

**STANOVY
ASOCIACE OBRANNÉHO A BEZPEČNOSTNÍHO
PRŮMYSLU ČESKÉ REPUBLIKY**

**STATUTES OF
THE DEFENCE AND SECURITY INDUSTRY ASSOCIATION OF THE
CZECH REPUBLIC**

The Defence and Security Industry Association of the Czech Republic (hereinafter referred to as the Association) is an interest association of legal persons, established pursuant to Section 20f et seq. Act No. 40/1964 Coll., Civil Code, as amended until 31 December 2013, validly existing in accordance with the provisions of Section 3051 of Act No. 89/2012 Coll., Civil Code, as amended, addressing research, development, production, trade and marketing services related to defence and security systems and material, registered in the Federal Register kept by the Municipal Court in Prague under File Ref. L 58581.

I. Name and registered office of the Association

- Name: Asociace obranného a bezpečnostního průmyslu ČR (AOBP ČR)
- English name: Defence and Security Industry Association of the Czech Republic (DSIA CR)
- Registered office: Prague, Czech Republic
- Mission: To participate in creating optimal conditions for research, development, production, trade and marketing services related to defence and security systems and material, and to defend the specific common interests of the Association members and, if they do not conflict with common interests, also their individual interests. The Association is independent of party-political and other associated interests.

II. Scope of business

A. The scope of business of the Association is in particular:

1. Promoting and defending the business and trade interests of its members in negotiations with the Parliament and the Government of the Czech Republic, ministries and other state administration bodies, political parties and other national and international institutions, including similarly focused foreign associations (associations, unions) and supporting establishing contacts by our and foreign business entities.

2. Providing support to presentations of production plans and products including the involvement of the Association members in development and modernisation programmes of the armed forces, security forces and organisations of the Czech Republic and partner organisations in the EU and NATO.
3. Strengthening the export capabilities of its members in the field of defence and security systems and material.
4. Organisational, economic and professional consultancy.
5. Supporting and coordinating research, development, testing and services in the field of defence and security systems and material to create conditions comparable with the EU and NATO member countries.
6. Promoting general interests of research and development workplaces within the context of grants and tenders which focus on research and development of technologies for the production of defence and security systems and material.
7. Organising educational and promotional activities for the benefit of its members.

B. Ancillary activities of the Association are:

1. 'Research and development in the field of natural and technical sciences or social sciences' within the meaning of the provision of Act No. 455/1991, on Trades, as amended.
2. Advertising and marketing activities, media representation.

III. Assets

1. The Association's assets consist of annual membership fees, voluntary membership fees, asset additions, donations and other items and values.
2. Deposited, provided and obtained funds, other items and values become the property of the Association and serve to cover costs associated with the activities of the Association.
3. The Association manages a budget for a calendar year approved by the General Meeting.
4. The Association manages and maintains accounts in accordance with generally binding legal regulations. To inspect the management of the entrusted funds, the Association carries out an annual audit and submits it to the General Meeting for information.
5. The Association may establish and manage a business entity to generate additional financial resources and means within the meaning of the Statutes of Article II A, points 2, 4 and 7, provided that the profit from this activity will be used exclusively to cover the costs of the Association.

