

# **DRAFT OF ARTICLES OF ASSOCIATION**

## **Kofola ČeskoSlovensko a.s.**

### **as amended by the Board of Directors to discuss in the General Meeting of November 30, 2018**

*Drawn up in accordance with the Company's Articles of Association, contained in the notarial record NZ1040/2015, N1083/2015 dated September 15, 2015, drafted by Mr. Roman Bláha, notary public in Havlíčkův Brod, and also taking into account*

- (i) *the decision of the General Meeting of the Company to increase the registered capital of the Company by CZK 2,200,000,000 by a notarial record of NZ 1151/2015, N1153/2015 dated October 12, 2015 drafted by Mr. Roman Bláha, notary public in Havlíčkův Brod; and*
- (ii) *the decision of the General Meeting of the Company to amend the Articles of Association of the Company certified by a notarial record No. NZ 1279/2015, N1257/2015 dated November 10, 2015, drafted by Mr. Roman Bláha, notary public in Havlíčkův Brod; and*
- (iii) *the decision of the Board of Directors of the Company to increase the registered capital of the Company by CZK 2,700,000 certified by the notarial record No. NZ 1417/2015, N1366/2015 dated December 1, 2015 drafted by Mr. Roman Bláha, notary public in Havlíčkův Brod; and*
- (iv) *the decision of the General Meeting of the Company to amend the Articles of Association of the Society, certified by the notarial record No. 315/2016, N276/2016 of May 23, 2016, drafted by Ms. Petra Vlčková, notary public in Haviřov.*
- ~~(iv)~~(v) *the decision of the General Meeting of the Company to amend the Articles of Association of the Society, certified by the notarial record No. [REDACTED]/2018, N [REDACTED]/2018 of November 30, 2018, drafted by Ms. Petra Vlčková, notary public in Haviřov.*

\* \* \*

## **1. ESTABLISHMENT AND INCORPORATION OF COMPANY**

- 1.1 Kofola ČeskoSlovensko a.s. ("**Kofola**") was established by a Founding Deed dated August 1, 2012 incorporated into a notarial deed No. N 331/2012, NZ 281/2012 drawn up by Ms. Dana Skružná, a notary public in Prague. Kofola was incorporated by a registration into the Czech Commercial Register on September 12, 2012.

## **2. BUSINESS NAME, REGISTERED SEAT AND WEBSITE**

- 2.1 The business name of Kofola is: Kofola ČeskoSlovensko a.s.
- 2.2 The registered office of Kofola is located in Ostrava.
- 2.3 The website of Kofola for posting mandatory information and documents on the Internet is: www.firma.kofola.cz.

## **3. DURATION OF COMPANY**

- 3.1 Kofola has been established for an indefinite period of time.

#### **4. SCOPE OF BUSINESS AND ACTIVITY OF COMPANY**

4.1 Kofola's scope of business (*předmět podnikání*) is as follows:

- (a) Production, trade and services not mentioned in the Annexes 1 through 3 of the Trade Licensing Act (*Výroba, obchod a služby neuvedené v přílohách 1 až 3 živnostenského zákona*);
- (b) Activity of accounting advisors, maintenance of accounting and maintenance of tax evidence (*Činnost účetních poradců, účetnictví, vedení daňové evidence*).

4.2 Kofola's scope of activity (*předmět činnosti*) is as follows:

- (a) Lease of real-estate, apartments and non-residential premises (*Pronájem nemovitostí, bytů a nebytových prostor*).

#### **5. REGISTERED CAPITAL AND SHARES OF COMPANY**

5.1 The registered capital of Kofola amounts to CZK 2,229,500,000 (in words: two billion two hundred and twenty-nine million, five hundred thousand Czech Koruna).

5.2 The registered capital is divided into 22.295.000 (in words: twenty-two million, two hundred and ninety-five thousand) common registered shares (*kmenové akcie na jméno*), each of a face value of CZK 1 (in words: one Czech Koruna), issued as book-entry shares (*zaknihované akcie*) (the "**Shares**" or each individually a "**Share**").

5.3 The Shares are transferrable without any limitation.

5.4 Each Share carries one (1) vote. The total number of votes in Kofola is 22.295.000 (in words: twenty-two million, two hundred and ninety-five thousand) votes.

5.5 It is assumed that Kofola employees and employees of its subsidiaries do not have to pay the issue price of such shares in full or that they may acquire them from Kofola under other advantageous terms when subscribing or acquiring Kofola shares by its employees and employees of its subsidiaries, under the condition that any difference between the paid-up portion of the issue price and the price or the issue price and the price will be covered by Kofola's own resources. The terms of such acquisition of Kofola shares are determined by the Board of Directors. This Article applies *mutatis mutandis* to retired employees of Kofola and of its subsidiaries.

#### **6. GLOBAL SHARE**

6.1 This Section applies only in case Kofola has issued certificated shares.

6.2 Global shares replacing individual replaceable shares can be issued to shareholders.

6.3 A shareholder owning more individual replaceable shares can at any time request Kofola to exchange these shares for one (1) or more global shares.

6.4 A shareholder owning a global share can at any time request Kofola to exchange this share:

- (a) for individual replaceable shares; or

- (b) for more global shares replacing the original global share in such a way that newly issued global shares replace those replaceable individual shares replaced by the original global share; or
- (a) for individual replaceable shares and one or more global shares by a combination of option (a) and (b).

6.5 Kofola must satisfy the request of a shareholder for exchange pursuant to Sections 6.3 and 6.4 without undue delay after receipt of the request, however not earlier than all shares determined to be exchanged are handed over to Kofola, and within 14 calendar days thereafter at the latest. Costs for the exchange and costs for the destroying of replaced (global) shares are borne by Kofola.

