

**FULL WORDING**

**OF THE ARTICLES OF ASSOCIATION  
OF THE JOINT STOCK COMPANY**

**Tatry mountain resorts, a.s.**

**/as of 29/4/2020**

## **CHAPTER I**

### **Fundamental Provisions**

#### **Article I**

##### **BUSINESS NAME AND REGISTERED OFFICE OF THE COMPANY**

1. The business name of the company shall be:  
Tatry mountain resorts, a.s.  
(hereinafter referred to only as the "Company")
2. Registered office: 031 01 Demänovská Dolina no.72
3. The Company is registered in the Companies Register: held at the District Court in Žilina, section Sa, file no. 62/ L.
4. The Company shall be established for an indefinite time period.

#### **Article II**

##### **SCOPE OF BUSINESS**

The scope of business of the Company shall be as follows:

1. operating of cableways
2. operating of transport on a cableway
3. operating of ski lifts
4. renting of advertising space
5. operating of a ski school
6. operating of a snowboard school
7. constructions and changes
8. simple constructions, small constructions and changes
9. arranging of sale, rental and purchase of real property (real estate activities)
10. organising of children's leisure time activities in addition to activities arranged by travel agencies
11. operating of ski slopes
12. grooming of ski slopes, terrain works
13. transport of sports equipment and luggage
14. sports equipment depot
15. organising of trainings, seminars, schooling, culture and social events
16. organising of exhibitions
17. operating of car parks
18. providing data services – internet reading room
19. operating of no win slot machines and jukeboxes

20. reprographic services
21. operating of a tour operator
22. operating of a travel agency
23. travel guide
24. leasing and rental of estate property, consumable goods and computer technology
25. personal transport of max. 9 people including the driver in addition to taxi services
26. arranging and selling Company's own outdoor sports services
27. microwave TV broadcasting in hotel and accommodation facilities
28. broadcasting of advertising and commercial spots via a microwave TV signal
29. creating of internet and web sites
30. looking after preschool children
31. repairs and maintenance of sports tools and equipment
32. factoring and forfeiting
33. manipulation with products of creative activities with authors' approval
34. publishing activities within the scope of non-regulated trade
35. bookkeeping
36. business consultancy and market research
37. cooking and selling of meat products, side dishes and vegetarian meals for consumption only
38. selling of food prepared and imported by an authorised producer at catering facilities, confectionery shops
39. preparing and selling of non-alcoholic beverages, factory-made milk beverages, cocktails, beer, wine and spirits
40. renting of sports equipment
41. operating of fun parks
42. operating of sports areas
43. organising of sports events
44. renting of boats
45. operating and constructing of buildings for individual recreation, single storey buildings and constructions necessary at a construction site unless their built-up area is larger than 300 m<sup>2</sup> and higher than 15 m, small constructions and their renovations
46. compiling of documents and construction projects for simple constructions, small constructions and their renovations
47. engineering services
48. arranging of services related to the management of housing and non housing associations
49. driving of somebody else's motor vehicles when authorised by the owner
50. construction supervision activities – building structures
51. purchasing of goods intended for sale to ultimate consumers (retail) or other trade operators (wholesale)
52. preparatory activities before construction operations
53. arranging of trade activities
54. arranging of services
55. computer services
56. services related to computer processing
57. leasing of real property along with other than basic services related to the rental
58. leasing of movables
59. administrative services
60. business, organisational and economic consultancy
61. activities of culture, social and entertainment facilities

62. operating of sports facilities
63. advertising and marketing services
64. market research and public opinion poll
65. hairdresser saloons
66. cosmetic services
67. catering services
68. winter road maintenance
69. operating of facilities intended for regeneration and recondition
70. accommodation services in accommodation facilities including catering services in these facilities, a cottage settlement of 3<sup>rd</sup> category and camping sites of 3<sup>rd</sup> and 4<sup>th</sup> category
71. laundrette, ironing and mangling of clothes
72. massage services
73. exchange services – exchanging of foreign currencies for the Slovak currency in cash
74. mountain guide services including guiding and accompanying at tourist trails
75. non-regular domestic bus transport
76. performing of extracurricular educational activities
77. operating of road passenger transport
78. operating of road freight transport
79. authorised civil engineer for structures
80. sports activities in accordance with § 3 item a) Act No. 440/2015 Coll. on Sport and on amendments to other acts as subsequently amended.

## **CHAPTER II**

### **Registered Capital**

#### **Article III**

#### **REGISTERED CAPITAL OF THE COMPANY**

1. The Registered capital of the Company equals to EUR 46,950,386 (forty-six million nine hundred fifty thousand three hundred eighty-six).
2. Registered capital of the Company upto day of registration of decrease of registered capital in the commercial register of monetary and non-monetary contributions. Contribution in kind amounting to SKK 130,000,000 (one hundred and thirty thousand million Slovak crowns) shall consist of following immovable assets:
  - a/ immovable assets incorporated in the Deed of title no. 30 of the Cadastre office in Žilina, cadastre administration in Liptovský Mikuláš, located in regional authority Demänovská dolina as allotment no. 2926/37 – build-up areas with the size 4,536 m<sup>2</sup>, allotment no. 2926/38 – other areas with the size 390 m<sup>2</sup>, allotment no. 2926/47 – other areas with the size 1,499 m<sup>2</sup>, allotment no 2926/72 – build-up areas with the size 1,710 m<sup>2</sup>, allotment no 2926/73 – other areas with the size 26 m<sup>2</sup> and building under construction on allotment no. 2926/72; and
  - b/ immovable assets incorporated in the Deed of title no.9 of the Cadastre office in Žilina, cadastre administration in Liptovský Mikuláš, located in regional authority Demänovská Dolina as allotment no. 2980/9 – build-up areas with the size 2,275 m<sup>2</sup>, allotment no. 2980/54 – build-up areas with the size 910 m<sup>2</sup>, allotment no. 2980/55 –

other areas with the size 1,293 m<sup>2</sup>, allotment no. 2980/56 – other areas with the size 356 m<sup>2</sup> and the construction no. 5 – Hotel Tri studničky built on allotment no. 2980/9 (hereinafter referred to only as „immovable assets“).

The immovable assets were evaluated by expert opinion of Ing. Priehradný, no. 037/2002 amounting to 25,422,580.00 (twenty-five million four hundred twenty-two thousand five hundred eighty Slovak crowns) and no. 032/2002 amounting to 152,963,146.00 (one hundred fifty-two million nine hundred sixty-three thousand one hundred forty-six Slovak crowns). Contribution in kind shall be set-off against the contribution of the shareholder to the Company in the total amount of SKK 130,000,000.00 (one hundred thirty million Slovak crowns).

3. The registered capital of the Company is divided into 6,707,198 (six million seven hundred and seven thousand one hundred ninety-eight) ordinary book-entered bearer shares with nominal value of EUR 7 (seven euro).
4. The company's shares are in the form of book-entered securities held in a statutory register of securities.

