

UNIPETROL, a.s.

CHARTER

**Full wording of company charter with amendments approved by general assembly on
26th June 2008**

CHARTER

UNIPETROL, a.s.

I. General stipulations

Article 1

Company foundation

UNIPETROL a.s. (further referred to as “company”) was established by one-off action by the Czech Republic National Assets Fund as the sole founder by deed of foundation on 27.12.1994.

Article 2

Trade name and head office of company

1. Trade name (further referred to as "name") of the company: UNIPETROL, a.s.
2. The head office of the company is in Prague.

Article 3

Company duration

The company is established for an indefinite period of time.

Article 4

Subject of business of the company

1. The subject of business of the company is as follows:
 - Functioning as entrepreneurial, financial, organisational and economic advisers
 - Functioning as technical advisers in the following areas - Research and development
 - Chemical industry
 - Environmental protection
 - Logistics
 - Research and development in the field of natural and technological sciences
 - Services in the field of administration and services of a business organisational nature for physical and corporate entities
 - Service provision in the field of security and protection of health at work
 - Provision of software and consulting in the fields of hardware and software
 - Data processing, databank services and network administration
 - Arrangement of trade
 - Arrangement of services
 - Organisation of specialist courses, training and other educational events including lecturing.

2. The fundamental mission of the company is as follows:

- Strategic management of company development for directly and indirectly controlled companies
- Co-ordination and conducting of matters of joint interest of the group for directly and indirectly controlled companies
- Arranging financing and development of systems of financing in the companies within the holding
- Human resources development and the development of human resources management in the companies within the holding
- Administration, acquisition and treatment of investments and other property of the company, particularly the following:
 - Establishment of public companies, taking part in their foundation, and other acquisition of investments in the business of other corporate entities,
 - Performance of shareholder rights and rights similar to them for directly and indirectly controlled companies,
 - Rent of real estate and provision of basic services securing the full operation of real estate.

Article 5

Origin of the company and record of company in the business register

1. The company came into being on 17th February 1995 by being recorded in the business register.
2. The company is recorded in the business register administered by Prague Municipal Court in section B, insert 3020, and has been assigned company identification number 61672190.
3. Proposals for recording into the business register are presented by the company's board of directors, which is responsible for the updating and timeliness of records made.

Article 6

Company dealings

The board of directors acts in the company's name for all company matters, always jointly with two members of the board of directors, of whom at least one is the chairman or vice-chairman of the board. Signing for the company takes place in such a way that the members of the board who are authorised to act in the name of the company add their signatures to the name of the company.

Article 7
Company representation

1. A proxy of the company is authorised to act in its name on the basis of power of attorney, and to do so only to its extent. Power of attorney must be in writing in cases determined by law and must have its extent defined.
2. Company employees can act in the company's name as representatives either on the basis of power of attorney or on the basis of Article 15 of the business register.
3. A head of procurator is also authorised to act on behalf of the company, if procurator is granted. The granting of procurator is effective from the moment of it being recorded in the business register. The head of procurator signs for the company in such a way that he adds his signature to the name of the company and a supplement indicating procurator.

II. Base capital and company shares

Article 8
Base capital of the company

The base capital of the company is CZK 18,133,476,400 (in words eighteen billion one hundred and thirty three million four hundred and seventy six thousand four hundred Czech crowns).

Article 9
Company shares, payment method of issue price and consequences of breaching settlement obligation

1. The base capital of the company is divided into 181,334,764 units (in words one hundred and eighty one million three hundred and thirty four thousand seven hundred and sixty four units) of ordinary shares of a nominal value of CZK 100 belonging to the owner.
2. Shares are issued in book-registered form by recording in the records of the Securities centre, and are listed.
3. The subscriber is obliged to pay the entire issue prices of shares subscribed by him, which are paid by monetary deposit within six months of the day of recording of increase in base capital in the business register. Non-monetary deposits must be paid before presenting a proposal for recording an increase in base capital in the business register in the manner according to paragraphs 4 to 6 of this Article.
4. If the non-monetary deposit is a moveable thing, then the subscriber is obliged to hand over the subject of deposit to the company, and to secure the acquisition of ownership rights for the

company to the paid deposit. This must be done before presentation of the proposal for recording an increase in base capital into the business register.

5. If the non-monetary deposit is an immovable thing, then the subscriber is obliged, prior to presentation of proposal for an increase in base capital into the business register, to hand over to the company the subject of deposit and a written declaration with an officially authorised signature. He is also obliged to ensure the acquisition of ownership right to the company for the paid subject of deposit. Any possible proposal for deposit into the land register of real estate is to be presented within fifteen days after the increase in base capital is recorded into the business register.

6. For other non-monetary deposits, the deposit is paid by entering into a written contract on deposit. If know-how is the non-monetary deposit, then handover of documentation in which the know-how is recorded is also required for payment. If the non-monetary deposit is a firm or part thereof, then handover of the firm or part thereof is also required for payment. The company and the depositor draw up a record on handover of documentation in which the know-how is recorded, as well as on handover of firm or part thereof.

7. In the event of breach of obligation to pay the issue price of subscribed shares or its payable amount, the subscriber is to pay interest resulting from delay at a rate of 20% annually.

8. If the subscriber does not pay the due amount of issue price of subscribed shares, then the board of directors will summon him to pay it within sixty days of the day that the notice is delivered. After ineffectual expiry of this period, the board of directors will expel the subscriber from the company and will summon him to return the interim certificate within a reasonable time, which it will determine for him. The procedure for declaring an interim certificate not returned by an expelled shareholder as unpaid and the issue of a new interim certificate is determined in Article 177 paragraphs 5 to 7 of the Commercial Code. Instead of procedure according to the previous sentences, the board of directors can either submit a complaint on the payment of issue price of shares, or possibly of its payable amount, against the subscriber who is delayed in paying it off. Alternatively, the general assembly can decide on decreasing the base capital by relinquishing the issue of shares to the extent in which the subscribers are delayed in payment of the nominal value of shares.

9. The amount paid for paying off the issue price of shares or the value of paid non-monetary deposit is firstly counted towards the share premium. If such an amount or value does not suffice for payment of the due amount of nominal value of all subscribed shares, it is counted gradually towards payment of the due amount of nominal values of individual shares.

Article 10

Rights and obligations of shareholders

1. A shareholder is understood as being

a) Owner of company shares,

- b) Owner of interim certificates of the company,
 - c) Person who has a share in base capital of the company from the day of recording the base capital in which he has a share into the business register, to the day of issue of shares or interim certificates of the company.
2. The rights and obligations of shareholders are determined by legal regulations and by this charter. A company shareholder can be a domestic or foreign corporate or physical entity.
3. The shareholder has a right to a share in company profit (dividend), which the general assembly approved for dividing according to profit. Such a share is determined as a proportion of the nominal value of his shares to the nominal value of shares of all shareholders on the deciding day. The shareholder is not obliged to return to the company any dividend accepted in good faith. When there is doubt, good faith is assumed.
4. The amount determined to be paid out as a share of company profit must not be higher than the profit for the financial period shown on the financial statement decreased by the obligatory allocation into the contingency fund according to Article 217 paragraph 2 of the Commercial Code and on unsettled losses from previous years and increased by undivided profit from previous years and a fund created from profit that the company can use according to its own free wishes.
5. The company is not authorised to divide profit or its other own resources between shareholders, if own capital is ascertained from an ordinary or extraordinary financial statement, or if as a result of undivided profit it would be lower than the base capital of the company, increased by the following:
- a) Subscribed nominal value of shares, as long as the company shares were subscribed for an increase in base capital and the increased base capital on the day of formulation of the ordinary or extraordinary financial statement was not recorded in the business register, and
 - b) That part of the contingency fund or those contingency funds, which the company may not use for payment to shareholders according to the law and the charter.
6. Unless resolved otherwise by the general assembly, the due payment date of dividends is the day that follows two months after the day of the general assembly taking place, which decided on the payment of dividends, and by numbered labelling is in concordance with the day of such a general assembly taking place.
7. Unless a resolution of the general assembly or agreement with the shareholder determine otherwise, the company is obliged to pay out dividends at its own costs and risk. It must do so to the shareholder's address administered in the records of book-registered securities of the Securities centre at the amount determined for the issuer on the deciding day. The board of directors is obliged to notify of the due date of payment of dividends, and the place and method of their payment in a manner determined for convening of the general assembly (Article 14 paragraph 5 of this charter).