## **7. BONDS**

7.1 Pursuant to a resolution of the General Meeting, Kofola may issue bonds which incorporate a right to exchange for shares of Kofola (i.e. convertible bonds) or a prior right to subscribe to new shares of Kofola (i.e. priority bonds).

## **8. LIST OF SHAREHOLDERS**

8.1 Subject to the following paragraph, shareholders of Kofola will be entered in a List of Shareholders kept by Kofola. The law stipulates contents of a List of Shareholders.

8.2 In so far as the Shares are dematerialized, a List of Shareholders is replaced by a book-entry securities register.

## **9. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

9.1 The law and these Articles of Association stipulate rights and obligations of a shareholder.

9.2 A shareholder has a right in particular to:

- (a) a share in profit or liquidation surplus if a profit or liquidation surplus is determined for distribution among shareholders;
- (b) participate and vote at a General Meeting; and
- (c) make proposals and counter-proposals to the matters involved in the agenda of a General Meeting.

9.3 A shareholder has also a right to request and receive clarification on the matters relating to Kofola or entities controlled by Kofola under the conditions set by the Act No. 90/2012 Coll., the Companies Act ("**Czech Companies Act**"). Unless a Chairman of a General Meeting decides otherwise, every shareholder has a time limit of 5 minutes to present its request. If a shareholder submits its request in writing, such written request may be submitted in a format not exceeding A4 using 12 font size.

9.4 If a shareholder intends to make a counterproposal on an issue included in the agenda of the General Meeting, it shall deliver it to Kofola at the latest 15 (fifteen) calendar days before the General Meeting should take place; this shall not apply to proposals to appoint certain persons as Kofola's bodies that might be submitted by a shareholder not only prior to the General Meeting but as well directly at the General Meeting.

- 9.5 No shareholder has a prior right to subscribe to new shares of Kofola which have not been subscribed by another shareholder of Kofola within the meaning of Sec. 484(2) of the Czech Companies Act.
- 9.6 A share in Kofola's profit and liquidation surplus can be paid not only in cash. The way in which payment of a share in Kofola's profit and liquidation surplus is to be made will be decided on by the General Meeting.
- 9.7 The decisive date to exercise a shareholder right to share in Kofola's profit corresponds to the decisive date to attend the General Meeting which resolved on the profit distribution.
- 9.8 The decisive date to attend a General Meeting is the seventh day preceding the date of holding of the General Meeting.

## **10. INTERNAL STRUCTURE SYSTEM OF COMPANY, COMPANY'S BODIES**

- 10.1 Kofola chose a dualistic internal structure system.
- 10.2 Kofola's bodies are:
- (a) General Meeting;
  - (b) Board of Directors;
  - (c) Supervisory Board; and
  - (d) Audit Committee.
- 10.3 In case Kofola has a sole shareholder, no General Meeting takes place and the sole shareholder will exercise the powers of the General Meeting. If the sole shareholder adopts a resolution while performing powers of the General Meeting, the sole shareholder must deliver such a resolution to the attention of Kofola; such a resolution is effective vis-à-vis Kofola as of the moment it is received by Kofola. Members of Kofola's bodies are obliged to present a proposal of resolutions to the sole shareholder in sufficient time advance. The sole shareholder may determine a deadline by which the proposal must be presented to the sole shareholder.

## **11. GENERAL MEETING**

- 11.1 The General Meeting is the supreme body of Kofola.
- 11.2 The General Meeting is authorized to:
- (a) decide on changes of the Articles of Association, unless it is a change which occurred as a result of increase of the registered capital by the Board of Directors authorized by the General Meeting to do so or a change which occurred as a result of other legal facts;
  - (b) adopt procedural rules of the General Meeting, if Kofola desires to provide more details on the course of a General Meeting of Kofola besides the rules stipulated by the law or these Articles of Association;
  - (c) elect and recall members of the Supervisory Board and approve their agreement on performance of office including their remuneration;
  - (d) appoint and recall a liquidator and approve its agreement on performance of office including its remuneration;

- (e) approve a transfer, lease or pledge of Kofola's enterprise or such a part thereof that would imply a significant change of the existing structure of the enterprise or a significant change of the scope of business or activity of Kofola,
- (f) decide on matters which are submitted by the Board of Directors to the General Meeting to be resolved by the General Meeting;
- (g) grant instructions to the Board of Directors and Supervisory Board and approve operating principles of the Board of Directors and the Supervisory Board, provided that these are not contrary to law; the General Meeting may also prohibit a member of the Board of Directors and Supervisory Board to take certain actions, in case such a prohibition is in the interest of Kofola;
- (h) decide on distribution of profit, incl. distribution of dividends, or of other own sources, or decide on settlement of loss;
- (i) appoint Kofola's auditor; and
- (j) decide on any other issues falling under the powers of the General Meeting by virtue of the Czech Companies Act or these Articles of Association.

11.3 A General Meeting is convened by the Board of Directors. The Czech Companies Act provides for the cases in which a General Meeting must be convened by a member of the Board of Directors, by the Supervisory Board or by its member.

