval of the Association's budget;
 - (b) the discussion of the Association's financial results and decisions on the carrying forward of profit to the next calendar year or on the coverage of losses in accordance with the principles set out in Article 18 of these Statutes;
 - (c) the election of the Association's chairperson from amongst the representatives appointed to the Association's general meeting and the removal of the Association's chairperson before the expiry of their term of office;
 - (d) the election of the Association's vice-chairpersons from amongst the representatives appointed to the Association's general meeting and the removal of any such vice-chairperson before the expiry of their term of office;
 - (e) the election of members of the Association's board from amongst the representatives appointed to the Association's general meeting and the removal of any such member before the expiry of their term of office;
 - (f) the election and removal of the Association's president and the decisions on their remuneration for holding such an office;
 - (g) the decisions on the winding-up of the Association;

- (h) the approval of the Statutes and of amendments thereto;
- (i) the appointment of a liquidator if the Association is wound up with liquidation;
- (j) the decisions on the expulsion of a member from the Association;
- (k) the decisions on the amount of the charge for the Association's services;
- (l) the approval of the Association's Code of Ethics.

Article 27

- (1) The Association's general meeting is held at least once a calendar year, at the place specified in the invitation to the general meeting (the annual general meeting).
- (2) An extraordinary general meeting of the Association must be convened if the Association's chairperson or vice-chairperson or at least three Association members together so request. This request must be submitted to the Association's chairperson and must contain the date, time and place of the extraordinary general meeting, set so that a period of at least 30 calendar days elapses between the date of submission of the request and the date of the Association's extraordinary general meeting.
- (3) The Association's annual general meetings and extraordinary general meetings are convened by the Association's chairperson. If the Association's chairperson dies, resigns from office, or is removed by the Association's general meeting before their term of office expires, the Association's general meeting is convened by any of the Association's vice-chairpersons. If both of the Association's vice-chairpersons die, resign from office or are removed by the Association's general meeting before their term of office expires, the Association's general meeting is convened by the Association's president. If the office of the Association's president is vacant, any member of the Association's board may convene the Association's general meeting.
- (4) The date and agenda of the general meeting is notified to the Association's members at least 15 days before the date of the general meeting by a written invitation. The emailing of an invitation is also deemed a written announcement of the date and agenda of the general meeting. Matters not mentioned in the invitation may be discussed only if an absolute majority of all Association members who are entitled to vote at the general meeting agree.
- (5) At the beginning of the meeting, the Association's general meeting elects the bodies of the general meeting, in particular the chairperson of the general meeting, the secretary of the general meeting, the verifier of the minutes and, if elections to the Association's bodies take place, the chairperson of the election committee. The chairperson and members of the election committee may not run for other bodies of the general meeting. Any person enjoying legal capacity may be a body of the general meeting. Pending the election of the general meeting's bodies, the general meeting is chaired by the Association's chairperson or, under the conditions set out in paragraph (3) of this Article, by the persons referred to therein.
- (6) Written minutes must be drawn up of the holding and course of the Association's annual general meeting or extraordinary general meeting and signed by the chairperson of the general meeting, the secretary of the general meeting and the verifier of the minutes. If the elections of the Association's bodies take place during the Association's general meeting, the result of these elections must also be confirmed in the minutes by the signature of the election committee's chairperson.

(7) The Association's general meeting can also be held remotely using commonly used and used technical means (such as, but not limited to, digital communication means Zoom, Microsoft Teams, Google Meet, services of telecommunications operators, video conferencing, etc.). In detail, the rules of participation and voting at the Association's general meeting, using technical means, shall be adjusted by the Board of Directors of the Association in good time before the Association's general meeting, so that participation in the the Association's general meeting is remotely allowed to all members in an equal manner.

Article 28

(1) The Association's general meeting is quorate if it has been duly convened and if members holding at least an absolute majority of all votes are present.

(2) Each Association member votes through its representative, who, when votes are cast, has as many votes as the Statutes assign to the member according to its type of membership. Before the start of a voting, each authorised representative must prove that they are entitled to act on behalf of the Association member who authorised them to represent it at the Association's general meeting by submitting a written authorisation or power of attorney.