8. The right to payment of dividend is independently transferable from the day when the general assembly decided on payment of dividends.

9. Throughout the period of the company being in existence, or even in the event of it being dissolved, the shareholder may not ask for his deposits to be returned. Payments described below are not considered as being return of deposits:

- a) As a result of a decrease in base capital,
- b) When buying company shares, if the conditions determined by law are fulfilled,
- c) When returning interim certificate or declaring it as invalid,
- d) When dividing shares of the liquidation value.

10. In the event of dissolution of the company with liquidation, the shareholder has the right to a share in the liquidation value. The level of this share is determined the same way as in determining shareholder share of profit (dividends).

11. With shares comes the right for the shareholder to take part in the management of the company. This right is enforced in principle at the general assembly, while it must respect organisational measures regarding the conduct of general assemblies. The shareholder is authorised to take part in the general assembly and to vote in it. He has the right to request and receive at it an explanation of matters relating to the company, if such an explanation is necessary for assessing the subject-matter of dealings at the general assembly and to enforce proposals and counterproposals. Shareholders present at the general assembly have the right to explanations according to the previous sentence and regarding matters relating to persons controlled by the company. Information can be refused for reasons stated in Article 180 paragraph 4 of the Commercial Code.

12. If a shareholder intends to enforce at the general assembly counterproposals to proposals, the content of which is shown in the notification on the general assembly taking place, or in the event of a notarial record having to be made on the decision of the general assembly, the shareholder is obliged to deliver a written wording of his proposal or counterproposal to the company at least five working days before the day of the general assembly taking place. This does not apply if it concerns proposals for the election of specific persons to company authorities. The board of directors is obliged to publicise its counterproposal with its standpoint, if possible, at least three days prior to the notified date of the general assembly taking place.

13. The shareholder has priority right to subscribe part of the new shares of the company subscribed for increasing base capital to the extent of his share of the company's base capital, as long as the shares are subscribed by monetary deposits. This right may be restricted or excluded to the same extent for all shareholders by ruling of the general assembly, and this may be done only in significant interest of the company.

14. A shareholder or shareholders, who has or have shares the total nominal values of which exceed three percent of the company's base capital, can ask for the following:

- a) The board of directors to convene an extraordinary general meeting to discuss matters proposed by them,
- b) The board of directors to place a matter determined by them into the order of business of the general meeting. If the request was received after publication of the notification that the general meeting is going to take place, the board of directors will supplement the publication of the order of business of the general assembly in a manner according to Article 14 paragraph 5 of this charter. If such publication is not possible, the assigned matter can only be put into the order of business of this general assembly by procedure according to Article 15 paragraph 6 of this charter,
- c) The supervisory board to investigate the performance of the board of directors in matters determined in the request,
- d) The supervisory board to enforce its right to damage compensation that the company has towards a member of the board of directors,
- e) The board of directors to submit a complaint for the payment of the issue price of shares against shareholders who are in delay with its payment, or to enforce procedure according to Article 9 paragraph 8 of this charter,
- f) The court to name a specialist for investigating a report on relations between the controlled person and connected persons according to Article 66a paragraph 12 of the Commercial Code if there are important reasons for doing so. This applies even if the conditions in Article 66a paragraph 13 of the Commercial Code are not met,
- g) The court to withdraw the liquidator named by the general assembly and to replace him with someone else.

15. Misuse of a majority of votes, just as of a minority of votes, in the company is prohibited.

16. Contracts, the purpose of which is to give an advantage to any shareholder at the cost of the company or other shareholders, are not valid.

17. Any shareholder who obtains either by himself or together with other persons acting in concordance a share of voting rights in the company, which enables him to control the company, is obliged within sixty days of the day following the day in which the shareholder obtained or exceeded this share, to make an offer to take over company shares from all owners. This obligation terminates if during the same time period the shareholder decreases his share of voting rights under the amount that founded his obligation according to this paragraph, or by transferring shares to another person with the aim of not exercising a deciding influence on the company by himself or by means of other persons. Termination of obligation is in both cases conditional upon decision of the Securities Commission on the basis of written request by the shareholder. That does not apply if the shares were transferred to a person who the shareholder controls or who controls the shareholder or with whom the shareholder acts in concordance or with whom he is connected in a property sense or a personal sense. This also applies in the event of disposition with voting rights being relinquished in such a way. Detailed rules and exceptions in fulfilling this obligation are determined by the Commercial Code; in specific cases the Securities Commission decides at the request of the shareholder.

18. A shareholder who reaches or exceeds a share of all company voting rights of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50% or 75%, or lowers his share in all voting rights under these borderlines is obliged, within three working days after finding out about this actuality or being able to find out about this actuality, to present a notification to the company and to the Securities Commission. A shareholder does not have the obligation of notification if his share of voting rights is ascertainable from the records of the Securities Commission, and if the owner of these shares entered into a contract with the Securities Commission on him fulfilling his obligation of notification in relation to the company and the Securities Commission. A shareholder does not have the obligation of notification either if he is controlled by a person and his controlling person fulfils the notification obligation when fulfilling his own notification obligation. Details including share of company voting rights and results of non-fulfilment of the notification obligation are determined by special legislation regulating capital market operations and by the Commercial Code.

19. The shareholder is obliged, without unnecessary delay, to report any possible changes in such information about his person, which are administered in legally determined records of book-registered securities. The company is not liable for any consequences from ignoring this obligation.

III. Company organisation

Article 11

Company authorities

1. The company authorities are:

- A. General assembly
- B. Board of directors
- C. Supervisory board.

2. The general assembly is made up of shareholders. Members of other company authorities may be Czech or foreign physical persons capable of the proper fulfilment of tasks entrusted to them on the basis of their specialist knowledge and experiences, fulfilling requirements according to legal regulations.

A. General assembly

Article 12

Standing and competence of the general assembly

1. The general assembly is the highest authority of the company.

2. The general assembly is responsible for the following:

- a) Deciding on changes to the charter, unless this concerns any change as a result of an increase in base capital by the board of directors according to Article 210 of the Commercial Code and Article 28 paragraph 7 of this charter, or any change that occurred on the basis of other legal actualities;
- b) Deciding on an increase in base capital and on authorising the board of directors to decide on an increase in base capital according to Article 210 of the Commercial Code and Article 28 paragraph 7 of this charter, deciding on the possibility of including monetary receivables towards the company against debt for paying the issue price;
- c) Deciding on issue of debentures pursuant to Article 160 of the Commercial Code;
- d) Deciding on a decrease in base capital;
- e) Deciding on a merger, transfer of assets to one shareholder or division, or possibly on a change in the legal form of the company;
- f) Decision on dissolving the company with liquidation, appointment and discharge of liquidator, including setting the level of his remuneration, approval of proposal for division of liquidation value;
- g) Approval of non-monetary deposit or determination of company authority that will decide on approving the value of non-monetary deposit during authorisation by the board of directors on deciding on an increase in base capital according to Article 210 of the Commercial Code and Article 28 paragraph 7 of this Charter;
- h) Deciding on exclusion or restriction of priority right to obtain exchangeable or priority debentures or subscription of new shares of the company for the purpose of increasing base capital for company shareholders;
- i) Decision on issuing equity warrants for enforcement of priority right to obtain exchangeable and priority debentures, on subscription of shares during enforcement of rights from priority debentures or on subscription of shares during an increase in the base capital of the company;
- j) Decision on change in form or type of shares and on change to rights linked with a certain type of shares, decision on division or fusion of shares, decision on issue of preliminary list for replacing shares;
- k) Decision on quotation of subscriber securities of the company according to special legal regulation and on their withdrawal from trading on the official market;
- l) Decision on acquisition of own shares of the company, where such decision is required by the Commercial Code;
- m) Decision on the establishment and liquidation of any fund created from profits and on the rules on using such funds;
- n) Election and discharge of members of the supervisory board, with the exception of the members of the supervisory board elected and discharged by employees pursuant to Article 200 of the Commercial Code, and decision on confirmation of their election according to Article 381 paragraph 6 of the Commercial Code;
- o) Decision on remuneration for members of the board of directors and the supervisory board, approval of contract on performance of function of supervisory board members;
- p) Granting of prior agreement with entering into a contract on credit or loan between the company and a member of the board of directors, the supervisory board, head of

procurator or another person who is authorised to enter into such a contract in the name of the company, or by people close to them. Alternatively, granting of a contract the content of which is the securing of liabilities of these people or free transfer of property from the company to these people;

- q) Granting of prior agreement with entering into a contract on credit or loan with a person other than the persons stated in Article p) or on securing of liability of such a person, if persons stated in Article p) are authorised to enter into such a contract in the name of this other person. This does not apply if it concerns the provision of a loan or credit by a controlling person to a controlled person or securing of liabilities of the controlled person by the controlling person;
- r) Granting of prior agreement with entering into a contract on free transfer of property to a shareholder;
- s) Approval of annual report on business activity of the company and the state of its property;
- t) Approval of an ordinary or extraordinary financial statement and consolidated financial statement and in cases determined by law also interlocutory financial statement, decision on division of profit including any possible share for employees in the division of profit, decision on settlement of loss and determination of bonuses;
- u) Approvals of agreements set forth in Article 67a of the Commercial Code;
- v) Decision on determining the deciding day for the origin of right to dividend payment;
- w) Approval of a contract on control, contract on transfer of profit and contract on silent partnership, as well as changes to them;
- x) Granting of agreement with entering into a contract, based on which the company is to acquire or alienate property, if such granting of agreement is required pursuant to Article 193 paragraph 2 of the Commercial Code;
- y) Decision on other issues that the Commercial Code or this charter include in the competence of the general assembly.