#### **Article IV SHARES OF THE COMPANY**

1. Pursuant to generally binding legal regulations (hereinafter referred to only as “law”) and pursuant to the Articles of Association hereof the shares shall grant shareholder’s right to participate in the management of the Company, in its profits and its liquidation balance upon the cancellation of the Company with liquidation unless the law provides otherwise.
2. The General Meeting may decide on issuing of shares:
  - a) of a different form (registered shares, bearer shares)
  - b) of a different nominal value (the value shall be expressed as a positive integer unless special law provides otherwise,
  - c) of a different kind (ordinary share, preferred share) differentiating by the name and related rights.
3. Any transfer of the shares shall be made in compliance with special regulations by a law stipulated registration of holders of registered securities.
4. To acquire the shares of the Company for the purpose of its transfer to the employees of the Company, the provision of section 161a, subsection 2, indent a) Commercial Code shall not be used. The shares acquired in this way shall be transferred to the employees of the Company no later than within 12 (twelve) months from the date they were acquired by the Company.
5. To acquire the shares of the Company for the purpose of averting imminent major damage for the Company, the provision of section 161a, subsection 2, indent a) Commercial Code shall not be used. The Board of Directors shall be then obliged to inform the next following General Meeting on the facts pursuant to section 161a, subsection 4 Commercial Code.
6. Based on the decision of the General Meeting, the Company may issue bonds giving the right to exchange them for the shares of the Company (convertible bonds), or the

preferred right for the preferred subscription of shares of the Company (priority bonds) provided the General Meeting decides about a conditional increase of the registered capital at the same time.

#### **Article V**

#### **TERMS OF PAYMENT FOR THE SHARES AND CONSEQUENCES OF ANY DEFAULT IN THE PAYMENT OF THE SUBSCRIBED SHARES**

1. In case of subscription of new shares when increasing the registered capital, the issue price of subscribed shares paid by contributions in cash must be paid in full no later than within the period specified by law unless a shorter period results from a resolution of the General Meeting concerning the increase of the registered capital. As specified above, the General Meeting shall decide in accordance with the law on the amount of the issue price which must be paid by the subscribers within the period specified by the resolution of the General Meeting and to a bank account specified by the Board of Directors. Contributions in kind used for paying the issue price of the subscribed shares to increase the registered capital must be paid within the period specified by the resolution of the General Meeting on the increase of the registered capital of the Company no later than within the period of registration of the increased registered capital to the Companies Register.
2. In case of any breach of the duty to pay the issue price of the subscribed shares or its part, the subscriber shall pay a default interest in the amount of 20% per annum from the amount due.
3. The Board of Directors shall remind the shareholder (subscriber) who fails to pay the issue price of the subscribed shares in time to pay for it no later than within 60 days from the day such reminder is delivered. The reminder shall be made in writing and contain a warning that there is a possibility of being expelled from the Company
4. The Company shall expel the shareholder from the Company if the shareholder fails to pay the issue price of the shares within 60 days pursuant to section 3. The Board of Directors shall decide if the shareholder is to be expelled. The shares of the expelled shareholder shall be transferred to the Company once the decision to expel the shareholder from the Company is delivered. The decision to expel the shareholder from the Company shall be sent to the shareholder and filed with the Collection Deed of the respective registered court by the Board of Directors. The shareholder and the Company shall settle their rights or duties in accordance with the Commercial Code.

#### **Article VI**

#### **RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS**

1. Legal regulations and Articles of Association hereof regulate the rights and the obligations of shareholders. Both legal and natural persons may become shareholders of the Company. Shareholders may not exercise shareholders' rights which could affect the rights and professional interests of other shareholders. The Company must treat all shareholders equally.
2. Shareholders shall have the right to participate in the management of the Company, in its profits and liquidation balance upon the cancellation of the Company with liquidation. The right to participate in the management of the Company shall be exercised by share-

holders by means of participation at General Meetings and execution of the rights related to this participation whereas the shareholders shall be bounded with the organisational measures applicable to the proceedings of respective General Meetings. At the General Meetings, any shareholder may vote, ask for information and explanations concerning the matters of the Company or the matters of parties controlled thereby which are related to the agenda of the General Meeting, and make proposals at the General Meeting. The date relevant for exercising the rights specified above shall be the day indicated in the notice of convocation of the General Meeting in accordance with section 180, subsection 2 Commercial Code.

3. Shareholders may attend a General Meeting personally or by means of a written power of attorney specifying the scope of powers of the proxy and containing an officially authenticated signature of the appointing shareholder. Members of the Supervisory Board may also act as a proxy of shareholders at a General Meeting. In such case a power of attorney shall include specific instructions for voting on each resolution or each topic of the General Meeting's agenda that will be subject to voting by the member of the Supervisory Board as a proxy of the shareholder on behalf of the shareholder. If the shareholder issues a power of attorney authorising several proxies to exercise his/her voting rights related to the same shares on the same General Meeting, the Company shall accept the votes cast by that proxy who signs the attendance list first. The power of attorney shall be, in compliance with article VIII, section 2, submitted at the presentation for documentation purposes. If a shareholder keeps shares on more than one securities account according to a special regulation, the Company shall be obliged to enable his/her representation by one proxy per each securities account according to a special regulation. If several shareholders issue a written power of attorney authorising a single proxy to represent such shareholders, such a proxy may cast votes separately on behalf of each shareholder represented thereby.
4. If the Board of Directors of the Company approves and the shareholders are advised by means of a notice of convocation of a General Meeting of the Company, shareholders will be required to submit a holder's registered securities statement as of the relevant day held by the Central Depository or a member of the Central Depository in order to prove that they hold the respective shares as of the relevant date.
5. The number of shareholder's votes shall be determined as a proportion between the nominal value of the shares held thereby and the registered capital of the Company.
6. Shareholders shall be entitled to share the profits generated by the Company (dividends) which were allocated by the General Meeting for their distribution. Shareholders are not obliged to refund the Company for dividends obtained in good faith. The entitlement to dividend may be subject to individual transfer from the day when the General Meeting decides on allocation of the profit to the shareholders. The relevant date for determining the person entitled to exercise the right to dividends shall be determined by the General Meeting which shall decide on distributing the profits pursuant to section 178, subsection 5 Commercial Code. The terms, place and the date of payments of the dividends shall be determined by the General Meeting which shall decide on distributing the profits pursuant to section 178, subsection 6 Commercial Code.
7. The Company may not return the contributions to shareholders. Once the Company is liquidated, the shareholders shall be entitled to share the liquidation balance in the

amount specified by law. The right to share the liquidation balance may be subject to individual transfer as of the date when the proposal for the distribution of the liquidation balance was approved.

### **CHAPTER III**

#### **Bodies of the Company**

##### **Article VII BODIES OF THE COMPANY**

The following shall be the bodies of the Company:

- a) General Meeting,
- b) Board of Directors,
- c) Supervisory Board,
- d) Audit committee.