(3) The Association's general meeting takes decisions by a simple majority of the votes of those present during the voting, unless it decides on another method of voting for a specific item on the agenda. If voting results in a tie, the Association's chairperson has a casting vote; if the Association's chairperson dies, resigns from office, or is removed by the Association's general meeting before their term of office expires, the Association's vice-chairpersons have casting votes. If, notwithstanding the above, voting results in a tie, the Association's president is authorised to decide which vice-chairperson's vote determines the outcome of the voting, e.g. by lot.

(4) If voting is held on the dissolution of the Association, an amendment to the Statutes, or the expulsion of a member from the Association, a decision must be taken by at least a two-thirds majority of the votes of those present at the voting.

(5) Voting on the adoption of a decision of the Association's general meeting is public. When a decision is being taken on the granting or termination of Association membership or when a decision is being taken on the election or removal of the Association's chairperson, the Association's vice-chairpersons or members of the Association's board, a secret ballot is permitted. Ballot papers must be laid out and marked in such a way as to preclude the possibility of confusion. In the above cases, the Association's general meeting decides on the voting method prior to the commencement of such voting.

(6) An Association member or its representative may not exercise voting rights if:

- (a) the general meeting is deciding on that member's expulsion or on the filing of a motion seeking that member's expulsion;
- (b) that member is in arrears in the payment of the membership fee and/or the charge for Association services.

(7) The votes of those Association members who cannot exercise a right to vote are not taken into account when assessing whether the general meeting is quorate or during voting at the general

meeting.

(8) Association members may also make decisions outside the general meeting, especially if a vote is to be held on the expulsion of an Association member within the meaning of Article 22(2) of these Statutes (voting by correspondence). In such an eventuality, a person who is otherwise entitled to convene a general meeting submits a written draft for a resolution of the Association to the Association members for comment, with notification of the deadline for their written response. An Association member who does not respond by that deadline is deemed to oppose the resolution. The person who submitted the draft resolution then announces the results of the voting to the individual Association members. A majority is calculated on the basis of the total number of votes held by all Association members who are entitled to vote.

Section II Association Board

Article 29 Board and competence thereof

- (1) The Association's board is the Association's executive body with decision-making authority.
- (2) Only a representative of a standard or premium Association member who is employed by such an Association member or has been authorised by this Association member to perform such activity may be a member of the Association's board. If this representative has terminated their employment with a standard or premium Association member or if their authorisation has been revoked by that Association member, the Association member may nominate another representative to replace them until the next general meeting.
- (3) The Association's board manages the Association's activities. The Association's board decides on all Association matters except those reserved for the general meeting or another Association body. The Association's board is governed by principles and guidelines approved by the general meeting, provided that they are in accordance with applicable legislation and these Statutes.
- (4) The Association's board makes decisions, in particular, on:
 - (a) the employment of the executive director and the amount of their remuneration;
 - (b) the approval of the admission of a membership applicant;
 - (c) the review and approval of the draft budget for the calendar year as submitted by the Association president, the approved version of which is subsequently submitted to the general meeting for a final decision (see Article 16);
 - (d) the review and approval of the draft Code of Ethics, which is to be submitted to the Association's general meeting for approval;
 - (e) and discusses the resignation of the Association president at its next meeting following service of the Association president's written letter of resignation from office.
- (5) The Association's board comprises seven members. The number of members of the Association's board may be changed by a decision of the Association's general meeting; however, there must

always be an odd number of members sitting on the Association's board. The term of office of the members of the Association's board begins on the day on which they are elected as members of the Association's board by the Association's general meeting and ends on the date of the next annual general meeting of the Association. No more than one member of the Association's board, including the Association's chairperson and vice-chairpersons, may be elected for each standard or premium Association member.

(6) Meetings of the Association's board are held in the manner required by the Association, as a rule at the Association's registered office. At its meetings, the Association's board decides on the date, time and place of the next meeting.