3. The general assembly cannot reserve itself decisions on matters that are not entrusted to it by the law or by this charter. The operations of the general assembly for deciding on or treating company property does not affect the operations of the supervisory board according to Article 193 paragraph 2 of the Commercial Code.

4. Costs connected to the conduct of the general assembly are borne by the company; shareholders do not have any claim to compensation for costs connected with taking part in the general assembly.

Article 13

Taking part in the general assembly

1. Every shareholder can take part in the general assembly personally or by means of a representative on the basis of power of attorney in writing. Shareholder representatives may not be members of the board of directors or members of the supervisory board of the company.

2. The deciding day for taking part in the general assembly is the seventh calendar day before the day of the general assembly taking place.

3. Physical persons stated in paragraph 1 of this Article prove their identities at the general assembly by a valid identity document. The statutory authority of the shareholder, or possibly a member of the statutory authority of the shareholder, is further obliged to prove themselves by an officially verified statement from the business register. This must be no older than three months from the date of the general assembly taking place, and the shareholder representative is obliged to prove his identity by written power of attorney, in which the extent of the representatives authority is shown. In the case of power of attorney granted to a corporate entity, the representative is obliged to submit the same officially verified statement from the business register, or possibly also written power of attorney proving the authorisation to act on behalf of this corporate entity. The affected persons are obliged to hand over powers of attorney and statements from the business register mentioned in the second and third sentences to the company.

4. Members of the board of directors and members of the supervisory board will take part in the general assembly. The auditor of the financial statement is also authorised to take part in the part of the dealings of the general assembly that discuss such a financial statement. Other persons can only take part in the general assembly with its consent; the general assembly is not accessible to the public.

5. Shareholders that are present, or possibly their representatives that are present, are recorded into the list of people attending. This list contains the name or title and head office of the corporate entity or the name and place of residence of the physical person who is a shareholder or shareholder's representative. It also contains the nominal value of shares that authorise them to vote, or possibly information on the fact that the shares held do not authorise them to vote. If the company refuses to make a record of a certain person into the list of those present, it is obliged to state this actuality in the list of those present, inclusive of giving a reason for the refusal. People stated in paragraph 4 of this Article are also recorded into the list of those present. The accuracy of the list of those present is confirmed by the signatures of the chairman of the board of directors and the registrar elected in accordance with Article 15 paragraph 1 of this charter.

Article 14

Convening the General Assembly

1. The general assembly of the company takes place at least once a year at the latest within six months of the last day of the financial period. In cases where the convening of the general assembly is assigned by law, and the board of directors did not decide on convening it without unnecessary delay, or if a quorum has not been constituted for a long time, a member of the board of directors is also authorised to convene the general assembly.

2. The board of directors convenes the general assembly without unnecessary delay upon discovering that the total losses of the company based on whatever financial statement have reached such a level that when settling them from disposable company resources the unsettled losses would reach half of base capital. The same occurs if the above can be expected with consideration to all circumstances, or if the board of directors discovers that the company has gone bankrupt, and proposes to the general assembly the dissolution of the company or the adoption of other measures, unless determined otherwise by special legislation.

3. At the request of a shareholder or shareholders according to Article 10 paragraph 14 section a) of this charter, the board of directors is to convene an extraordinary general assembly. Such an extraordinary general assembly is to take place within forty days from the day when it received the request to convene it; the period shown in paragraph 5 of this Article is shortened to fifteen days. The board of directors is not authorised to change the proposed order of business; it may only be supplemented with the consent of the persons who requested the convening of the extraordinary general assembly.

4. Based on the decision of the board of directors, the general assembly is also convened in other cases; if it is in the interests of the company then the general assembly is convened by the supervisory board, which proposes the necessary measures to the general assembly.

5. The general assembly is convened by notification on the general assembly taking place in the *Obchodní věstník* (Business Gazette) and *Hospodářské noviny* (Economic newspaper), which must be publicised at least thirty days prior to it taking place. If the shareholder sets up for the benefit of the company right of lien for at least one share in the company as collateral for settlement of costs for sending notification on the general assembly taking place, and if he asks for the notification on the general assembly taking place to be sent to the address shown on the request, the company is obliged to send his notification costs to the address stated.

6. The announcement on the general assembly taking place must contain the name and head office of the company, along with the date, time and place where the general assembly is to take place. As well as this, it must contain an indication of whether an ordinary, extraordinary or alternative general assembly is being convened. It must also contain the general assembly's order of business, the deciding day for participation in the general assembly, and possibly other appurtenances determined by law.

7. The place, date and time of the general assembly taking place must be determined in a way that they restrict the possibility of shareholders taking part in the general assembly as little as possible.

8. The general assembly can be cancelled or the date of it taking place can be changed to a later time. Cancellation of the general assembly or a change in the date of it taking place must be announced in the manner determined in paragraph 5 of this Article. This must be done at the latest one week prior to the announced date of it taking place, otherwise the company is obliged to pay sensibly spent costs to shareholders who came along according to the prior

announcement. When setting a new date for the general assembly to take place, the period according to paragraph 5, or possibly paragraph 3, of this Article, must be adhered to.

9. If the board of directors convenes the general assembly, the convening and the proposed order of business must be notified to the supervisory board. The board of directors is obliged to supplement the program of business according to the requirements of the supervisory board, which must be submitted in such a way that the period for convening a general assembly is adhered to according to paragraph 5 of this Article. In the case of convening a general assembly by the supervisory board, the convening and the proposed order of business must be notified to the board of directors. The supervisory board is obliged to supplement the program of business according to the requirements of the board of directors, which must be submitted in such a way that the period for convening a general assembly is adhered to according to paragraph 5 of this Article. Simultaneously with announcing the general assembly is to take place, however at the latest within the period according to paragraph 5 of this Article, the convenor will submit to the other authority the same written materials for individual points for the order of business of the general assembly proposed by it.

10. The general assembly is organisationally secured by the board of directors. If the more than one half of the members of the board of directors is missing, then the general assembly is organizationally secured by the body of the company that convened the general assembly.

Article 15

Dealings and decision-making of the general assembly

1. The general assembly votes on its chairman, a registrar, two verifiers of the record, and persons authorised with the counting of votes, and approves the Code of Conduct, which the dealings of the general assembly comply with. On a proposal by the board of directors, or of the supervisory board if the convenor of the general assembly is the supervisory board, these officials are elected by voting implemented with the help of ballot papers. To be elected, they must have a majority of over half of the votes of present shareholders.

2. A member of the board of directors authorised by the board of directors commences the dealings of the general assembly and runs the election of the chairman of the general assembly. Alternatively, in the case of the supervisory board convening the general assembly, then this is done by a supervisory board member authorised by the supervisory board; hereinafter the dealings of the general assembly are run by its chairman.

3. The general assembly is capable of constituting a quorum if shareholders are present, whether in person or by means of a representative on the basis of power of attorney, who have shares with a nominal value representing more than half of the base capital of the company.