##### **Article VIII GENERAL MEETING**

1. The General Meeting shall be the supreme body of the Company. Its authorities shall include decisions of the following matters:
  - a) changing of Articles of Association;
  - b) deciding on the increase and reduction of the nominal capital, on the increase of the nominal capital pursuant to §210 Commercial Register as authorised by the Board of Directors; and on issuing priority bonds or exchange bonds;
  - c) deciding on cancelling the Company and changing of its legal form;
  - d) election and removal of members of the Supervisory Board of the Company except members of the Supervisory Board, who are elected and removed pursuant to 200;
  - e) adopting of the ordinary individual financial statements, extraordinary individual financial statements, deciding on allocation of earnings and reimbursement of losses, determination of bonuses;
  - f) deciding on termination of trading Company's shares on the stock exchange, and deciding if the Company ceases to exist as a public joint-stock company;
  - g) deciding on the change of securities registered electronically to paper securities and vice versa;
  - h) deciding on adopting of business transfer contracts related to the whole business or its part;
  - i) adopting of remuneration rules of Company body members and their changes;
  - j) adopting of agreements on the Supervisory Board member capacities;
  - k) deciding on further issues which are put in charge of the General Meeting by these Articles of Association or by law.
2. The General Meeting shall be attended by the members of the Board of Directors, the Supervisory Board, or third parties invited by the Company's body, members of the Company's body or those shareholders who convened the General Meeting. The General Meeting may decide on the attendance of other persons at the General Meeting or may decide that third parties currently attending the General Meeting may no longer attend the



General Meeting. The General Meeting is not available for the public unless otherwise stated in this section. The shareholders may exercise their rights at the General Meeting also by means of proxies who shall submit notarised powers of attorney specifying the scope of authorisation. The signature of the proxy must be legally authenticated. The power of attorney must be submitted for documentation purposes to the person responsible for entries into the Attendance List. The person representing the shareholder based on the written power of attorney shall be obliged to remain silent on information gained at the General Meeting.

3. The General Meeting shall be convened by the Board of Directors unless otherwise provided by law. The Ordinary General Meeting shall be convened once a year at least six months after the previous accounting period is completed. If necessary for the Company's sake or defined by law, the General Meeting can be convened at any time. The General Meeting can be convened by any member of the Board of Directors. The duty to convene the General Meeting is defined by law. If the Board of Directors has not agreed to convene in short order or the Board of Directors has not been able to assemble for a longer period, the General Meeting can be convened.
4. The General Meeting can be convened at any time if considered necessary by the Board of Directors and in cases stipulated by legal regulations. The Extraordinary General Meeting is convened by the Board of Directors mainly if:
  - a) the previous General Meeting decides to do so;
  - b) requested in accordance with § 181, Section 1 and Section 6 Commercial Code by one or more shareholders who can prove the date is at least three months before the expiration of the period of an Extraordinary General Meeting can be convened in accordance with § 181, Section 2 Commercial Code by holders whose nominal value is at least 5% of the nominal capital of the Company. The request shall be submitted in writing with given reasons;
  - c) discovered that the loss of the Company has exceeded 1/3 of the nominal capital or is expected to happen in the near future;
  - d) the term in office of a member of the Supervisory Board elected by the General Meeting has ended and a new can be elected no later than three months afterwards;
  - e) the Company is insolvent for more than three months.
5. The Extraordinary General Meeting shall be convened by the Supervisory Board as per the reason stated in article XII section 1. Accordingly, as per section 3 last sentence of this article, the General Meeting may be convened also by a member of the Supervisory Board.
6. The General Meeting is convened by the Board of Directors via a notice of convocation of the General Meeting. The notice of convocation must be published in a national periodical with stock market reports no later than 30 days before the General Meeting is held. The Company publishes the notice of convocation of the General Meeting via press in all contract countries of the Agreement of the European Economic Area no later than 30 days before the General Meeting is held. The notice of convocation of the General Meeting must contain all requirements defined by legal regulations. The proposal on the change of Company's Articles of Association, names of candidates suggested to become members of Company's bodies if such elections are on the agenda of the General Meeting, financial statements, full text copies of documents and proposed resolutions of the General Meeting that are about to be discussed at the General Meeting, templates of

the Power of Attorney that can be used when voting at the General Meeting by proxy, data and documents that the Company is obliged to publish no later than 30 days before the General Meeting is held must be at disposal at the registered office of the Company within the given period before the General Meeting is convened. The same applies to publishing of the given documents and information on the website of the Company, continuously until the General Meeting is held. Any shareholder has the right to require copies of proposed Articles of Association and a list of persons suggested to become members of individual bodies of the Company including suggested offices must be sent to his/her address at his/her own expenses and risk. Item 4 letter b) of this article shall apply also when organising an Extraordinary General Meeting pursuant to this item.

7. The shareholder or shareholders requesting convocation of an Extraordinary General Meeting pursuant to section 4, indent b) hereof shall be obliged to submit also following:
  - a) A shareholder – legal entity shall present an original of the Commercial Register entry or an officially certified copy of such entry, not older than 60 days; if the shareholder - legal entity is not registered in the Register, he or she shall present an original of an officially certified copy of a current document proving his or her legal subjectivity, including a document appointing another person to act on behalf of the shareholder - legal entity;
  - b) an original or an officially certified copy of the account statement of a person owning electronically registered securities of one or more shareholders registered at the Central Securities Depository or a member of the Central Depository which proves that the given shareholder or shareholders own(s) the respective securities whose nominal value is min. 5% of the nominal capital later than three months after the period for convening of the Extraordinary General Meeting pursuant to § 181 Section 2 Commercial Code;
  - c) an original or an officially certified copy of the power of attorney with an officially certified signature of the proxy if the shareholder exercises his/her rights by means the proxy.
8. In case of convocation of the Extraordinary General Meeting pursuant to section 4, indent b) of this article, the Board of Directors shall convene the General Meeting so that it is held no later than within 40 days after the request is delivered to the Board. The Board of Directors shall not be entitled to change the proposed agenda of the General Meeting. The Board of Directors shall be entitled to change the proposed agenda of the General Meeting only with the consent of the persons who requested convocation of the General Meeting. The General Meeting shall be obliged to discuss the proposed matters.
9. Shareholders shall attend the General Meeting at their own expense.

## **Article IX**

### **GENERAL MEETING – ORGANISATIONAL ISSUES**

1. The Board of Directors shall ensure the organisational issues concerning the proceedings of the General Meeting unless the General Meeting was convened by the Supervisory Board, a member of the Company's body or it was convened by shareholders (a shareholder) based on an authorisation by the court. In such case, the organisational issues concerning the proceeding of the General Meeting shall be ensured by the Supervisory Board, the member of the Company's body or the shareholders (shareholder) who convened the General Meeting if the Supervisory Board or the respective member of the Company's

body or the respective shareholders (shareholder) do not come into an agreement with the Board of Directors that the General Meeting shall be organizationally ensured by the Board of Directors. If the court authorising the convocation of the General Meeting by the shareholders (shareholder) appoints the chairman of the General Meeting who shall lead the General Meeting until the election of its chairman, the respective shareholders (shareholder) shall ensure the attendance led by the chairman of the General Meeting appointed in this way. Provisions on the temporary chairman shall be applied mutatis mutandis on the chairman appointed in this way.