11.4 A Convener is obliged to publish an invitation to the General Meeting at the latest 30 days before the General Meeting on Kofola's website [www.firma.kofola.cz](http://www.firma.kofola.cz). Sending of invitations to a shareholder's address is replaced by a publication in the Commercial Bulletin. Except for the methods referred to in preceding sentences a shareholder may also request sending of invitations to a General Meeting of the company to its e-mail address that a shareholder notifies to Kofola no later than 7 days prior sending of an invitation to a General Meeting by means of a written notice sent to the registered office of Kofola whereas a signature on such notification must be legalised. If the shareholder delivers its notification less than 7 days before dispatching of an invitation to a General Meeting the notification concerned shall be taken into account for a following General Meeting. In case of a shareholder - legal entity, an original or a certified copy of a registry extract or another reliable document that will prove the existence of the shareholder and the authorization of the authorized person(s) to sign a notification must be attached to the notification, such a document must not be older than three (3) months. If a notification is signed by a proxy of the shareholder, a proxy must attach a Power of Attorney in writing signed by a shareholder (if a shareholder is an individual) or one or more authorized person(s) on behalf of a shareholder (if a shareholder is a legal entity) in each case with such signature being legalised. A proxy of a shareholder that is a legal entity must attach, along with the Power of Attorney, an original or a certified copy of a registry extract or another reliable document that will prove the existence of the shareholder and the authorization of the authorized person(s) to signed the Power of Attorney on behalf of the shareholder; these documents (except the Power of Attorney) may not be older than three (3) months. If these documents are not in Czech or English language, an official translation of the documents or their necessary part into the Czech or English language must be attached.

In such a case, Kofola delivers invitations to prospective General Meetings also by email to the announced email address. If a shareholder no longer wishes to receive invitations to the prospective General Meetings also electronically to the notified email address, the shareholder shall notify it to Kofola in writing in the same manners as specified above in this paragraph no later than 7 days prior dispatching of an invitation to a General Meeting. If a shareholder causes that the email address that he or she notified to Kofola for the purposes of delivery of invitations to a General Meeting does not correspond to the actual state of affairs or that such e-mail address

was in the meantime cancelled and the shareholder has not notified a new e-mail address to Kofola, the shareholder may not seek invalidity of the resolutions of the General Meeting due to the fact that Kofola did not allow the shareholder to participate in the General Meeting or exercise voting rights at the General Meeting on the basis of this fact.

- 11.5 A General Meeting constitutes a quorum if the shareholders present at the General Meeting own shares with aggregate face value exceeding 50% of the registered capital. If a General Meeting does not constitute a quorum within one (1) hour from its anticipated opening, a substitute General Meeting with the same agenda will be convened by the Board of Directors without undue delay, if still necessary, in the manner prescribed by the Czech Companies Act and these Articles of Association. A substitute General Meeting can take place without a necessity to constitute the quorum.
- 11.6 An invitation to a General Meeting must include the statutory information and in case of a proposal to amend the Articles of Association, also the content of the intended amendment should be cited in the invitation. Kofola will also enable to the shareholders a free access to the proposal of amendment of the Articles of Association at the registered office of Kofola and on its website.
- 11.7 If all shareholders agree, a General Meeting can take place also without fulfilling the requirements set for convocation of a General Meeting.
- 11.8 Without previous approval of the General Meeting, making sound or visual recordings of a General Meeting is prohibited.
- 11.9 Kofola must, for each agenda of a General Meeting, include a "Discussion" point and provide for the discussion enough space.
- 11.10 A General Meeting convened on request of qualified shareholders, as defined by the Czech Companies Act, may only be cancelled or its date changed upon the approval by the shareholders submitting the request. In all other cases, a General Meeting may be cancelled, when any extraordinary obstacles to its holding (such as force majeure) occur or when holding a General Meeting would be obviously purposeless.

## **12. PARTICIPATION AT GENERAL MEETING**

- 12.1 A venue, date and time of a General Meeting will be determined in a manner so as to ensure that a shareholder's right to attend a General Meeting is not unreasonably restricted. It is deemed that a General Meeting convened to begin and end between 9.00 am (CET) and 6.00 pm (CET) on a business day at the registered office of Kofola, elsewhere in Ostrava or in Prague does not unreasonably restrict a shareholder's right to attend a General Meeting.
- 12.2 A shareholder can participate at a General Meeting either personally or through a proxy.
- 12.3 A shareholder who is an individual will submit his identification card or passport in order to prove his identity before being admitted to a General Meeting.
- 12.4 A shareholder that is a legal entity may participate at a General Meeting through a person authorized to represent such a shareholder (authorized person). In such a case, the authorized person will submit an original or a certified copy of a registry extract or another reliable document that will prove the existence of the shareholder and the authorization of the authorized person to represent the shareholder; these documents may not be older than three (3) months. If these documents are not issued in Czech or English language, an official translation of the documents or their necessary part into the Czech or English language must be attached. An

authorized person will submit his identification card or passport in order to prove his identity before being admitted to a General Meeting.