4. When assessing the capacity of the general assembly to make a decision and during voting at the general assembly shares or interim certificates that are not connected to the voting rights are not taken into consideration. The same applies if voting rights that they are connected with

cannot be executed, or for voting rights that are not executed by a securities trader or other persons according to Article 183b paragraph 4 of the Commercial Code. The ban on performance of voting rights stated below in sections b) to d) relates to shareholders who deal with a shareholder who cannot exercise voting rights, in concordance. A shareholder cannot exercise voting rights

- a) Connected to an interim certificate, if he is delayed with payment of the issue price of unpaid shares or part thereof,
- b) If the general assembly decides on his non-monetary deposit,
- c) If the general assembly decides on the following:
 - Whether to him or to a person with whom he acts in concordance, there should be given an advantage or their fulfilment of obligation should be excused,
 - Whether he should be discharged from the function of member of the authority due to breach of obligation in performing his function,
- d) If he breached the obligation to make an offer of takeover for other shareholders,
- e) If he breached the legally determined obligation of notification relating to his share of company voting rights,
- f) In other cases if so determined by law.

5. If the general assembly after the expiry of one hour since the determined start of its dealings did not constitute a quorum, the board of directors is to convene an alternative general assembly by new notification publicised within fifteen days of the day when the prior general assembly was convened. This is to be done using the method determined in Article 14 paragraph 5 of this charter. The period stated there is to be shortened to fifteen days. An alternative general assembly must take place at the latest within six weeks from the day when the previous general assembly should have taken place. An alternative general assembly must have an unchanged order of business and is capable of constituting a quorum without consideration to the number of shareholders present or the level of nominal value of their shares. The company does not have to ask for a new statement from the records of book-registered securities. However, a new acquirer of shares is authorised to prove his right to take part in the general assembly in another way.

6. The general assembly can only decide on an actuality that was not stated in the announced order of business if all shareholders are present and unanimously agree with the discussion of such a matter.

7. The voting rights of shareholders conforms to the nominal value of their shares, whilst each CZK 100 (in words one hundred Czech crowns) of nominal value of the shares represents one vote.

8. The general assembly decides by the majority of votes of present shareholders, unless the Commercial Code requires a different majority.

9. A qualified majority of two thirds of votes of present shareholders is needed for the general assembly to decide on the following:

- a) Changes to the charter, unless there is a change in the charter as a result of an increase in base capital by the board of directors or a change that occurred on the basis of other legal actualities,
- b) An increase in base capital or authorisation by the board of directors according to Article 210 of the Commercial Code and Article 28 paragraph 7 of this charter, or on the possibility of counting monetary receivables towards the company against the debt for payment of issue price,
- c) A decrease in base capital,
- d) Issue of debentures according to Article 160 of the Commercial Code,
- e) Dissolution of company with liquidation and proposal of dividing the liquidation value,
- f) Confirmation of election of supervisory board members according to Article 381 paragraph 6 of the Commercial Code.

10. A qualified majority of three-quarters of votes of present shareholders is needed for a decision of the general assembly to do the following:

- a) On exclusion or restriction of priority right to obtain exchangeable and priority debentures or subscription of new company shares for increasing base capital according to Article 204a of the Commercial Code,
- b) Increase base capital by non-monetary deposits,
- c) Approve a contract on control or approve a contract on transfer of profit, as well as changes to them,
- d) Mergers, divisions, and changes to the legal form of the company,
- e) Approve a contract according to Article 12 para. 2 (u) of this charter.

11. As well as a qualified, or possibly a simple majority of votes of present shareholders, a qualified majority of three-quarters of votes of present shareholders having the given shares for deciding at the general assembly is also necessary for the following:

- a) On a change in type or form of shares,
- b) On a change in the rights connected with a certain type of shares,
- c) On elimination from trading on the official market.

12. The agreement of all shareholders whose shares are to be fused is required for the decision of the general assembly to fuse shares.

13. A notarial record must be provided for decisions according to paragraphs 9 to 12 of this Article (with the exception of decisions according to paragraph 9 section f) of this Article), as well as for decisions on the transfer of assets to one shareholder.

14. Voting takes place by the chairman of the general assembly giving notice firstly on the proposal of the convener of the general assembly. If this proposal is not accepted, counterproposals are voted on in the order in which they were presented. The result of voting is found out and announced by persons authorised with the counting of votes to the chairman of the general assembly and the registrar.

15. Voting takes place using ballot papers, unless decided on otherwise by the general assembly.

16. A record is made on the process of dealings of the general assembly. This record contains the name and head office of the company, the place and time of the general assembly taking place, the name of the chairman of the general assembly, the registrar, verifiers of the record, and persons authorised with the counting of votes. It also contains a description of points being discussed, and the decision of the general assembly with a statement of the results of voting. Along with this, it contains the content of objections by shareholders and members of the board of directors, or of the supervisory board relating to the decision of the general assembly, if the person raising the objection asks for this. Added to the record are proposals and declarations, submitted at the general assembly for discussion and a list of those present at the general assembly. The record is to be signed by the registrar, by the chairman of the general assembly and by verifiers of the record. The record from the dealings of the general assembly must be drawn up within thirty days of the day of the general assembly taking place. Appurtenances, method of drawing up and verifying the record, as well as the issue of copies of it, and archiving all comply with Articles 188 and 189 of the Commercial Code.

B. Board of directors

Article 16

Standing and competence of the board of directors

1. The board of directors is the statutory authority of the company, which runs the operations of the company and acts in its name.
2. The board of directors decides on all company matters, unless they are reserved by the Commercial Code or by this charter for the competence of the general assembly or the supervisory board.
3. This charter, decisions of the general assembly or of the supervisory board can restrict the right of the board of directors to act in the name of the company, however such restrictions do not apply towards third parties.
4. The board of directors is responsible particularly for the following:
 - a) To ensure the business management of the company;
 - b) To secure full administration of accounting and other company records;
 - c) To convene a general assembly;
 - d) To secure the processing of and to submit to the supervisory board for examination and to the general assembly for approval an ordinary, extraordinary, consolidated, or possibly also an interlocutory financial statement including a proposal on the division of profit or settlement of loss;

- e) To submit to the general assembly once a year a report on the business activities of the company and on the state of its property;
- f) To perform resolutions of the general assembly;
- g) To present matters that according to this charter are within the competence of the supervisory board to the supervisory board for discussion or for approval;
- h) To decide in accordance with Article 28 paragraph 7 of this charter and authorisation by the general assembly on an increase in the company's base capital;
- i) To decide within the scope of rules approved by the general assembly on drawing on funds of the company made up from profit, without prejudice to Article 27 of this charter;
- j) To grant and remove procuration;
- k) To administer a list of owners of interim certificates;
- l) To decide on refusing to give information requested by a shareholder at the general assembly under conditions determined in Article 180 paragraph 4 of the Commercial Code;
- m) To name and discharge head employees of the company, without prejudice to Article 16 (4) n) of this charter;
- n) Taking into account an opinion issued by the supervisory board, to appoint and recall Chief Executive Officer of the Company;
- o) Taking into account an opinion issued by the supervisory board, to appoint and recall the auditor of the Company to verify financial statements or other documents whereof verification is required by law.

5. The following acts are subject to the prior consent of the supervisory board:

- a) To encumber, alienate or lease the Company's assets if the accounting value of the respective assets under one contract or other interrelated contracts exceeds CZK 200.000.000;
- b) To issue debentures except for those to which the consent of the general assembly is necessary for their issue;
- c) granting of a loan or other financial indebtedness by the company to the third party or a receipt of the loan or other financial indebtedness by the company from the third party, which exceed in each particular case the amount of CZK 300,000,000;
- d) To perform investments with financial expenses for one contract or other interrelated contracts exceeding CZK 300.000.000;
- e) To provide any indemnification, guarantee or other security for any third party obligations, except for any indemnification, guarantee or other security for any obligations of the subsidiaries of the Company not exceeding CZK 150.000.000;
- f) To decide on the sponsoring and donations exceeding CZK 1.000.000;
- g) To set up and dissolve a foreign branch;
- h) To conclude agreements establishing business companies and cooperatives, agreements creating interest groups, and on capital investment in business companies or cooperatives, on acquisition, encumbrance and alienation of

participations in other business companies or cooperatives, without limitation to having their base office in the Czech republic;

i) To exercise voting rights at general assemblies of directly controlled subsidiaries of the company, i.e. those in which company directly holds at least 50% of the share capital and which, based on the latest available ordinary unconsolidated or, if created, consolidated financial statements, achieved at least the turnover exceeding CZK 15.000.000, in respect of the following matters (the “directly controlled companies”):

- electing, appointment of the statutory and supervisory bodies or members of the statutory and supervisory bodies of the directly controlled companies and recalling of the supervisory bodies or members of the supervisory bodies of the directly controlled companies;
- merger of the directly controlled company with another company and restructuring of the directly controlled company;
- changes to the charter or memorandum of association of the directly controlled company;
- distribution of the annual net profit acquired on the basis of ordinary unconsolidated financial statements of the directly controlled company;
- winding-up of the directly controlled company;
- sale of the business of the directly controlled company (or its part) to a third party and lease and/or pledge of the business of the directly controlled company (or its part) to a third party; and
- change of the legal form of the directly controlled company.