2. The General Meeting is usually held at the registered office of the Company or at any other convenient location chosen by the Board of Directors or the body, member of the body or the shareholders of the Company that the General Meeting was convened by.
3. The decisive day for exercising shareholder's rights is the third day before the General Meeting is held.
4. Registration of shareholders on the attendance list is provided by the subject the General Meeting is convened by pursuant to the law and the Articles of Association. Shareholder's right to attend the General Meeting is checked according to the list of securities holders at the respective Central Securities Depository published not until the decisive day pursuant to item 3 of this article; or by other reliable means pursuant to relevant legal regulations provided these regulations enable to check the right of a shareholder to attend the General Meeting by other means. When registering at the General Meeting, shareholders present all documents in Slovak or Czech language. Documents written in other than Slovak or Czech languages must be translated by a certified translation office into Slovak language. Original documents written in foreign languages must be submitted along with certified copies in the Slovak language. Any documents officially certifies outside the area of the Slovak or Czech Republic related to the attendance and shareholder's rights at general meetings of the Company must be superlegalised or added an "Apostille" clause pursuant to the Hague Agreement on cancellation of requested higher certification of foreign documents of not specified otherwise by an international contract the Slovak Republic is bound by.
5. The Attendance List of the shareholders must contain the business name of the Company including the date of the convocation of the General Meeting. The correctness of the Attendance List shall be confirmed by signatures of the Chairman of the General Meeting and the keeper of minutes elected in accordance with the Articles of Association. The Attendance List of the shareholders shall include but shall not be limited to the following information:
  - a) if the shareholder is a legal entity, the list shall include his/her business name and the registered office and business identification number if allocated;
  - b) if the shareholder is a natural person, the list shall include his/her name, surname and permanent address;
  - c) the sum of nominal values of the shares that entitle the shareholder to vote, or information that the shares do not entitle the respective shareholder to vote;
  - d) if a shareholder grants a power of attorney and authorises another person to represent him/her at the General Meeting, the Attendance List shall contain identification data of the proxy in the scope specified in indent a) or b) of this section;

- e) the nominal value of the shares that entitle the shareholder to vote, or information that the shares do not entitle the respective shareholder to vote.

Persons voting or attending the General Meeting by electronic means shall be considered present shareholders for the purpose of entering them into the Attendance List. The Company shall register such persons (shareholders) into the Attendance List.

6. The shareholder – a natural person shall submit his/her identification card at the presentation. The shareholder – a legal entity shall submit at presentation an original or an officially certified copy of up to date extract from the Companies Register or a similar register. If the shareholder is not registered in such register, he/she shall submit an original or an officially certified copy of a current document proving his/her legal capacity. The shareholder – a legal entity shall also submit an original or an officially certified copy of the document authorising the person to act on behalf of the shareholder – a legal entity. A natural person acting on behalf of the shareholder – a legal entity shall submit at also his/her own identification card. In addition to the above mentioned documents, the proxy of the shareholder – a natural person shall submit also the respective power of attorney with an officially certified signature of the shareholder and his/her own identification card. In addition to the above mentioned documents, the proxy of the shareholder – a legal entity shall submit also the power of attorney with an officially certified signature of the shareholder and an original or an officially certified copy of his/her extract from the Companies Register or a similar register. If the legal person is not registered in such register, he/she shall submit an original or an officially certified copy of the current document proving his/her legal capacity. The proxy – a legal entity shall also the original or an officially certified copy of the document authorising the person to act on behalf of the proxy – a legal entity. A natural person acting on behalf of the proxy shall submit his/her own identification card.
7. Prior to the proceedings of the General Meeting, the person entitled to chair the General Meeting up to the election of the Chairman of the General Meeting (hereinafter referred to as ‘temporary Chairman’) shall announce the number of the present votes and their share to the nominal capital. Up to the election of the Chairman of the General Meeting, the temporary Chairman shall have the same rights and obligations as the Chairman of the General Meeting.
8. Once the General Meeting is opened, the temporary Chairman shall present a proposal for the election of the Chairman of the General Meeting, the keeper of the Minutes, two verifiers of the Minutes and the necessary amount of Votes tellers. Voting shall be made at first en bloc with respect to all the candidates proposed by the temporary Chairman. If the candidates fail to be elected as provided above, the temporary Chairman may order a separate voting on certain candidates and upon the proposal of the shareholders or the person convening the General Meeting, the candidates may be even replaced by the General Meeting.
9. The Minutes from any General Meeting shall include the following:
  - a) the business name and the registered office of the Company;
  - b) the location where and the time when the General Meeting is held;
  - c) the name of the Chairman of the General Meeting, the keeper of the Minutes, Verifiers of the Minutes and Votes tellers;

- d) a brief description of the discussion on individual items on the agenda of the General Meeting;
- e) decisions of the General Meeting together with the respective votes cast on each item of the agenda of the General Meeting;
- f) content of the protest, if any, regarding the decision of the General Meeting proposed by any shareholder, member of the Board of Directors or the Supervisory Board.
- g) the following details specifying individual General Meeting agenda items regarding related voting:
  - (i) the number of shares corresponding to the votes cast in elections;
  - (ii) the proportion of the nominal capital corresponding to the votes cast in elections;
  - (iii) the total number of votes cast in elections;
  - (iv) the total number of “Aye” or “No” votes corresponding to individual proposed resolutions including information about the number of shareholders that abstained from voting.

Proposals and statements submitted at the General Meeting for discussion and the Attendance List must be attached to the Minutes as well.

10. The Board of Directors shall have the Minutes of the General Meeting written down no later than 15 days after the General Meeting was held. The Minutes must be signed by the keeper of the minutes, the Chairman of the General Meeting and two elected Verifiers of the Minutes. Shall a notarial record be required pursuant to legal regulations, the Board of Directors is obliged to have a notarial record written in accordance with the Minutes pursuant to item 9 of this article. If the notarial record describes the whole General Meeting and all requirements defined by legal regulations and these Articles of Association in details, it can replace the Minutes pursuant to item 9 of this article. Minutes of all general meetings must be archived at the Company as long as it exists. Shall a company without a lawyer cease to exist, the minutes must be sent to the respective state archive. The Company shall publish all election results on its website, if available, no later than within 15 days after the General Meeting is held. Every shareholder is entitled to have the General Meeting Minutes written down by the Board of Directors no later than within 15 days after requesting so, have an official statement issued how their votes base on shares were evaluated and included in the voting process for each General Meeting agenda item; this does not apply if the central website of the company or the requested Minutes copy or any of its parts or annexes contain the respective voting results as requested.
11. Each shareholder may ask the Board of Directors to issue a copy of the Minutes or its part along with attachments of the same. The Board of Directors shall be obliged to send such copy upon request of the shareholder without undue delay to the address provided by the shareholder or to provide him/her with such copy by other means according to the agreement with the shareholder. Otherwise the Board of Directors shall be obliged to provide the shareholder with such copy at the registered office of the Company. The cost of preparation and sending the copy of the Minutes shall be borne by the shareholder to the extent of his/her request.

**Article X**  
**DECISION MAKING OF THE BOARD OF DIRECTORS**

1. The General Meeting shall make decisions by voting upon the motion of its Chairman. If there are more proposals to be voted upon, the Chairman of the General Meeting shall decide the order thereof. The votes shall be cast by delivery of the voting ballot or by any other suitable manner defined by the person who convened the General Meeting or by other persons who shall ensure the proceedings of the General Meeting organisationally.
2. The votes cast shall be advised by the vote tellers to the Chairman of the General Meeting and to the keeper of the minutes. In case the votes tellers are not elected yet, the temporary Chairman of the General Meeting or a person who shall convene the General Meeting or persons who shall ensure proceedings of General Meeting organisationally shall appoint temporary vote tellers.
3. The General Meeting shall take decisions by majority of votes of the members attending the meeting. Preparation of the Minutes shall be required in cases provided by law. Decisions of the General Meeting concerning amendments to the Articles of Association, increase or reduction of the nominal capital, authorisation of the Board of Directors to increase the nominal capital, issuance of priority or convertible bonds, cancelling of the company or change of its corporate form, shall require a two-thirds majority of votes of the attending shareholders while such decisions must be recorded in a notarial record. The two-thirds majority of votes of the attending shareholders shall also be required for a decision of the General Meeting to discontinue the trading of the shares of the Company at a stock exchange, to remove the members of the Supervisory Board from the office, for a decision of the General Meeting to transform the public joint stock company to a private joint stock company. To amend the Articles of Association concerning the mailing of the votes and concerning the conditions of attendance at the General Meeting and voting of the shareholder at the General Meeting by electronic means, a three-fifths majority of the votes of all shareholders shall be required.
4. If the Company consists of only one shareholder, the authority of the General Meeting shall be exercised by this shareholder. The General Meeting, the authority of which is exercised by a single shareholder, may be convened at any time. Decisions of a single shareholder made while exercising the authority of the General Meeting must have a written form and must be undersigned. A notarial record shall be required in cases provided by law.