- 12.5 If a shareholder is represented by a proxy, the proxy must, before being admitted to a General Meeting, submit a Power of Attorney in written form signed by the shareholder (if a shareholder is an individual) or signed by one or more authorized person(s) on behalf of the shareholder (if a shareholder is a legal entity) in each case with such signature being legalized. A proxy of a shareholder that is a legal entity must submit, along with the Power of Attorney, an original or a certified copy of a registry extract or another reliable document that will prove the existence of the shareholder and the authorization of the authorized person(s) who signed the Power of Attorney on behalf of the shareholder; these documents (except the Power of Attorney) may not be older than three (3) months. If these documents are not in Czech or English language, an official translation of the documents or their necessary part into the Czech or English language must be attached. The proxy will submit his identification card or passport in order to prove his identity before being admitted to a General Meeting.
- 12.6 Kofola may admit to a General Meeting a shareholder, its authorized representative or its proxy if there is no doubt about their identity and their power to represent the shareholder even if the documents to be submitted under the Sections 12.3 through 12.5 are not submitted in their entirety or with necessary signature notarization.
- 12.7 The Power of Attorney must state if it is granted for representing in one or more General Meetings. At the latest on the day of posting of an invitation to a General Meeting, Kofola shall make available in writing at Kofola's registered office and electronically by posting on Kofola's website a form of a Power of Attorney. Kofola shall enable the shareholders to announce granting or removal of the Power of Attorney through electronic means. Such a notification shall be accompanied by a guaranteed electronic signature based on a qualified certificate issued by an accredited certifying service provider. Details for a notification of granting or removal of a Power of Attorney and requirements for its content shall be announced by the Board of Directors on Kofola's website.
- 12.8 All present shareholders will be recorded in an attendance list (*seznam přítomných akcionářů*) that will contain information required by the Czech Companies Act. If a certain person is refused to be registered in the attendance list and admitted to a General Meeting, the refusal and its reasoning will be specified in the attendance list. The attendance list must be available in the meeting room until the closing of a General Meeting.
- 12.9 ~~Members of the Board of Directors must participate at any General Meeting; they must be granted a right to take the floor whenever they ask.~~ Members of the Board of Directors attending a general meeting shall be permitted to speak whenever they request. Members of the Supervisory Board or the Audit Committee must be admitted to a General Meeting whenever they wish. An auditor is entitled to participate at the relevant part of a General Meeting to acquaint General Meeting approving financial statements with its findings. Other persons can participate at a General Meeting subject to consent of the convener of a General Meeting or a Chairman of the General Meeting.

### **13. COURSE OF GENERAL MEETING**

- 13.1 A General Meeting will be opened by a convener or by a person designated by a convener. If no such person is present at a General Meeting, a General Meeting will be opened by a Chairman of the Board of Directors or by a person designated by the Chairman, or in case of lack of such designation, by the oldest member of the Board of Directors present at a General Meeting. If no such person is present, a General Meeting will be opened by a Chairman of the Supervisory Board or by a person designated by the Chairman. If none of the persons stipulated above can

open the General Meeting, the General Meeting will be opened by a shareholder owning shares with highest aggregate nominal value; if there are more such shareholders, the oldest of them (or the oldest person representing them) will open the General Meeting.

- 13.2 A person opening a General Meeting confirms correctness of the convocation of a General Meeting and its quorum and present its agenda. Thereafter, he proposes candidates for position of (i) a Chairman of a General Meeting, (ii) a minute taker, (iii) a minute verifier, and (iv) a scrutinizer(s). The general meeting may decide that the chairman of the general meeting and the minute verifier shall be the same person and as well as that the chairman of the general meeting shall also scrutinise votes provided that it does not jeopardize the due and proper course of proceedings of the general meeting.
- 13.3 A Chairman of a General Meeting arranges for a due course of a General Meeting, including arranging for order of voting, ensuring its proper course, declare the agenda completed, resolve doubts concerning the procedure and manage work of the staff procuring the course of a General Meeting.
- 13.4 A Chairman of a General Meeting may not resign from his position without a significant reason.
- 13.5 After a Chairman of a General Meeting takes up his position, he will open each agenda item according to the order mentioned in the invitation. The Chairman will call a person who suggested a proposal to present the proposal and then will call a person who suggested a counter-proposal to present the counter-proposal. Each shareholder suggesting a motion (i.e. a proposal or counter proposal) has 5 minutes for presentation of its motion, unless the Chairman of the General meeting decides otherwise.
- 13.6 After the motions for a particular agenda item are presented, the Chairman announces what motions have been submitted. The General Meeting shall first vote on proposals submitted by the Board of Directors, afterwards on proposals and counterproposals submitted by the Supervisory Board and afterwards on proposals and counterproposals submitted by the shareholders in the chronological order of their presentation. Once such proposal (counterproposal) is approved, other proposals (counterproposals) shall not be put to the vote.
- 13.7 Prior to the voting, the Chairman asks if there are any objections to the motions, and the General Meeting will listen to these objections, if any.
- 13.8 After the voting, the Chairman declares the outcome of the voting.
- 13.9 A General Meeting may decide that some matters included in the agenda of a General Meeting will be (i) postponed on a subsequent General Meeting or (ii) not discussed at all. Such decision can be adopted only for significant reasons and must be justified. Such decision cannot be adopted in case the relevant General Meeting has been convened on request of a qualified shareholder (unless such qualified shareholder consents to such decision).
- 13.10 A minute taker prepares minutes from a General Meeting. Minimal contents of the minutes is stipulated by law.

#### **14. VOTING AT GENERAL MEETING**

- 14.1 Shareholders vote by raising a voting card indicating the number of votes pertaining to the respective shareholder.
- 14.2 Shareholders may also cast votes by correspondence voting. In such a case, shareholders cast their votes in writing at least one business day before a General Meeting is opened. Those shareholders who vote by correspondence voting are deemed present at the General Meeting but



only for the purposes of voting for those agenda items for which they have casted votes by correspondence.

14.3 A correspondence voting must include:

- (a) name, surname, date of birth and residence address of a shareholder (if a shareholder is an individual) or a representative of a shareholder;
- (b) business name, registered seat and identification (registration) number of a shareholder (if a shareholder is a legal person);
- (c) agenda item to which the voting relates;
- (d) number and face value of shares of a shareholder with which the shareholder performs the voting;
- (e) information whether a shareholder votes for, against or whether the shareholder abstains from voting; and
- (f) legalized signature of a person who signs a correspondence voting; if a correspondence voting is signed by a proxy, the proxy must attach a Power of Attorney signed by the shareholder (if a shareholder is an individual) or signed by an authorized person on behalf of the shareholder (if a shareholder is a legal entity). Signatures on the Power of Attorney must be legalized.