6. The Board of directors is, before deciding on them, obliged to obtain a prior opinion of the Supervisory board on the following:

- a) Determination of a strategy and long-term business plan for the company, as well as annual and medium-term business plans for the company, including resources and means for ensuring and mechanisms for controlling of their fulfillment;
- b) Any changes in the company’s organizational structure and the company’s organizational code on the first and second managerial levels below the board of directors, if any such changes must be urgently made, the opinion of the supervisory board may also be granted subsequently;
- c) Recalling of the statutory bodies or members of the statutory bodies of the directly controlled companies, provided that if such changes must be urgently made, the opinion of the supervisory board may also be granted subsequently;
- d) Approving and amending the rules of the board of directors;
- e) Documents submitted by the board of directors to the general assembly;
- f) Proposals of the board of directors for increasing base capital by the board of directors according to Article 210 of the Commercial Code and Article 28 paragraph 7 of this charter;

- g) Proposals of the manager agreements of the Chief Executive Officer or the members of the board of directors that are in the labor-law relationship to the company including determination of their consensual salaries; and
- h) Use of the contingency fund according to Article 27 paragraph 5 of this charter.”

7. When performing its activities, the board of directors complies with legal regulations, this charter and the Code of Conduct of the board of directors. The board of directors complies with the principles and instructions approved by the general assembly as long as they are in accordance with legal regulations and this charter.

Article 17

Composition, establishment and term of office of the board of directors

1. The board of directors of the company has seven members who are voted for and discharged by the supervisory board.
2. The term of office of members of the board of directors is three years long. Members of the board may be re-elected.
3. Members of the board of directors can withdraw from their function as member of the board of directors; they are however obliged to notify the supervisory board of this in writing. The performance of their function ends on the day when the supervisory board discussed the withdrawal or should have discussed the withdrawal. The supervisory board is obliged to discuss withdrawal at the earliest meeting after it has found out about the withdrawal from function. If a member of the board who is withdrawing from the function notifies of his withdrawal at a meeting of the supervisory board, the performance of the function ends when two months have expired after such a notification. This occurs unless the supervisory board approves another moment of expiry of the function of the member of the board of directors who is withdrawing at his request.
4. If a member of the board of directors dies, withdraws from his function, is discharged or finishes his term of office in some other way, the supervisory board has to choose a new member of the board within three months of the day when the given actuality happened.
5. The board of directors votes from among its members for a chairman and two vice-chairmen of the board of directors, who represent, each individually, the chairman of the board of directors to a full extent in performing his competence.

Article 18
Liability and ban on competition

1. Members of the board of directors are obliged to perform their competence with due professional care and to maintain secrecy on confidential information and actualities, the exposure of which to third parties could cause harm to the company.
2. Members of the board of directors who caused damage to the company by breaching legal obligations when performing activities within the competence of the board of directors, are liable for such damage jointly and inseparably. Any contract between the company and a member of the board of directors or stipulation of the charter excluding or limiting the damage liability of a member of the board are not valid.
3. Everyone, who by their influence on the company deliberately forces a person who is a member of the board of directors to act in a way that damages the company or shareholders vouches for the fulfilment of obligation to compensate for damage that arose in connection with such action.
4. Members of the board of directors who are liable to the company for damage vouch for company liabilities jointly and inseparably if the liable member of the board of directors did not settle the damage and creditors cannot reach satisfaction of their receivable from company property due to its financial insolvency or for the reason that the company stopped payments. The extent of surety is limited by the extent of obligation of members of the board for damage compensation. Surety of a member of the board of directors expires as soon as he compensates for the damage caused.
5. Members of the board of directors are only liable for damage caused to the company by fulfilment of instructions of the general assembly if the instruction from the general assembly is in conflict with legal regulations.
6. Liability of members of the board of directors in special cases is determined by the Commercial Code and by other legal regulations.
7. A member of the board of directors must not
 - a) Operate in an identical or similar field of business of the company, or enter business relationships with the company,
 - b) Arrange or procure trades of the company for other persons,
 - c) Take part in the business of another company as a partner with unlimited liability or as a controlling person of another person with an identical or similar subject of business,
 - d) Perform the function as a statutory authority or member of a statutory authority or other authority of another corporate entity with an identical or similar subject of business, unless it regards a concern.

8. If a member of the board of directors breaches the stipulation in paragraph 7 of this Article, the company is authorised to require of this member to do the following:

- a) Give up profit from a trade during which he breached the competition ban,
- b) Transfer the corresponding rights to the company,
- c) Compensate for damage.

9. The rights stated in paragraph 8 sections a) and b) of this Article expire if they are not enforced at the responsible member of the board of directors within three months from the day when the company found out about this actuality. This must be done at the latest after the expiry of one year from their origin; the right to damage compensation is not affected by this.

10. The member of the Board of Directors is obliged to ask the Supervisory Board for its prior affirmative standpoint to the performance of a position of statutory body or other body or a member of statutory body or other body of another entity. The member of the Board of Directors may consent to his appointment into the position of the statutory body or other body or a member of the statutory body or other body of another entity and may perform the position of the statutory body or other body or a member of the statutory body or other body of another entity only after he/she receives a prior affirmative standpoint of the Supervisory Board to the appointment to and the performance of the such position. For the avoidance of doubt, the provision of clause 7 letter d) of this article is not affected hereby. The member of the Board of Directors is obliged to abstain from voting on the matters in which is threatening or existing conflict of interest on his part and without undue delay inform on such conflict of interest other members of the Board of Directors of the company. The right of the member of the Board of Directors with respect of which is threatening or pending the conflict of interest to participate in the discussion on the matters within the meaning of the preceding sentence is not affected hereby.

Article 19

Meeting and decision making of the board of directors

1. The board of directors makes decisions at its meetings, unless this charter determines otherwise.
2. The board of directors meets at least once every two weeks.
3. Meetings of the board of directors are convened by the chairman of the board in writing. This chairman is in charge of the meetings. Under conditions determined in the board of directors' Code of Conduct, a meeting can also be convened by telex or fax, or possibly in another form.
4. If there is a written request by any member of the board of directors or by the supervisory board, a meeting must be convened. Such a meeting must be convened within two weeks of the delivery of such a request and should be held not later than within three weeks from the day of

delivery of such request; reasons must be given for the request, and it must contain a proposal for the order of business.

5. The board of directors can invite members of the supervisory board, company employees or other persons to its meetings according to its wishes. Invitations for company employees are binding.

6. Members take part in meetings of the board of directors in person, representation is not allowed. Based on a request by the supervisory board, a member of the supervisory board can take part in the meeting of the board of directors.

7. The board of directors is capable of effectively constituting a quorum only if over half of all members are present at the meeting. A majority of all votes is needed for adopting a resolution, not only a majority of the members present.

8. A record is made on the process and resolution of a meeting, which is signed by the chairman of the board of directors and by a registrar determined by the board of directors. In the record of the dealings of the board of directors, members of the board of directors who voted against individual resolutions of the board of directors and who abstained from voting must be stated by name. Members who are not stated voted to accept the resolution, unless proven otherwise.

9. The Board of Directors may adopt the resolution outside the meeting via a written voting or a voting through the telecommunication means, i.e., through the teleconference, videoconference, communication via fax or e-mail (the "per rollam voting"). The resolution outside the meeting through the per rollam voting may be adopted in a case if such voting is pre-approved by all members of the Board of Directors. The members of the Board of Directors must be informed in advance of the proposal of the wording of the resolution which is submitted for the approval through the per rollam voting. The resolution is approved through the per rollam voting if the majority of all members of the Board of Directors votes for this resolution unless the act or this Articles of Association requests the qualified majority vote. The report on the per rollam voting must be attached to the minutes from the next meeting of the Board of Directors of the company. The detailed rules on the per rollam voting are set forth in the Rules of Procedure of the Board of Directors of Unipetrol.

10. Costs connected with meetings and with other activities of the board of directors are borne by the company. Members of the board of directors are due compensation for costs connected with the performance of their functions.

11. Rules of conduct for the board of directors are determined in detail by the Code of Conduct of the board of directors.