**Article XI**  
**BOARD OF DIRECTORS**

1. The Board of Directors shall be the statutory body of the Company. The Board of Directors shall be authorised to act on behalf of the Company in all the matters and shall represent the Company in front of third parties, the court and other authorities. It shall manage the operations of the Company, act on its behalf and decide in all the matters of the Company unless such matters are reserved, by law and by these Articles of Association, to the authority of other bodies of the Company. Above all, the Board of Directors:
  - a. carries out the business management of the Company;
  - b. arranges all operational and organisational matters of the Company;

- c. executes employers' rights;
- d. convenes General Meetings and organises them;
- e. carries out the resolutions of the General Meeting;
- f. executes keeping of required accounting records and other book keeping, business files and other documents of the Company;
- g. appoints and removes the proxy (procuress), it appoints other written powers of attorney;
- h. submits proposals for approval to the General Meeting, mainly:
  - 1. proposals on changing of the Articles of Association;
  - 2. proposals on increasing and reducing of the nominal capital and issuance of bonds;
  - 3. proposals on approving individual financial statements, extraordinary individual financial statements, proposals on distributing the profit including the amount and way of paying out the dividends and royalties, and proposal on covering the losses;
  - 4. proposals on cancelling the Company;
  - 5. proposals on approving significant business transactions in accordance with § 220ga Commercial Register;
  - 6. other proposals and documents in accordance with applicable legal regulations or these Articles of Associations;
- i. proposes the following documents to the General Meeting for approval:
  - 1. the business performance report and the report on Company's assets for the previous year (included in the annual report made based on respective accounting standards);
  - 2. the business plan and the financial budget of the financial year with remarks of the Supervisory Board included;
  - 3. the annual report;
  - 4. the remuneration report (included in the annual report);
- j. decides about the remuneration amounts and the remuneration system regarding Company managing employees;
- k. submits proposals on cancelling the Company to the Supervisory Board for comments and proposals regarding the Articles of Association of the Board of Directors for approval;
- l. submits proposals on Company's auditor who shall inspect individual financial statements, extraordinary individual financial statements and consolidated financial statements of the Company to the Supervisory Board for approval;
- m. decides about the remuneration amounts and the remuneration system regarding higher Company managers;
- n. organises elections of members of the Supervisory Board who are elected by the employees.
- o. The Board of Directors is obliged to require approvals of the Supervisory Board regarding the following decisions:
  - 1. alienation of real property owned by the Company if the book value of real property exceeds the amount of 300,000 EUR in one instance; no Supervisory Board approval is required if real property alienation is the result of a real estate project approved by the Supervisory Board;
  - 2. acquisition of real property by the Company;
  - 3. the investment plan for the respective financial year; the Supervisory Board approval of the investment plan is regarded as an approval of all legal ac-

- tions related to approved investment processes within the approved investment limit(s);
4. real estate projects for the respective financial year; the Supervisory Board approval of real estate projects is regarded as approval of all legal actions related to approved investment processes within the approved investment limit(s);
  5. loans, credits and other financial help provided to third parties, which does not apply to companies included in the TMR group, i.e. companies included in a consolidated group in accordance with § 6 art. 4 as well as § 22 art. 3 and 4 Act no. 431/2002 Coll. on Accounting as subsequently amended;
  6. loans, credits and other financial help accepted from third parties, which does not apply to companies included in the TMR group, i.e. companies included in a consolidated group in accordance with § 6 art. 4 as well as § 22 art. 3 and 4 Act no. 431/2002 Coll. on Accounting as subsequently amended;
  7. concluded contracts based on which the Company acquires or alienates movable property if the value of the acquired movable property exceeds the amount of 150,000 EUR in one instance, or if the value of the alienated movable property exceeds the book value of 150,000 EUR in one instance; no approval of the Supervisory Board is required if the Company sells or acquires movable property with a value of over 150,000 EUR as the result of a real estate project approved by the Supervisory Board or in accordance with the investment plan approved by the Supervisory Board;
  8. financial and business transactions with one-off settlement transactions of over 150,000 EUR, as well as repeated settlements of the same or similar kind whose amount exceeds the value of 300,000 EUR per one calendar month in total; no approval of the Supervisory Board is required if the respective financial and business transactions with a higher transaction value are part of a real estate project approved by the Supervisory Board or in accordance with the investment plan approved by the Supervisory Board;
  9. charge upon property or any other assets or their part by means of the right of lien, the pre-emption right, options, security transfer of rights, letters of intent or any other obligations with a similar content and effects; no approval of the Supervisory Board is required if the respective charge upon property or any other assets is the result of a real estate project approved by the Supervisory Board or in accordance with the investment plan approved by the Supervisory Board;
  10. establishment of a company or any other business entity, or acquisition of equity participation in another company or business entity if the value of the acquired equity participation exceeds the amount of 300,000 EUR; this does not apply if a company or business entity managed directly by the Company is established;
  11. closing of a company or any other business entity managed directly by the Company, termination of equity participation in another company or business entity, or selling of equity participation in another company or business entity.
2. The Board of Directors and the members shall follow the law, these Articles of Association as well as principles and instructions approved by the General Meeting while performing their activities and duties. Further adjustments of provisions, the scope, authori-



ties and responsibilities of the Board of Directors may be stipulated in the statutes of the Board of Directors.