14.4 In case a shareholder who is a legal entity performs the correspondence voting, a correspondence voting must be accompanied by an original or certified copy of a registry extract or another reliable document that will prove the existence of the shareholder and the authorization of the authorized person(s) to sign the correspondence voting on behalf of the shareholder or to sign the Power of Attorney based on which a proxy signed the correspondence voting. If these documents are not in Czech or English language, an official translation of the documents or a necessary part thereof into Czech or English language must be attached. These documents (except the Power of Attorney) may not be older than three (3) months. Signatures on the Power of Attorney must be notarized.

14.5 Kofola may admit a correspondence voting without the documents under the Section 14.4 being submitted in their entirety or with necessary notarization if there is no doubt about the identity of such voting shareholder and the shareholder's power to cast the votes.

14.6 A correspondence voting that has been received by Kofola cannot be changed or cancelled. If the shareholder who cast corresponding votes will be also present at the General Meeting, correspondence voting is disregarded.

## **15. BOARD OF DIRECTORS**

15.1 The Board of Directors is a statutory body of Kofola.

15.2 The Board of Directors is in particular authorized and obliged to:

- (a) manage Kofola's business;
- (b) ensure that Kofola's books are properly kept;
- (c) submit ordinary, extraordinary, consolidated and, where appropriate, interim financial statements to the General Meeting for approval;
- (d) submit a proposal on profit distribution or coverage of loss to the General Meeting; and

- (e) take other actions required by the Czech Companies Act, other laws and these Articles of Association.
- 15.3 Notwithstanding other matters falling within the competence of the Board of Directors, the following matters shall require the adoption of a resolution by the Board of Directors:
- (a) approving the draft consolidated economic and financial plan (the "budget") that will be presented to the Supervisory Board for approval,
- ~~(b) unless the same matter falls within the competence of the Supervisory Board pursuant Sec. 16.2(i), approving subscription, acquisition or disposal of shares in other entities and approving joining a company under commercial law or a civil law partnership by Kofola or any company of its subsidiaries,~~
- ~~(c) unless the same matter falls within the competence of the Supervisory Board pursuant to Sec. 16.2(j), approving a share capital increase, sale of a business or an organized part of a business, a demerger, merger or transformation of Kofola or any company of Kofola's subsidiary,~~
- ~~(d) unless the same matter falls within the competence of the Supervisory Board pursuant to Sec. 16.2(n), approving acquisition or disposal by Kofola or its subsidiaries of real property whose values exceeds the amount of EUR 5,000,000 or its equivalent, of a perpetual usufruct right or an interest in such a real property,~~
- ~~(e) unless the same matter falls within the competence of the Supervisory Board pursuant to Sec. 16.2(k) or 16.2(p), approving the assumption of a liability or the disposal of assets by Kofola or any its subsidiaries in a transaction other than executed in the ordinary course of business of the Kofola or any Kofola's subsidiary, where such transaction has not been provided for in the budget of Kofola or any its subsidiaries and its value based on one or more related legal transactions exceeds the amount of EUR 250,000 or its equivalent,~~
- ~~(f)~~(b) proposing the liquidation of any Kofola's subsidiary,
- ~~(g)~~(c) defining the terms and conditions of remuneration of the management boards and supervisory boards of Kofola's subsidiaries,
- ~~(h)~~(d) proposing amendments of the articles of association and approving the rules of procedure for supervisory and management boards of Kofola's subsidiaries,
- ~~(i)~~(e) unless the same matter falls within the competence of the Supervisory Board pursuant to Sec. 16.2(a), issuing sureties by Kofola or its subsidiaries or creating security on the assets of Kofola or its subsidiaries, with a view to secure performance of obligations/discharge of liabilities by entities other than Kofola's subsidiaries.
- 15.4 The Board of Directors must present a consolidated economic and financial plan (budget) for a following fiscal year of Kofola to the Supervisory Board no later than ~~two months~~ one month prior to the beginning of the following fiscal year of Kofola. If the Supervisory Board does not approve the budget, the Board of Directors will conduct activities based on the most recent approved annual budget. The Board of Directors is obliged to prepare and present to the Supervisory Board ~~monthly~~quarterly reports on the performance of Kofola's consolidated budget within twenty (20) days from the end of each ~~month~~ calendar quarter.
- 15.5 The Board of Directors has six (6) members who are elected and recalled by the Supervisory Board.