C. Supervisory board

Article 20

Standing and competence of the supervisory board

1. The supervisory board is the controlling authority of the company. It monitors the performance of competence of the board of directors, and the implementation of the company's business activities.
2. Members of the supervisory board are authorised to look at all documents and records relating to company activities. They check whether accounting records are administered correctly in accordance with the facts and whether the company's business activities are implemented in accordance with legal regulations, the charter and instructions of the general assembly. The supervisory board has the right to ask for information from the company auditor for its controlling function, and to continuously work together with him.
3. The supervisory board is responsible for the following:
 - a) During its monitoring functions to control the performance of competence of the board of directors, particularly the fulfilment of tasks assigned to the board of directors by the general assembly, adherence to the company charter and to legal regulations regarding company activities, business activities of the company, the state of its property, its receivables and liabilities, and the administration and conclusiveness of accounting. It is also responsible for submitting to the general assembly the results, conclusions and recommendations from monitoring;
 - b) To examine ordinary, extraordinary, consolidated and also any possible interlocutory financial statements and any proposal on division of profit or settlement of loss, and to give the general assembly a report on such examinations;
 - c) To discuss all proposals by the board of directors submitted to the general assembly, and to give any relevant statements regarding these matters to the general assembly;
 - d) To convene a general assembly if it is in the interests of the company, and at the general assembly to propose necessary measures;
 - e) To ask the board of directors to supplement the program of the general assembly;
 - f) To elect and discharge members of the board of directors, to confirm the election of members of the board of directors according to Article 381 paragraph 6 of the Commercial Code;
 - g) To represent the company by means of its determined member in disputes against members of the board of directors in court proceedings and proceedings involving other authorities;
 - h) To perform other activities within the competence that is entrusted to it by the Commercial Code and by this charter.
4. The supervisory board shall give its prior consent to the decisions of the board of directors according to Article 16 paragraph 5 of this charter.

5. Upon the request of the board of directors, the supervisory board shall provide the board of directors with its prior opinion in respect to the decisions according to Article 16 paragraph 4 letter n) and o) and Article 16 paragraph 6 of this charter. As per request of the member of the Board of Directors, the Supervisory Board grants its prior affirmative standpoint pursuant to Section 18 (10) of this Articles of Association.

6. Any member of the supervisory board is authorised to put forward a proposal for the election or discharge of members of the board of directors. Elections or discharging of members of the board of directors are carried out by secret voting at a meeting of the supervisory board; agreements to vote beyond a meeting are not allowed in such a case.

7. The supervisory board complies with the principles and instructions approved by the general assembly, as long as they are in accordance with legal regulations and with this charter.

Article 21

Composition, establishment and term of office of the supervisory board

1. The supervisory board has nine members, who are elected and discharged by the general assembly. If on the first day of the accounting period during which the general assembly that elects members of the supervisory board takes place, the company has more than fifty employees in employment for a working period exceeding half of the weekly working period determined by special legislation, six members of the supervisory board out of nine are elected and discharged by the general assembly, and three members of the supervisory board are elected by company employees.

2. Only employees who are employed by the company have the right to elect members of the supervisory board. Only physical persons who at the time of election are in the employment of the company or are representatives or members of employee representatives can be elected, according to special legislation. The election of supervisory board members elected by company employees is organised by the board of directors on the basis of an electoral code prepared and approved after discussion with company employees who fulfil the conditions in the first sentence of this paragraph.

3. The supervisory board members have a term of office of three years. Re-election as a supervisory board member is allowed.

4. Members of the supervisory board can withdraw from their functions as supervisory board members; however they are obliged to notify the supervisory board of this in writing. The performance of their function ends on the day when the supervisory board discussed the withdrawal or should have discussed the withdrawal. The supervisory board is obliged to discuss withdrawal at its earliest meeting after it found out about such a withdrawal from function. If a supervisory board member notifies of his withdrawal at a meeting of the supervisory board, the performance of his function ends with the expiry of two months after such a notification, unless the supervisory board approves another moment for expiry of his functioning at the request of the member of the supervisory board who is withdrawing from his function.

5. If the number of members of the supervisory board elected by the general assembly has not dropped under a half, the supervisory board can name replacement members by the next meeting of the general assembly; otherwise new members of the supervisory board must be elected within three months from the day when the existing members of the supervisory board ended the performance of their functions.
6. The supervisory board elects from among its members a chairman and two vice-chairmen, who represent, each individually, the chairman of the supervisory board to his full extent in the performance of his competence.
7. The member of the Supervisory Board is obliged to abstain from voting on the matters in case of which there is threatening of pending conflict of interest on his part and is obliged to notify on such conflict of interest the other members of the Supervisory Board of the company. The right of the member of the Supervisory Board in case of which there is threatening or pending conflict of interest to participate in discussion on the matters within the meaning of the preceding sentence is not affected hereby.

Article 22

Meeting and decision making of the supervisory board

1. The supervisory board makes decisions at its meetings.
2. The supervisory board meets when necessary, however, not less frequently than at least once every two months.
3. Supervisory board meetings are convened by invitation by its chairman, who is also in charge of the meetings. Under conditions determined in the Code of Conduct of the supervisory board, meetings can also be convened by telex or by fax, or possibly by some other form.
4. The Supervisory Board may adopt the resolution outside the meeting via a written voting or a voting through the telecommunication means, i.e., through the teleconference, videoconference, communication via fax or e-mail (the “per rollam voting”). The resolution outside the meeting through the per rollam voting may be adopted in a case if such voting is pre-approved by all members of the Supervisory Board. The members of the Board of Directors must be informed in advance of the proposal of the wording of the resolution which is submitted for the approval through the per rollam voting. The request for the approval of the per rollam voting must contain the proposal of all resolutions of the Supervisory Board which should be approved by the per rollam voting. The resolution is approved through the per rollam voting if the majority of all members of the Supervisory Board votes for this resolution unless the act or this Articles of Association requests the qualified majority vote. The report on the per rollam voting must be attached to the minutes from the next meeting of the Supervisory Board of the company. The detailed rules on the per rollam voting are set forth in the Rules of Procedure of the Supervisory Board of Unipetrol.

5. The chairman is always obliged to convene a meeting of the supervisory board when any of the members of the supervisory board or of the board of directors ask for it; the request must contain a proposed order of business and reasons for it being convened.
6. Supervisory board meetings usually take place at the head office of the company, unless the supervisory board rules otherwise.
7. The supervisory board can invite members of the board of directors, company employees or other persons to a meeting if it wishes to do so. For company employees such an invitation is binding.
8. A record is made on the course of a meeting of the supervisory board. This is signed by the chairman of the supervisory board and by a registrar determined by the supervisory board. In the record the standpoints of the minority of voters are shown if these members ask for it, and differing opinions of supervisory board members elected by employees are always stated.
9. The supervisory board is capable of effectively constituting a quorum if an absolute majority of its members are present. To adopt a resolution, an absolute majority of votes of all members is needed, with the exception of a decision on confirmation of the election of members of the board of directors according to Article 381 paragraph 6 of the Commercial Code, for which consent of two thirds of all members of the supervisory board is required.
10. Costs connected with meetings and with other functions of the supervisory board are borne by the company. Members of the supervisory board are due compensation for costs connected with the performance of their function.
11. The rules of dealings and performance of control activities are determined in detail in the Code of Conduct of the supervisory board, which is approved by the supervisory board.

Article 23

Supervisory board Committees

1. The Supervisory board is obliged to establish the following committees:
 - a) the Staff and Remuneration Committee;
 - b) the Finance and Audit Committee;
 - c) the Corporate Governance Committee; and
 - d) the Strategy and Development Committee (the “Supervisory Board Committees“).
2. Each Supervisory Board Committee consists of 3 members.
3. Members of Supervisory Board Committees are appointed and recalled by the supervisory board at any time. The term of the office of a member of the Supervisory Board Committee is

three years, unless the office of such member of the Supervisory Board Committee in the supervisory board terminates earlier; in this case the term of the office of the relevant member of the Supervisory Board Committee terminates as of this earlier date. Supervisory board Committees may consist only of members of the supervisory board.