3. The Board of Directors shall be composed of four members. Only a natural person may become a member of the Board of Directors.
4. Members of the Board of Directors shall be elected and removed from the office by the Supervisory Board. The term of office of the members of the Board of Directors shall be five years. Re-election shall be possible.
5. Voting on removal of the members of the Board of Directors or voting for candidates proposed to be members of the Board of Directors may be carried out individually or in block (en bloc), i.e. if more members of the Board of Directors are proposed to be elected, candidates for members of the Board of Directors may be proposed for individual vote or vote in block (en bloc), and if more members of the Board of Directors are proposed to be removed, members of the Board of Directors may be proposed for removal individually or in block (en bloc). No list of proposed candidates for members of the Board of Directors shall be produced. If there are more proposals for election and/or removal of a member (members) of the Board of Directors, voting for the proposals shall be done consecutively. To settle the order of voting for proposals on election and/or removal of a member (members) of the Board of Directors, Article X, section 1, the second sentence of the Articles of Association shall apply mutatis mutandis. Removal and election of a member (members) of the Board of Directors may be proposed simultaneously within one proposal.
6. The Supervisory Board appoints a Chairman of the Board of Directors and a vice-Chairman of the Board of Directors from among members of the Board of Directors.
7. Provided the number of members of the Board of Directors has not dropped below one half, it may co-opt substitute members of the Board of Directors until the next meeting of the Supervisory Board is held; the term of office of a substitute member herein shall terminate as of the date the meeting of the Supervisory Board is held.
8. The Chairman or any member of the Board of Directors shall convene and lead the meeting of the Board of Directors as necessary at least once every two months. Invitations to the meeting of the Board of Directors shall be sent by post, or by email to all members of the Board of Directors and their email addresses that have been reported to the Company for this purpose, and the invitations shall be delivered at least (3) three working days prior to the date of the meeting. The invitation must include the date, time, place and agenda of the meeting. If all members of the Board of Directors agree, the 3-day invitation period does not need to be observed and the meeting may be convened by phone, email or a fax message. Any of the members of the Supervisory Board may attend the meeting of the Board of Directors if he/she requests so. The Board of Directors may invite third persons to the meeting as well shall the topic of the discussed agenda require the presence of such third persons.
9. The Board of Directors is quorate with absolute majority of members of the Board of Directors present. Votes of all members of the Board of Directors are required to adopt a resolution of the Board of Directors. A Board meeting can be held and all members of the Board can attend this meeting and vote there by means of a conference call, a video conference or another means of communication that enables all members of the Board to hear each other. Resolutions adopted in this way must be written down afterwards.
10. Any decision adopted by the Board of Directors at a Board meeting can be made in written form, via voting or using information technology if necessary; any person participating in voting is considered present. Item 9 of this article applies to the majority of votes required to adopt a decision in this way. Such procedure can be applied only if all members of the Board of Directors have been informed about the situation and absolute ma-

jority of all members of the Board of Directors participate in the voting procedure. Written decisions signed by all members of the Board of Directors voting via electronic mail or any other technological devices are considered valid decisions noted down in minutes in accordance with item 11 of this article.

11. The minutes shall be written down and contain all the significant items of the agenda of Board meetings including the results of voting and exact wording of all taken decisions. The minutes shall also contain decisions made in accordance with the proceedings under section 12 herein since the last meeting of Board of Directors was held. The minutes shall be signed by the Chairman of the Board of Directors and the person that wrote down the minutes.
12. In all matters, two members of the Board of Directors are entitled to act on behalf of the Company only together and the same applies to signing of documents.
13. No member of the Board of Directors can perform his/her duties by proxy.
14. A ban on competition applies to every member of the Board of Directors in accordance with the Commercial Code.
15. Agreements on Board of Directors member capacities shall be approved by the Supervisory Board and must have a written form.

## **Article XII SUPERVISORY BOARD**

1. The Supervisory Board shall be the supreme inspection body of the Company. The Supervisory Board shall supervise the activities of the Board of Directors and Company's business activities. In case relevant discrepancies in Company's finances or other cases occur and if the interests of the Company require so, the Supervisory Board shall convene a General Meeting. The provisions of Article VIII, section 6 apply to the manner of convocation of the General Meeting *mutatis mutandis*.
2. Only a natural person can be a member of the Supervisory Board. Members of the Supervisory Board cannot be members of the Board of Directors, proxies (authorised representative) or any other person entitled to act on behalf of the Company based on the Commercial Register. A member of the Supervisory Board elected by employees can only be one who is in employment with the Company; this shall not apply, if any special regulations require special requirements for the performance of member of the Supervisory Board function.
3. The Supervisory Board shall be entitled to inspect any accounting documents, files and records concerning the activities of the Company at any time and assess the state of the Company. The Supervisory Board controls and submits conclusions and recommendations to the General Meeting. The conclusions and recommendations concern mainly the following:
  - a. fulfilling tasks assigned to the Board of Directors by the General Meeting;
  - b. following the Articles of Association of the Company and legal regulations within the Company's activities;
  - c. economic and financial activities of the Company; accounting, documents, accounts, Company's portfolio assets, its liabilities and claims.
4. The Supervisory Board checks proposals to allocate earnings or reimburse losses and financial reports that the Company is obliged to make pursuant to a specific regulation. The Supervisory Board is obliged to inform the General Meeting about the results of such examination procedure.
5. The Supervisory Board shall be composed of nine members.

6. The term of office of the members of the Supervisory Board shall be five years. Re-election shall be possible. Members of the Supervisory Board shall be elected and removed by the General Meeting. In accordance with the provision in section 200, subsection 2 Commercial Code, another method of election of members of the Supervisory Board shall be used than the one specified by the above mentioned regulation. Voting on removing the members of the Supervisory Board or voting for candidates proposed to be members of the Supervisory Board may be carried out individually or in block (en bloc), i.e. if more members of the Supervisory Board are proposed to be elected, candidates for members of the Supervisory Board may be proposed for individual vote or vote in block (en bloc), and if more members of the Supervisory Board are proposed to be removed, members of the Supervisory Board may be proposed for removal individually or in block (en bloc). No list of proposed candidates for members of the Supervisory Board shall be produced. If there are more proposals for election and/or removal of a member (members) of the Supervisory Board, voting for the proposals shall be done consecutively. To settle the order of voting for proposals on a member (members) of the Supervisory Board, Article X, section 1, the second sentence of the Articles of Association shall apply *mutatis mutandis*. Removal and election of a member (members) of the Supervisory Board may be proposed simultaneously within one proposal.
7. If the Company has more than 50 full-time employees at the moment of voting, 2/3 of members of the Supervisory Board are elected and removed by the General Meeting and 1/3 is elected and removed by the employees of the Company.
8. The Chairman and the vice-Chairman of the Supervisory Board shall be elected and removed by members of the Supervisory Board from among themselves.
9. Meetings of the Supervisory Board shall be convened and led by the Chairman or any other member of the Supervisory Board as needed, at least once every 6 months. Invitations to meetings of the Supervisory Board shall be sent by post, or by email to all members of the Supervisory Board and their email addresses that have been reported to the Company for this purpose, and the invitations shall be delivered at least (3) three working days prior to the date of the meeting. Every invitation must include the date, time, place and agenda of the meeting. The Supervisory Board may invite third persons to the meeting if the topic of the discussed agenda requires their presence.
10. The Supervisory Board is quorate if the absolute majority of all Supervisory Board members, including the Chairman of the Supervisory Board are present at the meeting. Decisions of the Supervisory Board are considered to be adopted if voted for by the absolute majority of all board members. Meetings of the Supervisory Board can be held and members of the Supervisory Board can participate in meetings of the Supervisory Board and vote via conference calls, video conferences or any other mass media that enables the members to hear each other. Decisions adopted in this way must be written down afterwards.
11. In exceptional cases, decisions of the Supervisory Board adopted at their meeting(s) can be replaced by a written form or voted for by using information technologies; voting members are regarded as present in such case. As for the majority required for such decision to be adopted, item 10 of this article applies. Decisions of the Supervisory Board can be adopted based on this item only if all members of the Supervisory Board are informed in advance and at least the absolute majority of all members of the Supervisory Board participates in the voting. Written decisions adopted by an absolute majority of all members of the Supervisory Board via emails or other information technologies are considered to be equally valid as decisions written down in the minutes based on item 12 of this article.