IV. Establishment and termination of membership

1. Membership in the Association is voluntary. The General Meeting always decides on admission of a member.
2. Only a legal person with a place of business in a member state of the European Union can be a regular member.
3. Regular membership in the Association arises on the day of admission at the General Meeting and by the payment of the membership fee for a calendar year in an aliquot portion from the date of the submission of the registration form. Upon joining, the new member must confirm his/her consent with the Statutes of Association by completing and signing the registration form with declaration.
4. Membership in the Association is terminated by resignation, expulsion or by the termination of the Association.
5. A member may withdraw from the Association at any time with a three-month notice period which begins on the first day of the month following the month in which the Association received a member's written notice of withdrawal from the Association. Even during the notice period, a member is obliged to fulfil all his/her obligations arising from membership in the Association. The General Meeting acknowledges the announcement of withdrawal from the Association.
6. The General Meeting decides on the expulsion of a member on the basis of a proposal of the Presidium for the following reasons:
 - a) in accordance with the Act on bankruptcy and settlement (Insolvency Act) No. 182/2006 Coll., as amended, or a legal regulation of similar content, which will replace this Act or a similar legal regulation according to the legal order of the member's place of business, a member was subject to declared bankruptcy or another way of resolving the bankruptcy was permitted, a member entered into liquidation or changed the line of business or lost the permit and authorization to operate so that these changes fundamentally ceased to be in accordance with the conditions and goals of the Association. A member of the Association is obligated to inform the Association of these facts without undue delay after learning about them;
 - b) a member is more than five months in arrears with the payment of his/her membership fee and there is no doubt he/she has been notified of this delay in writing at least twice with a gap of thirty days in between the notifications;
 - c) a member repeatedly acts in a manner that is in direct conflict with the goals and principles of the Association's activities or otherwise damages the interest of the Association.
7. A member may, according to letter c of the preceding paragraph, be expelled by the General Meeting only if he/she has been notified of his/her conduct and he/she was granted a reasonable period to rectify it. Negotiation on expulsion is in all cases preceded by a hearing of the member's authorised representative.

8. The expulsion takes effect after the announcement of the voting results at the General Meeting.

V. Rights and obligations of members

1. A regular member of the Association is entitled to:
 - a) participate in the decision-making of the General Meeting in the manner stipulated in these Articles of Association and the Rules of Procedure of the General Meeting, co-decide on the activities of the Association and participate in other events of the Association;
 - b) assert his/her claims and opinions and thus influence the development of the Association's positioning statements;
 - c) comment on the activities of the bodies of the Association, submit his/her proposals for changes and modifications to the basic documents of the Association, for convening the General Meeting and the proposals of candidates for the election of representatives of the Association;
 - d) participate in the Association activities through his/her work in the Board of Directors;
 - e) request from the Association provision or arrangement of services arising from the subject of the Association's activities;
 - f) supervise the activities of the Association and contribute to the results of its work.
2. A regular member of the Association undertakes to comply with these Statutes and is obligated to:
 - a) promote and explain the opinions and interests of the Association if he/she acts under its name or uses the designation of a member of the Association;
 - b) provide the bodies of the Associations with such information as is necessary for the fulfilment of the subject of activity of the Association;
 - c) pay the stipulated membership fees and contractual obligations to the Association in a timely manner;
 - d) cooperate actively to fulfil the mission and activities of the Association arising from the Statutes or resolutions of the General Meeting.
3. In standard business dealings, each member of the Association is entitled to use the following designation: 'Member of the Association of the Defence and Security Industry of the Czech Republic'.
4. Each member of the Association is entitled to request from the Association protection of data and information against their misuse and agrees to their use in accordance with the agreements concluded by the Association or with government agencies, EU institutions, NATO or similar institutions.

VI. Bodies of the Association, negotiations and signing on behalf of the Association

1. The bodies of the Association are:
 - A. GENERAL MEETING
 - B. PRESIDENT
 - C. PRESIDUM
 - D. EXECUTIVE DIRECTOR
 - E. BOARD OF DIRECTORS
2. The President or the Vice-President of the Association or the Executive Director of the Association authorised by the President in writing acts on behalf of the Association.
3. Signing takes place in such a way that the signature of the President or, in his absence, of the Vice-President of the Association or the Executive Director or another representative of the Association authorised by the President is affixed to the name of the Association.