- 15.6 The Board of Directors – by the way of resolution of the Board of Directors adopted upon prior approval granted by the Supervisory Board – shall itself determine functions that particular members of the Board of Directors shall serve within the Board of Directors, with reservation that the Board of Directors shall always include Chairman of the Board of Directors (Chief Executive Officer) and Chief Financial Officer.
- 15.7 The term of a member of the Board of Directors is five (5) years. Reappointment is possible.
- 15.8 In case a legal entity is a member of the Board of Directors and is wound up, its legal successor does not become a member of the Board of Directors.
- 15.9 A member of the Board of Directors is, in compliance with Sec. 438 of the Act No. 89/2012 Coll., the Civil Code, authorized to entrust another person to represent Kofola in certain matters.
- 15.10 The Board of Directors grants or revokes a general proxy (*prokura*). Approval of the grant or revocation by the General Meeting is not required.
- 15.11 Meetings of the Board of Directors are convened as the need arises. The meetings are held at Kofola's registered office or at another venue upon consent of all the Board of Directors members.
- 15.12 The Board of Directors constitutes a quorum if a majority of its members is present or otherwise takes part in a meeting. It takes a decision by a majority of votes of present or otherwise participating members.
- 15.13 The Board of Directors elects and recalls from its members a chairman of the Board of Directors whose vote is decisive in case of equality of votes. The Board of Directors shall also elect from amongst its members two (2) Vice-Chairs of the Board of Directors.
- 15.14 A meeting of the Board of Directors is convened by a written or electronic invitation, stating the place, date, time of the meeting and its agenda. The invitation must be delivered to the members at least two (2) business days prior to the meeting, together with the materials that should be discussed by the Board of Directors. If there is a risk of delay, this deadline may be shortened to a reasonable extent.
- 15.15 If the Supervisory Board removes from office any member or members of the Board of Directors as a result of which the number of the Board of Directors members falls below five, the Supervisory Board must appoint on the same meeting new members of the Board of Directors in such a number which will guarantee the maintenance of the composition of the Board of Directors referred to in these Articles of Association.
- 15.16 If the term of office of any member or members of the Board of Directors terminates due to reasons other than their removal from office and, as a result, the number of the Board of Directors members falls below five, the Supervisory Board must, within fourteen (14) days of the occurrence of such fact, appoint a new member or members of the Board of Directors in such a number which will guarantee the maintenance of the composition of the Board of Directors referred to in these Articles of Association.
- 15.17 Members of the Board of Directors can adopt resolutions outside a meeting (*per rollam*) of the Board of Directors by use of technical means. The conditions of the decision-making must be determined so as to enable verification of identity of the member of the Board of Directors authorized to participate at the decision-making. The Board of Directors may also adopt decisions outside their meeting (*per rollam*) in writing. The proposal for adoption of a resolution outside their meeting is submitted by any member of the Board of Directors, provided that such member determines the deadline for voting and the manner of voting; the deadline must not be shorter than five (5) business days or longer than ten (10) business days. The member of the

Board of Directors proposing a resolution will make a record of the resolution adopted outside the meeting and will inform the Board of Directors on adoption of the resolution.

- 15.18 Minutes of the meetings are drawn up and signed by the Chairman and a minute taker to document the course of the Board of Directors' meetings and its decisions; an attendance list is attached to the minutes.
- 15.19 The Board of Directors can adopt its Rules of Procedure that will regulate a course of meeting of the Board of Directors within the conditions stipulated by law and these Articles of Association. The Rules of Procedure may regulate establishment of committee(s) of the Board of Directors having the powers stipulated therein. The Rules of Procedure must also be approved by the Supervisory Board.

## 16. SUPERVISORY BOARD

16.1 The Supervisory Board is a controlling body of Kofola.

16.2 The Supervisory Board is in particular authorized and obliged to:

- (a) elect and recall members of the Board of Directors as well as approve the Board of Directors decisions regarding determination of functions that particular members of the Board of Directors shall serve within the Board of Directors;
- (b) supervise the exercising of powers by the Board of Directors and Kofola's activities;
- (c) review all documents and records concerning Kofola's activities and check whether the accounting records are kept properly and in accordance with reality;
- (d) check whether Kofola's business or other activities are carried out in accordance with other legal regulations and with the Articles of Association;
- (e) review the ordinary, extraordinary, consolidated and, where appropriate, interim financial statements as well as a proposal on profit distribution or coverage of loss, and submit its opinions to the General Meeting;
- (f) approve the budget of the capital group of Kofola prepared by Kofola's Board of Directors, approve any material change of the format used for preparing Kofola's budget;
- (g) approve Kofola's long-term operating plans developed by the Board of Directors;
- (h) approve any acquisition, purchase or disposal of shares in other entities, as well as joining any company or partnership, by Kofola or any of its subsidiaries, in case such transaction is not provided for in the budget of Kofola and its value exceeds EUR ~~8,000,000~~ 20,000,000 or an equivalent of that amount;
- ~~(h)~~(i) to approve any transfer of assets for consideration or without, including transfer of shares, of Kofola or its subsidiaries whose value exceeds 20,000,000 EUR or the equivalent if such disposal of assets is not foreseen in the budget of Kofola;
- ~~(i)~~ ~~approve any share capital increase, sale of a business or an organised part of a business, a demerger, merger or transformation of any Kofola's subsidiary if the value of assets subject to such transaction exceeds 15% of Kofola's consolidated assets disclosed in the financial statements for the preceding financial year and if such transaction is not provided for in the budget of Kofola;~~