4. Staff and Remuneration Committee

The tasks of the Staff and Remuneration Committee include assistance in the achievement of the company's strategic goals by presenting the supervisory board of opinions and conclusions regarding the management structure, organizational solutions, remuneration system and selection of staff appropriately qualified to build the company's success. The Staff and Remuneration Committee's tasks include in particular:

- a) presenting recommendations to the supervisory board in relation to the personnel appointment and recall of the members of the board of directors;
- b) periodic review and presentation of recommendations concerning the system of remuneration of the board of directors' members and Chief Executive Officer including management contracts and incentive systems and submitting proposals to the supervisory board as to shaping such systems with a view to the implementation of the company's strategic goals;
- c) presenting to the supervisory board opinions concerning a substantiation of awarding remuneration pegged to the results, in the context of the assessment of the achievement of the company's particular tasks and goals;
- d) assessment of the human resources system in the company;
- e) recommending candidates to a function of Chief Executive Officer;
- f) keeping the supervisory board informed of any issues concerning the activities of the Staff and Remuneration Committee.

5. Finance and Audit Committee

The Audit Committee advises the supervisory board on matters involving the correct implementation of principles on budget preparation, budgetary and financial reporting and the internal control of the company, as well as cooperation with the company's auditor. The Committee's tasks shall include in particular:

- a) cooperation with the company's auditors and submitting recommendations to the supervisory board on the appointment and remuneration of the company's auditors;
- b) review of the company's financial statements;
- c) discussing any issues or reservations that may relate to the analysis of the financial statements;
- d) analysis of letters of the company's auditor to the board of directors, the impartiality and objectiveness of the audit and the response of the board of directors;
- e) control of the accounting system;
- f) evaluation of the system of internal control of the company and the annual report;

- g) annual review of the internal audit program, coordination of the activities of internal and external auditors, as well as examining the terms of conducting the internal audits;
- h) cooperation with the company's organizational units responsible for audit and control, as well as a periodic assessment of their activities and results;
- i) considering all other issues connected with the audit of the company which were pointed out by the Committee or the Supervisory Board;
- j) keeping the supervisory board informed of any issues concerning the activities of the Finance and Audit Committee.

6. Corporate Governance Committee

The scope of the Corporate Governance Committee's operations includes the preparation and presentation to the supervisory board of the opinions and recommendations regarding the Company's organizational structure, position of the Company as the issuer of the securities listed on the stock exchange and the part of the international capital group. The tasks of the Corporate Governance Committee shall, in particular, include:

- a) assessment of the implementation of the current corporate governance principles;
- b) giving recommendations to the supervisory board regarding the implementation of corporate governance rules;
- c) opining normative documents concerning corporate governance principles;
- d) if applicable, eventual assessment of reports on compliance with corporate governance rules prepared by the Prague Stock Exchange and/or Czech National Bank;
- e) opining proposed changes to the company's corporate documents and processing proposals of such changes for the supervisory board own documents;
- f) monitoring the company's management in terms of compliance with legal and regulatory requirements, including current corporate governance rules; and
- g) keeping the supervisory board informed of any issues concerning the activities of the Corporate Governance Committee.

7. Strategy and Development Committee

The Strategy and Development Committee's task shall include opining and presenting recommendations to the supervisory board in matters involving Company's strategy, opining of the strategic plan and contemplated investments and divestments that may have a material influence on the capital of the company. The Strategy and Development Committee's tasks shall include in particular:

- a) assessment of the impact of any projected and effected investments and divestments on the company's assets;
- b) assessment of actions, agreements, letters of intent and other documents connected with activities aimed at acquiring, selling, encumbering or otherwise disposing of the company's material assets;
- c) opining all strategic documents submitted to the supervisory board by the board of directors;

- d) opining long-term strategic plans as well as annual technical and economic plans; and
- e) keeping the supervisory board informed of any issues concerning the activities of the Strategy and Development Committee.

8. Each of the Supervisory Board Committees shall elect its chairman and vice-chairman, which shall represent the chairman in its absence.

9. The Supervisory Board Committees shall meet as they find it appropriate, but at least once every quarter.

10. The meeting of the Supervisory Board Committee shall be convened by the chairman of the committee, or the vice-chairman in his absence, or other appointed member of the committee.

11. Each of the Supervisory Board Committees shall be deemed to have a quorum if at least the simple majority of its members is present and all members of the committee were duly invited to the meeting.

12. To pass a resolution of each of the Supervisory Board Committees the consent of the majority of all of its members is required.

13. There shall be a record of each meeting of each of the Supervisory Board Committee, which shall be signed by the chairman or its vice-chairman or by any other appointed member of the committee. The opinions of the minority shall be recorded as well should the minority so require. The records must be archived for the time of the existence of the company.

14. The details on the form of the meeting of each of the Supervisory Board Committees and their powers shall be set out in the Code of Conduct of the Supervisory Board Committees approved by supervisory boards.

Article 24

Liability and competition ban

1. Members of the supervisory board are obliged to perform their competence with due professional care and to maintain secrecy regarding confidential information and actualities, which if divulged to third parties could cause harm to the company.

2. If prior agreement from the supervisory board is needed for certain dealings of the board of directors, and if the supervisory board does not agree to such dealings or if the supervisory board uses its right to prohibit the board of directors from carrying out certain action in the name of the company, members of the supervisory board of the company are liable for damage in the cases and to the extent determined in Article 201 paragraph 4 of the Commercial Code.

3. Article 18 paragraph 2 relates to members of the supervisory board. Paragraphs 4 to 9 of this charter also relate similarly.

IV. Company economics

Article 25

Financial statement

1. The company administers accounting in a prescribed method and in accordance with legal regulations. The board of directors is responsible for the proper administration of accounting. The board of directors ensures verification of ordinary, extraordinary, consolidated, and any possible interlocutory financial statements by an auditor.
2. The company creates a framework of information specified by legal regulations, and provides details on its activities to authorities determined by these regulations.
3. If discussion and approval of a financial statement is in the order of business of a general assembly, the board of directors will publicise the main details of the financial statement at least thirty days before the general assembly is to take place. It will do so by the method stated in Article 14 paragraph 5 of this charter, stating the period in which and place where the financial statement is to be available for viewing by company shareholders. The company is obliged to publicise the details from the financial statement, as well as the annual statement in the way and to the extent determined by legal regulations.
4. The financial statement must be drawn up in a manner corresponding to legal regulations and principles of proper accounting in a way that it provides full information on the property and financial situation in which the company finds itself, and on the level of achieved profit or loss.
5. The company processes an annual statement to the extent determined by legal regulations, a part of which is an ordinary financial statement and a report on the business activities of the company, and the state of its property.

Article 26

Division of profit, or possibly settlement of loss, and creation of funds

1. After the obligatory amount of profit has been allocated into the contingency fund, profit can be used in accordance with the decision of the general assembly. It can be used namely for division among shareholders, for an increase in base capital from the company's own resources, or for other (voluntary) allocations to the contingency fund. Other purposes that it can be used for are allocations into other funds of the company made up of profit, for determining the share of profit for members of the board of directors and of the supervisory board, and for determining the share of profit for company employees. It can also be used for other purposes permitted by law, and possibly for the settlement of loss or for transfer to the account of undivided profit. The previous sentences apply commensurately for decision of the general assembly on the method of dividing undivided profit from the previous period.
2. The company obligatorily sets up and uses the contingency fund according to this charter.

3. The company can set up other effectual funds made up of profit whilst respecting valid regulations for setting them up and doing business with them, and whilst respecting the rules determined by the general assembly.

4. Company loss originated during management can be covered in accordance with a decision by the general assembly on using unallocated profit from earlier periods, from share premium, or from other capital funds. It can also be covered in accordance with a decision by the general assembly on using other funds created out of profit, from the contingency fund, from a decrease in base capital, or possibly from settlement of loss as a result of future business activity.

Article 27

Contingency fund

1. The contingency fund was created when the company was established at a level of CZK 500,000 (in words five hundred thousand Czech crowns). This was done by a contribution from a single founder above issue price of shares, and is supplemented annually by five percent of net profit, to a maximum however of twenty percent of base capital (obligatory part of the contingency fund). The obligatory part of the contingency fund can only be used for the settlement of company losses.

2. The total amount of the contingency fund, including the obligatory part of the contingency fund, must not exceed one third of the company's base capital recorded in the business register on the first day of the given accounting period.

3. The part of the contingency fund that is not supplemented obligatorily according to Article 1 of this Article, can be supplemented in accordance with the decision of the general assembly from the company's own resources. This can be done particularly by other allocations from profit determined to be divided, from the difference between the issue price and the nominal value of shares, and from other capital funds, as well as from undivided profit from previous periods.

4. The contingency fund can be supplemented by a decrease in base capital under conditions stated in Article 216a of the Commercial Code.