(7) Meetings of the Association's board are convened by the Association's chairperson or a person authorised by them and in their absence by any of the Association's vice-chairpersons.

(8) Meetings of the Association's board are chaired by the Association's chairperson, unless otherwise decided by the Association's board. If the Association's chairperson dies, resigns from office, or is removed by the Association's general meeting before their term of office expires, a meeting of the Association's board is chaired by the Association vice-chairperson who convened it or by an Association vice-chairperson designated by the Association president, as a rule by lot.

(9) Written minutes of the holding and course of a meeting of the Association's board must be taken; as a rule, these are prepared by the Association president and checked by the chairperson or a vice-chairperson or by a member of the Association.

(10) The Association's board is quorate if a three-fifths (3/5) majority of all members of the Association's board are present.

(11) Each member of the Association's board has one vote when a voting is held. A member of the Association's board who is to be absent from a board meeting for serious reasons may authorise, by means of a written power of attorney, another member of the board to represent them and to vote in their stead at that meeting.

(12) The Association's board makes decisions by a simple majority of the members present. If voting is tied, the Association's chairperson has a casting vote; if the Association's chairperson dies, resigns from office, or is removed by the Association's general meeting before their term of office expires, the Association's vice-chairperson chairing the meeting has a casting vote.

(13) Voting on the adoption of a decision of the Association's board is public. Secret ballots are also permitted. Ballot papers must be laid out and marked in such a way as to preclude the possibility of confusion. The Association's board decides on the voting method in the aforementioned case prior to the commencement of such voting.

(14) The board may also make decisions outside board meetings (voting by correspondence). In such an eventuality, a person who is otherwise entitled to convene a board meeting submits a written draft of the board resolution to Association members for comments, with notification of the deadline for their written response. A member of the Association's board who does not respond by that deadline is deemed to oppose the resolution. The person who submitted the draft resolution then announces the results of the voting to the individual members of the Association's board. A majority is calculated on the basis of the total number of votes held by all members of the Association's board.

Article 30
Association chairperson

- (1) The Association's chairperson is an executive and statutory body of the Association acting on behalf of the Association in all matters concerning the Association. Legal acts undertaken by the Association's chairperson on behalf of the Association result in the acquisition of rights and assumption of obligations by the Association. However, written legal acts undertaken on behalf of the Association must be signed simultaneously by two Association representatives within the meaning of Article 8 of the Statutes above.
- (2) The Association's chairperson, in the performance of their duties, shall follow the principles and guidelines approved by the general meeting and the board of the Association, provided that they are in accordance with applicable legislation and these Statutes.
- (3) In particular, the Association's chairperson:
- (a) performs the tasks entrusted to them by the Association's general meeting or the Association's board in the pursuit of the objects of the Association's activities;
 - (b) convenes and chairs the Association's annual general meeting and, if necessary, the Association's extraordinary general meetings;
 - (c) convenes and chairs meetings of the Association's board;
 - (d) submits an application for the removal of the Association from the Associations Register if the Association is wound up, and submits applications for the registration of changes in the Association.
- (4) The Association chairperson's term of office begins on the day on which they are elected as the Association's chairperson by the Association's general meeting and ends on the date of the next annual general meeting of the Association.
- (5) The Association's chairperson holds office free of charge; therefore, they are not entitled to a remuneration for performing the tasks required of the Association's chairperson.
- (6) The Association's chairperson is obliged to perform their duties with due diligence and to hold in strict confidence any confidential information and facts the disclosure of which to third parties could cause damage to the Association.

Article 31

- (1) The Association always has one Association chairperson.
- (2) If the Association's chairperson dies, resigns from office, or is removed by the Association's general meeting before their term of office expires, the Association's general meeting is obliged to elect a new Association chairperson within one month in accordance with these Statutes. Pending the election of a new Association chairperson, the powers of the Association's chairperson are exercised jointly by both of the Association's vice-chairpersons; if there is only one such vice-chairperson, that vice-chairperson exercises the powers of the Association's chairperson alone.