- ~~(j) — approve the conclusion of an agreement (by Kofola or any of its subsidiaries) which is not provided for in the budget of Kofola and under which Kofola or its subsidiary would assume a liability in amount exceeding:
  - ~~(i) — EUR 30,000,000 or an equivalent of that amount with respect to activities conducted as part of the ordinary course of business; and~~
  - ~~(ii) — EUR 3,000,000 or an equivalent of that amount with respect to activities conducted outside the ordinary course of business;~~~~
- ~~(k) — approve the conclusion of a loan agreement (or another similar agreement concerning financial debt) by Kofola or its subsidiaries acting as a lender if such an agreement is not provided for in the budget of Kofola and its value exceeds EUR 2,000,000 or an equivalent of that amount, except for:
  - ~~— trade credit granted in the ordinary course of business; and~~
  - ~~— loans granted on the market principles between the companies falling within the group of Kofola companies (the "Kofola's Group");~~~~
- ~~(l) — approve the issue of any sureties, guarantees (or other forms of assuming responsibility for third party liabilities) by Kofola or any company within the Kofola's Group if they are not provided for in Kofola's budget and their value exceeds EUR 2,000,000 or an equivalent of that amount; the term "third party" does not apply to Kofola and its subsidiary companies;~~
- ~~(m) — approve acquisition or disposal by Kofola or any of its subsidiaries of real property, a perpetual usufruct right or an interest in real property (or in a perpetual usufruct right) if such transaction is not provided for in Kofola's budget and its value exceeds EUR 5,000,000 or an equivalent of that amount;~~
- ~~(n) — approve the disposal of any intellectual property rights of Kofola or any of its subsidiaries if the actual market value of such rights exceeds EUR 1,000,000 or an equivalent of that amount and if no such disposal is provided for in Kofola's budget;~~
- ~~(o) — approve the disposal, by Kofola or any of its subsidiaries, of assets whose value exceeds 15% of the Kofola's consolidated net book value (if the disposal is made by Kofola) or 15% of the net book value of a given Kofola's subsidiary (if disposal is made by a given Kofola's subsidiary) disclosed in the financial statements for the preceding financial year, if no such disposal is provided for in Kofola's budget;~~
- ~~(p) — approve the liquidation of any Kofola's subsidiary if the value of such Kofola subsidiary's assets exceeds 15% of Kofola's consolidated assets disclosed in the financial statements for the preceding financial year;~~
- ~~(q)(i) — approve the terms and conditions of remuneration of members of Kofola's Board of Directors;~~
- ~~(r) — approve the terms and conditions of remuneration of members of the management and supervisory boards of Kofola's subsidiaries if the total annual remuneration of a given person (including any bonuses, awards, severance payments and other similar benefits) exceeds the following limits (gross value):
  - ~~(i) — for members of the management boards of Kofola's subsidiaries: EUR 175,000 or an equivalent of that amount;~~
  - ~~(ii) — for members of the supervisory boards of Kofola's subsidiaries: EUR 25,000 or an equivalent of that amount;~~~~

~~(s)(k)~~ approve the rules of procedure for Kofola's Board of Directors as well as any changes to those rules;

~~(t)(l)~~ approve the rules of procedure for Kofola's Supervisory Board as well as any changes to those rules;

~~(u)(m)~~ propose the appointment of an auditor to audit the financial statements of Kofola's subsidiaries;

~~(v) — approve the conclusion, by Kofola or any of its subsidiaries, of an agreement concerning a transaction with a party related to (i) Kofola (ii) any company within Kofola's Group, or (iii) any shareholder holding at least 5% shareholding in Kofola or holding any shareholding in any of its subsidiaries or (iv) any member of the Supervisory Board or the Board of Directors of Kofola or any of its subsidiaries, except for the contracts as provided below:~~

~~(i) — the contracts for the sale or for delivery of products and goods and materials to the production, the contracts for the provision of services or the contracts for the sale of fixed assets concluded on the market rules between the companies within Kofola's Group if the value of such transaction on a one-off basis or over a period of one year does not exceed the amount of EUR 1,000,000 or its equivalent;~~

~~(ii) — the guarantee contracts and other contracts of a similar nature concluded between the companies within Kofola's group if the value of the commitment does not exceed the amount of EUR 5,000,000 or its equivalent;~~

~~(w) — approve the appointment and dismissal of members of the Board of Directors of Kofola's subsidiaries as well as Country General Managers or the conclusion and termination of contracts with them;~~

~~“Country General Manager” shall mean country general managers being the head of the Company's group operation in the given geographical markets in which the Company (directly or via its subsidiaries) operates, namely (i) Czech Republic and Slovak Republic jointly; (ii) Poland, (iii) Slovenia and (iv) other geographical market(s) the Company may enter into in the future;~~

~~and~~

~~(x)(n)~~ take other actions required by the Czech Companies Act, other laws and these Articles of Association.

16.3 The Supervisory Board has ~~six (6) members~~ four (4) members who are elected and recalled by the General Meeting.

16.4 The term of a member of the Supervisory Board is five (5) years. Reappointment is possible.

16.5 The General meeting may elect alternate member/s for filling free posts of members of the Supervisory Board according to the predefined order. If the alternate members are not elected the Supervisory Board, in which the number of members elected by the general meeting has not decreased by more than one half, may appoint substitute member until the next general meeting. The term of office of a substitute member of the Supervisory Board shall not be applied towards the term of office of a member of the Supervisory Board. In case a legal entity is a member of the Supervisory Board and is wound up, its legal successor does not become a member of the Supervisory Board.

- 16.6 The Supervisory Board holds at least one (1) meeting every calendar quarter. The meetings are held at Kofola's registered office or at another venue upon consent of all the Supervisory Board members.
- 16.7 The Supervisory Board constitutes a quorum if a majority of its members is present or otherwise takes part in a meeting. It takes a decision by a majority of votes of present or otherwise participating members.
- 16.8 The Supervisory Board meetings, save for issues which directly concern the Board of Directors or its members, and in particular their removal and liability, should be accessible and open to members of the Board of Directors.
- 16.9 The Supervisory Board elects and recalls from its members a chairman of the Supervisory Board whose vote is decisive in case of equality of votes.
- 16.10 A Supervisory Board meeting may be convened by the Chairman of the Supervisory Board acting on its own initiative or at the request of Kofola's Board of Directors or each member of Kofola's Supervisory Board. The meeting should be convened within two (2) weeks from the date when a relevant request is submitted by an authorised person, and the meeting should be scheduled for a date falling within four (4) weeks from the date of submitting the request. The Supervisory Board meetings must be convened by registered mail, electronic mail or fax sent at least two (2) weeks before the planned date of the meeting.
- 16.11 Members of the Supervisory Board can adopt resolutions outside a meeting (*per rollam*) of the Supervisory Board by use of technical means. The conditions of the decision-making must be determined so as to enable verification of identity of the member of the Supervisory Board authorized to participate at the decision-making. The Supervisory Board may also adopt decisions outside a meeting (*per rollam*) in writing. The proposal for adoption of a resolution outside a meeting is submitted by any member of the Supervisory Board, provided that such member determines the deadline for voting and the manner of voting; the deadline must not be shorter than two (2) business days or longer than ten (10) business days. The member of the Supervisory Board proposing a resolution will make a record of the resolution adopted outside the meeting and will inform the Supervisory Board on adoption of the resolution.
- 16.12 Minutes of the meetings are drawn up and signed by the Chairman and a minute taker to document the course of the Supervisory Board's meetings and its decisions; an attendance list is attached to the minutes.
- 16.13 The Supervisory Board can adopt its Rules of Procedure that will regulate a course of meetings of the Supervisory Board within the conditions stipulated by law and these Articles of Association. The Rules of Procedure may regulate establishment of committee(s) of the Supervisory Board having the powers stipulated therein.