5. The board of directors decides on using the contingency fund. It does not include the obligatory part of the contingency fund on using which decides the general assembly.

for amounts of up to half of its value at the start of the calendar year; this value does not include the obligatory part of the contingency fund. The general assembly decides on using the contingency fund for amounts above half of its value at the start of the calendar year, and on using the obligatory part of the contingency fund.

6. The share of the company's net profit can only be determined after supplementing the obligatory part of the contingency fund in accordance with this charter.

7. The company sets up further contingency funds in cases determined by law; the use of these funds is possible only for purposes determined there. The level of these contingency funds is not counted in the maximum amount according to paragraph 2 of this Article. When creating these contingency funds the company uses its own resources in the following order: undivided profit, funds from profit, and capital funds.

Article 28

Increase in base capital

1. The general assembly decides on any increase in base capital of the company, with the exception of the case when the decision on an increase in base capital is according to paragraph 7 of this Article within the competence of the board of directors. The effects of an increase in base capital, as well as of a change in the charter as a result of a decision on increasing base capital, take place on the day that the increase in base capital is recorded in the business register.

2. In the notification on convening a general assembly that is to decide on an increase in base capital, appurtenances contained in Article 14 paragraph 6 of this charter must be stated. Those appurtenances in Article 202 paragraph 2, or possibly paragraphs 3 and 4 of the Commercial Code, must also be stated.

3. If an increase in base capital of the company is to be carried out by the subscription of new shares, the general assembly in accordance with Article 203 and Article 204 of the Commercial Code determines the method and conditions for their subscription, as well as payment. The subscription of new shares may not start before the resolution of the general assembly on increasing base capital, in accordance with Article 203 paragraph 4 of the Commercial Code, is recorded into the business register. This applies unless a proposal has been put forward on recording this resolution into the business register and the subscription of shares is tied to a subsequent condition, which is legal validity of deciding on refusal of a proposal to record the general assembly's decision on an increase in base capital into the business register. The subscription of shares is ineffective if the proposal for recording the increase in base capital into the business register is refused. Article 204a of the Commercial Code applies for the enforcement of priority right for existing shareholders for subscription if new subscribed shares are paid off by monetary deposits.

4. When increasing base capital from the company's own resources, the general assembly decides on the method of increase either by issuing new shares and their free division among shareholders according to the share of existing base capital of shares subscribed by them, or by increasing the nominal value of existing shares. The conditions and procedure for this method of increasing base capital are determined in Article 208 and Article 209 of the Commercial Code.

5. The general assembly can decide on a conditional increase in base capital (Article 207 of the Commercial Code), along with a decision on issuing exchangeable or priority debentures according to Article 160 of the Commercial Code.

6. The general assembly may decide on a combined increase in base capital under conditions determined in Article 209a of the Commercial Code.

7. The general assembly can make a resolution to authorise the board of directors, under conditions determined by the Commercial Code and by this charter, to decide on increasing base capital by the subscription of new shares, which are to be paid off by monetary or non-monetary deposits, or from the company's own resources, with the exception of undivided profit, up to a level of one-third of the company's base capital at the time of the general assembly deciding on authorisation of the board of directors. Base capital can be increased repeatedly by decision of the board of directors. The board of directors is authorised to decide on an increase in base capital by subscription of shares if the issue price of shares is paid off by non-monetary deposit implemented on the basis of a decision on privatisation according to Act No. 92/1991 Coll., on conditions of transfer of government property to other persons, as amended, and in other cases under the conditions that the resolution of the general assembly on authorising the board of directors determines the method of increasing base capital, the type of deposit that can be used to pay off the issue price of shares, if the board of directors is authorised with an increase in base capital by share subscription, and the maximum extent of increase in base capital for the given method of increase. If the board of directors is authorised to decide on an increase in base capital by non-monetary deposits, the authorisation on increasing base capital must also contain a determination on which company authority decides on the valuation of the non-monetary deposit on the basis of an expert judgement. Proposals on deciding to increase base capital must be discussed with the supervisory board of the company, and the general assembly must be informed of the adopted decision at its earliest meeting.

Article 29

Decrease in base capital

1. The general assembly decides on any decrease in the company's base capital. The effects of decreasing base capital, as well as a change to the charter as a result of a decision to decrease base capital and the decrease in base capital occur on the day when the decrease in base capital is recorded into the business register.

2. In the notification on convening a general assembly that is to decide on a decrease in base capital, the appurtenances contained in Article 14 paragraph 6 of this charter must be stated, as well as the same appurtenances stated in Article 211 paragraph 1 of the Commercial Code.

3. Any decrease in base capital must not worsen the recoverability of creditor receivables. The right of creditors during a decrease in base capital are determined by Article 215, Article 216, and Article 216a paragraph 4 of the Commercial Code.

4. The board of directors is obliged within thirty days of acceptance of the resolution of the general assembly on a decrease in base capital to present a proposal on recording this resolution into the business register.

5. The general assembly decides on the procedure and method of decreasing base capital in accordance with Article 213 and subsequent of the Commercial Code.

Article 30

Dissolution and end of company

1. Decisions on dissolution of the company with liquidation or on merger, transfer of assets to one shareholder or on its division are within the competence of the general assembly.

2. When dissolving the company with liquidation, the general assembly will decide on the proposal by the liquidator on division of the liquidation value. The liquidation value meanwhile will be divided amongst shareholders in proportions corresponding to the nominal value of their shares.

3. The general assembly can cancel its decision on dissolving the company and putting it into liquidation until the time when the liquidation value starts to be divided. On the day of this decision coming into effect the function of the liquidator finishes, and the liquidator is obliged to hand over all records on the process of liquidation to the board of directors of the company.

4. The company becomes dissolved on the day that it is deleted from the business register.

V. Final stipulations

Article 31

Notification

1. Actualities determined by legal regulations are publicised in the Business Gazette. The obligation to publicise actualities determined by legal regulations or by this charter is fulfilled by publication in the Business Gazette and Hospodářské noviny, unless determined otherwise by legislation.

2. Documents determined for shareholders having interim certificates are sent by the company to their addresses stated in the register of interim certificate owners. These shareholders are obliged to without delay notify the company of all changes to details contained in this register.

3. Documents determined for other persons are sent to their addresses indicated to the company.

Article 32
Procedure for changing the charter

1. The general assembly decides on changes to the charter, unless this concerns any change to the charter as a result of an increase in base capital by the board of directors according to Article 210 of the Commercial Code and Article 28 paragraph 7 of this charter. The same applies if this concerns a change that occurred on the basis of other legal actualities.
2. If a change in the company charter is on the order of business of the general assembly, the announcement on the general assembly taking place must at least characterise the essence of the proposed changes. Also, the proposal of changes to the charter must be available for shareholders to view at the head office of the company within a period according to Article 14 paragraph 5 of this charter. The shareholder also has the right to request to be sent a copy of the proposed charter at his own expense and risk; shareholders must be warned of these rights in the notification on the general assembly taking place.
3. If a shareholder intends to enforce a counterproposal to a proposal for changes to the charter at a general assembly, he is obliged to deliver the written wording of his proposal or counterproposal to the company. He must do so at least five working days prior to the day when the general assembly is to take place. The board of directors is obliged to publicise his counterproposal with its standpoint, if possible, at least three days prior to the announcement of the date when the general assembly is to take place.
4. A notarial record must be made on the decision to change the charter, and the approved text of the change to the charter is part of such a notarial record.
5. If the general assembly accepts a decision that results in a change in the content of the charter, such a decision replaces the decision on a change to the charter. If it does not arise from the decision of the general assembly whether, or possibly in what manner the charter is changed, the board of directors decides on a change in the charter in accordance with the decision of the general assembly.
6. If a change occurs in the content of the charter on the basis of whatever legal actuality, the board of directors is obliged to draw up a full wording of the charter without unnecessary delay after any member of the board of directors finds out about such a change.

Article 33
Amendment to charter

1. Changes to the charter become legitimate and come into effect at the instant when the general assembly decides on them, unless it arises from the decision of the general assembly on a change to the charter or from the law that the changes are to come into effect later.

2. This charter was accepted on 27.12.1994 and is valid according to amendments approved by decision of the general assembly from 20.12.1995, 27.6.1996, 24.3.1997, 27.3.1997, 15.7.1997, 29.5.1998, 29.1.1999, 19.8.1999, 29.6.2001, 17.1.2003, 13.4.2006 and 26.6.2008.