Article 32
Association vice-chairperson

- (1) An Association vice-chairperson is an executive and statutory body of the Association acting on behalf of the Association in all matters concerning the Association. Legal acts undertaken by an Association vice-chairperson on behalf of the Association result in the acquisition of rights and assumption of obligations by the Association. However, written legal acts undertaken on behalf of the Association must be signed simultaneously by two Association representatives within the meaning of Article 8 of the Statutes above.
- (2) An Association vice-chairperson, in the performance of their duties, shall follow the principles and guidelines approved by the general meeting and the board of the Association, provided that they are in accordance with applicable legislation and these Statutes.
- (3) An Association vice-chairperson exercises alone the powers of Association's chairperson in the absence of the other Association's chairperson or if the Association's chairperson dies, resigns from office, or is removed by the Association's general meeting before their term of office expires, pending the election of a new Association chairperson, in accordance with these Statutes. If the two vice-chairpersons fail to agree with regard to exercising these powers, the Association president designates which of them is to exercise those powers, as a rule by lot.
- (4) An Association vice-chairperson's term of office begins on the day on which they are elected as an Association vice-chairperson by the Association's general meeting and ends on the date of the next annual general meeting of the Association.
- (5) An Association vice-chairperson holds office free of charge; therefore, they are not entitled to a remuneration for performing the tasks required of an Association vice-chairperson.
- (6) An Association vice-chairperson shall exercise the office of Association vice-chairperson with due care and shall follow the decisions of the Association's general meeting and the Association's board.
- (7) An Association vice-chairperson is obliged to perform their duties with due diligence and to hold in strict confidence any confidential information and facts the disclosure of which to third parties could cause damage to the Association.

Article 33

- (1) The Association has two Association vice-chairpersons.
- (2) If an Association vice-chairperson dies, resigns from such office, or is removed by the Association's general meeting before their term of office expires, the Association's general meeting is obliged to elect a new Association vice-chairperson within one month in accordance with these Statutes.

Section III
Association President

Article 34
Association president and their competence

- (1) The Association president represents the Association in external affairs. The Association president's main task is to represent the Association with dignity and gravitas and, through their overall activities, to contribute to the building of the Association's image and reputation as a highly professional interest organisation.
- (2) The Association president is an executive and statutory body of the Association acting on behalf of the Association in all matters concerning the Association. Legal acts undertaken by the Association president on behalf of the Association result in the acquisition of rights and assumption of obligations by the Association. However, written legal acts undertaken on behalf of the Association, if signed by the Association president, must also be signed by the chairperson or a vice-chairperson of the Association (see Article 8).
- (3) The Association president is not a member of the Association's board; however, they are entitled to attend meetings of the Association's board without the right to vote at those meetings.
- (4) The Association president is elected and removed by the general meeting.
- (5) The Association president is accountable to the Association's general meeting for the performance of their tasks.
- (6) The Association president, in the performance of their duties, shall follow the decisions and guidelines approved by the general meeting and the board of the Association, provided that they are in accordance with applicable legislation and these Statutes. The Association president is also obliged to abide by the instructions of the Association's chairperson or vice-chairpersons, provided that these are in accordance with a decision of the Association's general meeting and a decision of the Association's board.
- (7) The Association president is obliged in particular:
 - (a) to compile the Association's draft budget and submit it to the Association's general meeting for review and approval;
 - (b) to draw up and be responsible for the preparation of accounts showing the Association's financial results, which they submit to the Association's general meeting for discussion and approval;
 - (c) to manage and arrange for the accounting of the position and movements in the Association's assets;
 - (d) to keep a list of the Association's proper members and inform them of Association matters;
 - (e) to actively represent and act on behalf of the Association in the promotion of its tasks and intentions arising from the stated purpose of the Association (see Article 6 of the Statutes);
 - (f) to increase the prestige and reputation of the Association by their conduct and actions before third parties and in public;
 - (g) to contribute, together with the Association's board, to the creation and implementation of the

Association's strategy and policy;

- (h) to perform the tasks entrusted to them by the Association's general meeting or the Association's board in the pursuit of the objects of the Association's activities;
 - (i) to ensure compliance with the Association Statutes and the Association Code of Ethics by Association members;
 - (j) to chair the Association's general meeting in the absence of the Association's chairperson and vice-chairpersons.
- (8) The Association president is obliged to hold in strict confidence any confidential information and facts the disclosure of which to third parties could cause damage to the Association.