12. Minutes of Supervisory Board meetings shall be written down and contain all significant items of the agenda of Supervisory Board meetings including the results of voting and exact wording of all decisions made. The minutes shall also contain decisions made in accordance with the proceedings under item 10 herein related to item 11 of this Article since the last Supervisory Board was held.
13. The Supervisory Board shall discuss any proposal of the Board of Directors on cancelling the Company.
14. The Supervisory Boards approves proposals of the Board of Directors on selecting an auditor that should inspect individual financial statements, extraordinary financial statements and consolidated financial statements; the statute of the Board of Directors, and gives prior consent to the Board of Directors to make decisions in accordance with Article IX, item 1, letter o) Articles of Association.
15. No member of the Supervisory Board can perform his/her duties by proxy.
16. Provisions of the Commercial Code on banning of competition shall fully apply to the members of the Supervisory Board.
17. Agreements on Supervisory Board member capacities shall be approved by the General Meeting and must have a written form.
18. Remuneration rules for members of the Supervisory Board shall be approved by the General Meeting.
19. Reasonable and documented expenses that occur in connection with the performance of the duties of the Supervisory Board shall be borne by the Company.
20. The Supervisory Board elects and removes members of the General Meeting and appoints the Chairman of the Board of Directors.
21. The Supervisory Board approves agreements on Board of Directors member capacities.

### **Article XIII AUDIT COMMITTEE**

1. The Supervisory Board act as the Audit Committee under Act No. 423/2015 Coll. on Statutory Audit and on Amendments and supplements to Act No. 431/2002 Coll. on Accounting as subsequently amended:
  - a) monitors the process of completing of financial statements, following special regulations and submits recommendations and proposals to secure the integrity of this process;
  - b) monitors the efficiency of internal control and internal audit and risk management system in the accounting entity, if these mentioned affects completing of the financial statements;
  - c) monitors the course and results of the statutory audit of the individual financial statements and the statutory audit of the consolidated financial statements and takes these findings and conclusions of the Auditing Oversight Authority into consideration;
  - d) verifies and monitors the independence of the statutory auditor or audit firm, especially appropriateness of non-audit services provided according to special regulations and services provided by a statutory auditor or an audit firm according to special regulations;
  - e) is responsible for the procedure of selecting a statutory auditor or an audit firm and recommends the appointment of a statutory auditor or an audit firm to be approved for statutory audit execution for the Company in accordance with special regulations;

- f) determines the date when a statutory auditor or an audit firm are obliged to submit their affidavit on independence;
- g) informs the Board of Directors on statutory audit outcome and explains how the statutory audit of financial statements has contributed to integrity of financial statements and on what role the Audit Committee has had in this process.

#### **Chapter IV**

### **Increasing and reducing of the nominal capital and amendments of the Articles of Association**

#### **Article XIII**

#### **INCREASING AND REDUCING OF THE NOMINAL CAPITAL**

1. Any decision on increasing or reducing of the nominal capital of the Company shall be passed by the General Meeting by a 2/3 majority of votes of all shareholders attending the General Meeting.
2. The nominal capital can be increased in accordance with the Commercial Code by subscribing of new shares, using of retained earnings or via funds financed from earnings whose use is not specified by the law, via Company's own financial resources posted in a finance report of Company's equity, via a combined increase of the nominal capital or any other means allowed by the law. If the General Meeting decides to issue exchangeable bonds or priority bonds, it means it decides to increase the nominal capital that shall be performed pursuant to rights of the share insurance procedure related to exchangeable bonds and rights of the share subscription procedure related to priority bonds (conditional increase of the nominal capital). The value of the nominal capital increase shall not exceed one half of the nominal capital of the Company at the time the General Meeting adopts the decision on a conditional increase of the nominal capital.
3. The nominal capital can be reduced in accordance with the Commercial Code by reducing the nominal value of the shares or by a withdrawal of one part of shares from the circulation.
4. The resolution of the General Meeting to increase or reduce the nominal capital must be written down in the form of a notarial record. Any decision on increasing or reducing of the nominal capital shall be filed into the collection of records of the relevant Companies Register and the request of registration of the increased or reduced nominal capital into the competent Companies Register shall be filed by the Board of Directors in accordance with provisions of the Commercial Code.
5. If the nominal capital is increased through contributions in cash, its current shareholders shall have pre-option rights to the subscription of shares on the increase of the nominal capital in proportion between the nominal value of the shares held thereby and the nominal capital prior to its increase. This right may be limited or excluded only by a decision of the General Meeting on increasing of the nominal capital if required by relevant interests of the Company. Pre-option rights herein may be subject to an individual transfer from the day the General Meeting decides on increasing of the nominal capital.

#### **Article XIV**

#### **AMENDMENTS TO AND MODIFICATIONS OF THE ARTICLES OF ASSOCIATION**

1. The General Meeting shall decide on any amendments to and modifications of the Articles of Association by a 2/3 majority of votes of all shareholders attending the General Meeting. The modifications of these Articles of Association relating to the implementation of correspondence voting and the modification of these Articles of Association related to establishing and stipulating the conditions of attendance in the General Meeting and shareholders' voting at the General Meeting via electronic appliances, a 3/5 majority of votes of all shareholders attending the General Meeting is required. If a decision made by the General Meeting results in a modification of the content of these Articles of Association, the decision herein is taken as a modification of the Articles of Association if made according to the law and the Articles of Association required for approval of amendments. After each modification of the Articles of Association, the Board of Directors shall issue the full version of the Articles of Association, whose completeness and correctness it is responsible of, without undue delay.
2. A brief content of points proposed within the amendments to and modifications of the Articles of Association shall be stated in the notice of the General Meeting; the full version of the Articles of Association herein must be available for inspection in the registered office within the period requested for convening of a General Meeting. The Board of Directors shall assure that each shareholder obtains the full version of the Articles of Association for inspection when registering to the list of shareholders who are attending the General Meeting.
3. If the amendments to and modifications of the Articles of Association result in a change of any data registered in the Companies Register, the Board of Directors must file an application for entering such changes into the Companies Register without undue delay within the period specified by the law.

## **Chapter V**

### **Management of the Company**

#### **Article XV FISCAL YEAR**

The fiscal year of the Company shall coincide with the financial year; it shall start on 1 November and end on 31 October.

#### **Article XVI BOOKKEEPING**

1. The Company shall keep its accounts in a prescribed manner and in compliance with the law. The Board of Directors shall be liable for due keeping of the accounts and shall provide individual financial statements, extraordinary individual financial statements and consolidated financial statements for audits by an auditor approved in accordance with Article XI section 1, indent j) and Article XII, section 12 of these Articles of Association.
2. The Company shall establish an information system prescribed by the law and shall disclose information on its operations to authorities stipulated by these regulations.
3. The Company shall produce the individual financial statements and extraordinary individual financial statements for approval to the General Meeting, so that the General Meeting approves it within twelve (12) months from the day on which the individual financial statements and extraordinary individual financial statements are prepared. The

Company shall file the financial statements certified by the auditor together with the auditor's report, the name, permanent residence of the natural person or business name, registered office and identification number of the legal entity and with the registration number of the verifying auditor in the auditor's register in the Collection of Deeds. If the auditor is a legal person, the name and permanent residence of the natural persons who has audited shall be stated. Financial statements may be filed into the Collection of Deeds as part of the Company's annual report.