## **17. AUDIT COMMITTEE**

- 17.1 Kofola forms the Audit Committee. The Audit Committee is composed of three (3) members appointed and recalled by the General Meeting from among members of the Supervisory Board or third parties.
- 17.2 Powers of the Audit Committee are stipulated by law.
- 17.3 The Audit Committee constitutes a quorum if a majority of its members is present or otherwise takes part in a meeting. It takes a decision by a majority of votes of present or otherwise participating members.

- 17.4 The term of a member of the Audit Committee is five (5) years. Reappointment is possible.
- 17.5 The Audit Committee elects and recalls from its members a chairman of the Audit Committee whose vote is decisive in case of equality of votes.
- 17.6 A meeting of the Audit Committee is convened by a written or electronic invitation, stating a place, date, time of the meeting and its agenda. The invitation must be delivered at least 14 days prior to the meeting, together with the materials that should be discussed by the Audit Committee. If there is a risk of delay, this deadline may be shortened to a reasonable extent.
- 17.7 Members of the Audit Committee can adopt resolutions outside a meeting (*per rollam*) of the Audit Committee by use of technical means. The conditions of the decision-making must be determined so as to enable verification of identity of a member of the Audit Committee authorized to participate at the decision-making. The Audit Committee may also adopt decisions outside the meeting (*per rollam*) in writing. The proposal for adoption of a resolution outside the meeting is submitted by any member of the Audit Committee, provided that such member determines the deadline for voting and the manner of voting; the deadline must not be shorter than 7 business days or longer than 14 business days. The member of the Audit Committee proposing a resolution will make a record of the resolution adopted outside a meeting and will inform the Audit Committee on adoption of the resolution.
- 17.8 Minutes of meetings are drawn up and signed by the Chairman and a minute taker to document the course of the Audit Committee's meetings and its decisions; an attendance list is attached to the minutes.
- 17.9 The Audit Committee can adopt its Rules of Procedure that will regulate course of meetings of the Audit Committee within the conditions stipulated by law and these Articles of Association. The Rules of Procedure may regulate establishment of committee(s) of the Audit Committee having the powers stipulated therein.

## **18. ACTING ON BEHALF OF COMPANY, SIGNING ON BEHALF OF COMPANY**

- 18.1 ~~Kofola is represented in all matters by any two members of the Board of Directors acting jointly. The chairman of the Board of Directors together with one member of the Board of Directors or Vice-Chair of the Board of Directors together with one member of the Board of Directors shall represent Kofola.~~
- 18.2 The person who signs on behalf of Kofola attaches its signature and information on its position next to Kofola's business name,
- 18.3 ~~The Board of Directors may authorise one of its members to act on behalf of Kofola in a specific legal matter individually.~~
- 18.2 ~~In compliance with the way of representing Kofola specified in par. 1 members of the Board of Directors are entitled to grant on behalf of Kofola a power of attorney to other person to represent Kofola.~~

## **19. CHANGES TO REGISTERED CAPITAL, FINANCIAL ASSISTANCE, DIVISION OF PROFIT AND COMPANY'S FUNDS**

- 19.1 Unless stated otherwise, the increase and decrease of the registered capital will be governed by the relevant provisions of the Czech Companies Act.



- 19.2 Decrease of the registered capital by withdrawal of shares from circulation based on a draw is not allowed.
- 19.3 Kofola may provide financial assistance under the terms set out by the Czech Companies Act.
- 19.4 A share in profit may be distributed among the shareholders, members of Kofola's bodies and Kofola's employees in the amount subject to the General Meeting's approval. The General Meeting may approve distribution of profit among other persons than those listed in the preceding sentence.
- 19.5 Kofola may distribute interim dividends under the terms stipulated by the Czech Companies Act.
- 19.6 Unless a resolution of the General Meeting or an agreement with a shareholder provides otherwise, Kofola will distribute a share in profit in cash form (i) to the address maintained in the register of book-entry securities as of the decisive date for exercising the right to a profit share or (ii) to a shareholder's bank account which a shareholder communicated to Kofola for the purpose of payment of a share in profit in cash form.
- 19.7 Unless the law provides otherwise, Kofola is not obliged to create and replenish a reserve fund. Kofola may create and replenish a voluntary fund pursuant to legal regulations, for instance from profit or other own sources. Voluntary funds may be used in full or in part in compliance with legal regulations or may be cancelled.

## **20. FINAL PROVISIONS**

- 20.1 All activities of Kofola, as well as its legal relationships, are governed by legal regulations determined by the jurisdiction of the Czech Republic.
- 20.2 Kofola has submitted to the Czech Companies Act as a whole.