Article 35

- (1) The Association always has one Association president, who must be a natural person.
- (2) The Association president may resign from office. In such an eventuality, they cease to be president upon discussion of the resignation by the Association's board at its next meeting. If the Association president dies in office, resigns from office, or is removed by the Association's general meeting, the exercise of their powers passes to the Association's chairperson pending the election of a new Association president.
- (3) If the Association president is unable to perform the tasks required of their office for an extended period, their powers pass to the Association's board, which determines how the Association president's individual powers are to be exercised (e.g. by entrusting them to one of the members of the Association's board).

Article 36

The holding of the office of Association president is incompatible with the holding of the office of a member of the Association's board, except as provided for in Article 35(3) above.

Part XIII **Checks on Compliance with the Code of Ethics**

Article 37

- (1) Compliance with the principles of the Code of Ethics of the Association is overseen by the Association's board, which for this purpose hears members' complaints of breaches of the Code of Ethics by other members. When considering a complaint, the board assesses all materials relating to the subject of the complaint and decides, to the best of its knowledge and to the best belief of its members and in accordance with applicable legislation and the provisions of the Code of Ethics, whether there has been a breach of the Code of Ethics. If the Code of Ethics is found to have been breached, the Association's board assesses how serious the breach is and what sanction to impose on the transgressor.
- (2) The Association's board has the authority to impose fines of up to CZK 1,000,000 (one million

Czech crowns) on Association members for detected breaches of the Code of Ethics, with consideration, in particular, for the amount of the transgressor's turnover and size in the market. If a breach of the Code of Ethics is very serious, it may also propose summary expulsion from the Association.

(3) Any Association member may file a complaint if it considers that there has been a breach of the Code of Ethics by any of the other Association members.

(4) When filing a complaint, the complainant must pay a bond of CZK 25,000 (twenty-five thousand Czech crowns) to the Association's account. If the Association's board decides that there were grounds for the complaint to be filed, it refunds the bond to the complainant. If the Association's board decides that there were no grounds for the complaint to be filed because the alleged transgressor did not breach the Code of Ethics, the bond is not refunded to the complainant.

Part XIV **Winding-up and Dissolution of the Association**

Article 38

The Company is dissolved upon deletion from the Associations Register.

Article 40

The Association is wound up:

- (a) by a decision of the Association's general meeting supported by a two-thirds majority of the votes of the members present at the general meeting;
- (b) by a decision of a public authority;
- (c) if the Association is certified as insolvent, it is wound up without liquidation upon cancellation of bankruptcy proceedings due to compliance with the order on the distribution of the estate, or upon cancellation of bankruptcy proceedings because the assets are entirely insufficient; however, it will enter into liquidation if any assets appear after the end of the insolvency proceedings.

Article 41

Dissolution of the Association with liquidation

- (1) Unless the Association's entire assets are transferred to a successor in title or unless bankruptcy proceedings are cancelled because the assets are insufficient, or if assets remain after the end of the Association's bankruptcy proceedings, the Association will be liquidated.
- (2) Prior to the commencement of the Association's liquidation, the Association's general meeting appoints a liquidator.
- (3) The Association will be liquidated in accordance with Section 93 *et seq.* of Act No 90/2012 on companies and cooperatives (the Business Corporations Act).
- (4) The liquidation surplus is distributed among the members at the ratio of the amount of their last

known obligation to pay the service charge to the sum of all members' last known obligation to pay the service charge.

Part XV
Amendments to the Statutes

Article 42

(1) Amendments to the Statutes may only be made in writing, i.e. on paper, such being further to a decision by the Association's general meeting.