## **Article XVII ESTABLISHMENT AND USE OF THE RESERVE FUND**

1. The Reserve Fund of the Company established obligatorily within the rules of the Commercial Code shall serve solely for the purpose of covering the losses of the Company unless a specific statute provides otherwise.
2. When the Company was established, the amount of Reserve Fund reached SKK 24, 931,000 (in words: twenty four million nine hundred thirty-one thousand Slovak Crowns).
3. The Reserve Fund was increased:
  - a. by the calculation of a starting property balance and a contribution of sources from the Ministry of National Defence for the purpose of constructing a CO shield in the amount of SKK 10, 825,754.74 (in words: ten million eight hundred twenty-five thousand seven hundred fifty-four and 74/100 Slovak Crowns);
  - b. by covering a premium of SKK 234 per share based on the increased common stock equity in the amount of SKK 60,719,958 (in words: sixty million seven hundred nineteen thousand nine hundred and fifty eight Slovak Crowns).
4. Every year the Company shall replenish the Reserve Fund by an amount of 10 % of the net profit as calculated in the individual financial statements until the Reserve Fund achieves a level equal to 20% of the nominal capital.
5. The General Meeting shall resolve any other replenishment to the Reserve Fund according to section 1 and 2 in excess of the limit in section 2 of this Article.
6. The use of the Reserve Fund shall be decided by the General Meeting.

## **Article XVIII DISTRIBUTION OF PROFITS**

1. The Company shall use its profits mainly to pay taxes to the state.
2. After the payment of the taxes, profits shall be used mainly for the purpose of mandatory replenishment to the Reserve Fund.
3. Further allocations of earnings are to be decided by the General Meeting with regard to sufficient reserves and planned development of the Company. The Company cannot allocate net profit or other Company's financial sources among shareholders if, taking into consideration all circumstances, it shall cause Company's bankruptcy and if Company's equity defined by the financial statement is or would be lower than the value of the nominal capital including the reserve fund (§217 Commercial Code) or any other funds created by the Company that cannot be used to pay out shareholders reduced by a value of potential outstanding nominal capital if this value is not included in assets of a balance sheet pursuant to a separate law.
4. As long as the Company exists, shareholders can be allocated only net profit:

- a) which is decreased by allocations from a reserve fund or any other fund that was created by the Company pursuant to the law; and by outstanding loss from previous periods;
  - b) which is increased by retained earnings from previous periods and funds consisting of earnings whose use is not defined by the law.
5. When deciding on allocation of earnings among shareholders, the General Meeting is entitled to have dividends paid out to shareholders and decide about the following:
- a) value of bonuses for members of Company's bodies;
  - b) increase of the nominal capital of the Company;
  - c) next allocation from the reserve fund and other funds of the Company;
  - d) that the net profit or part of the net profit shall remain retained.
- The General Meeting is entitled to allocate retained earnings from previous periods in accordance with this item. The same applies to other Company's sources that can be paid out to shareholders in accordance with legal regulations.

**Article XIX  
ESTABLISHMENT OF FURTHER FUNDS**

In accordance with the law and with internal regulations approved by the Supervisory Board, the Company may establish other funds and replenish such funds from its net profits, the final amount of which shall be subject to an approval of profit distribution that is to be taken by the Annual General Meeting. The use of such funds shall be governed by internal regulations approved by the Supervisory Board.

**Chapter VI**

**General Provisions**

**Article XX  
ACTING ON BEHALF OF THE COMPANY AND SIGNING ON BEHALF OF THE  
COMPANY**

- 1. Two members of the Board of Directors shall always act on behalf of the Company and sign documents on behalf of the Company together.
- 2. Signing on behalf of the Company shall be executed as follows: the signatories shall attach their signatures to the name of the Company, either printed or written down, and to the names and titles of such signatories.

**Article XXI  
PUBLISHING OF FACTS STIPULATED BY THE LAW AND BY THESE ARTICLES  
OF ASSOCIATION**

- 1. The obligation to publish data defined by the Commercial Code is considered fulfilled as long as the data are published in a Commercial bulletin. A notice of summoning of the General Meeting and other issues that must be announced pursuant to these Articles of Association shall be published at least in one national daily with stock exchange reports or announced in another way if required and/or allowed by relevant legal regulations.



**Article XXII**  
**CANCELLING AND DISSOLUTION OF THE COMPANY**

1. A decision to cancel the Company shall be taken by the General Meeting. The Company may be dissolved with or without liquidation.
2. The Company shall be cancelled without the liquidation if:
  - a) the registered capital is transferred to a legal representative;
  - b) the Company was cancelled by the decision of the General Meeting or the Court and has no property;
  - c) a bankruptcy petition was rejected due to insufficient property or the bankruptcy was cancelled because the property of the bankrupt(s) is not sufficient to cover the expenses and fees of the trustee in bankruptcy, or after completing the bankruptcy proceedings no company property is left;
  - d) specified so by the applicable law.
3. Liquidation shall be required if:
  - a) the General Meeting made a decision on cancelling with liquidation;
  - b) the Court ordered the cancelling and liquidation of the Company due to reasons stipulated by the law;
  - c) after completing the bankruptcy proceedings, there was property left except for the case when the bankruptcy is cancelled due because company's property is not sufficient to cover the expenses and fees of the trustee in bankruptcy;
  - d) specified so by the applicable law.
4. If the Company is cancelled with liquidation, the General Meeting shall appoint a liquidator upon the proposal of the Board of Directors.
5. The Company is considered cancelled on the date it is deleted from the Companies Register.

**Article XXIII**  
**RELATIONS WITHIN THE COMPANY**

1. The law in force shall govern the incorporation, the legal relations and the cancelling of the Company, as well as the relations within the Company arising out of employment, and the relations arising out of the health insurance and social security of the employees.
2. Disputes, if any, between the shareholders and the bodies of the Company, between the bodies and their members, and also disputes between the shareholders, which are related to their participation in the Company, shall be settled by mutual agreement in the first place. If no settlement may be achieved, the dispute shall be decided by the court of competent commercial jurisdiction or by arbitrators, as agreed.

**Chapter VII**

**Final Provisions**

**Article XXIV**  
**FINAL PROVISION**

1. If any of the provisions of these Articles of Association becomes invalid or controversial, reference shall be made to such legal regulation, which, by its nature and purpose,

is as close to the provisions of these Articles of Association as possible. If no such legal regulation may be used, reference shall be made to common business practice (usage), which is commonly adhered to in the specific type of business.

2. The procedure under section 1 of this article shall apply also to those relations which are not governed by these Articles of Association.
3. These Articles of Association become valid once approved by the General Meeting. The parts of these Articles of Associations where the changes of entries in the Companies Register have a constitutive character become valid on the day such entry into the Companies Register is made.

*This full wording of the Articles of Association was made in accordance with the provisions of §173 section 3 Commercial Code on 29/4/2020.*

*In Demänovská Dolina, on 29<sup>th</sup> April 2020*

.....  
**Tatry mountain resorts, a.s.**  
Ing. Bohuš Hlavatý  
Chairman of the Board of Directors

.....  
**Tatry mountain resorts, a.s.**  
Ing. Jozef Hodek  
Member of the Board of Directors