VII. Scope of authority of the bodies of the Association

A. General Meeting of the Association

1. It is the highest body of the Association which also performs inspecting activities. The General Meeting consists of delegates of each regular member of the Association. Each member of the Association has one vote for voting purposes.
2. The Ordinary General Meeting is held at least once a year, no later than on 30 June.
3. The General Meeting is convened by the Executive Director of the Association by written invitations addressed to the places of business of the members of the Association at least 20 days prior to the date of the General Meeting.
4. If the General Meeting is not convened by the Executive Director of the Association, or in the event of the necessity to convene an extraordinary General Meeting to discuss a proposed item, members who constitute more than 1/3 of all members of the Association are entitled to convene the General Meeting, in accordance with paragraph 3 of this Article of the Statutes of Association.
5. The General Meeting decides on:
 - a) admission and expulsion of a member;
 - b) amendments to the Statutes of Association;
 - c) membership in other organisations or mergers with other entities;
 - d) approval of the budget;

- e) approval of the Annual Report on the activities of the Association and the financial statements for the past year;
 - f) approval of annual membership fees;
 - g) election and removal of the President;
 - h) election and removal of Vice-Presidents;
 - i) dissolution of the Association and the method of property settlement;
 - j) all matters when the General Meeting reserves a decision;
 - k) approval of the Rules of Procedure of the General Meeting
6. The course of the General Meeting is governed by the approved Rules of Procedure. The President and Vice-Presidents are elected by secret ballot, while other issues are voted on by acclamation.
7. A notarial record or minutes prepared by a minute-taker appointed by the General Meeting shall always be taken at the General Meeting and be deposited for inspection at the registered office of the Association. Minutes are signed by the Chairman of the General Meeting and the record-keeper.
8. The General Meeting has a quorum if at least half of all members of the Association are present. If the General Meeting does not have a quorum, the Executive Director of the Association shall convene a substitute General Meeting so that it takes place no earlier than 30 minutes after the expected beginning of the originally convened General Meeting and no later than 6 weeks from the date on which the original General Meeting was convened. If the substitute General Meeting is not held on the same day the original General Meeting was convened on, a substitute General Meeting must be convened in the manner specified in point 3 of this provision, with the deadline for delivery of invitations being reduced to 7 days. The substitute General Meeting has a quorum regardless of the number of members present.
9. The General Meeting decides on all issues by the absolute majority of all members present, except for an expulsion of a member, a dissolution of the Association, an election and removal of the President and Vice Presidents and amendments to the Articles of Association, which require 2/3 of the majority of members present.

In the event of election of the President and Vice-Presidents, if 2/3 of the majority of votes of the present members of the General Meeting is not reached in the first round, the second round takes place, when a simple majority of present members is sufficient. If all Vice-Presidents are not elected in the second round, only the candidates with the highest number of votes obtained in the second round advance to the third round, and only in the number corresponding to twice the number of still vacant Vice-President positions, in the order of votes. In the third round, a simple majority of members present is sufficient for being elected.

B. President of the Association

1. He/she is an elected representative body of the Association subordinate to the General Meeting. He/she is a member of the Presidium and directs its activities.
2. In the event of absence or inactivity of the President, the President is represented by the authorised Vice President of the Association or the Executive Director or another representative of the Association authorised by him.
3. President of the Association:
 - a) acts on behalf of the Association in accordance with the Statutes of Association and the decision of the General Meeting;
 - b) submits to the General Meeting the Annual Report on the activities of the Association and informs about the fulfilment of the conclusions of the last General Meeting;
 - c) coordinates relations with state administration bodies and partner organisations;
 - d) proposes and submits the Internal Rules of the Association to the Presidium for approval;
 - e) appoints representatives of the Association in organisations of which the Association is a member;
 - f) in the event that the President does not also hold the position of the Executive Director, he/she manages and coordinates the activities of the Executive Director.
4. The term of office of the President is 4 years.

C. Presidium of the Association

1. The Presidium is a collective body of the Association consisting of the President and 6 Vice-Presidents, elected by the General Meeting for the areas referred to in paragraph 3 of this Article. Each member of the Presidium has one vote. In the event of a tie, the President shall have the casting vote. The term of office of the Vice Presidents is 4 years.
2. The activities of the Presidium are managed and coordinated by the President. During his/her absence, it is the Vice-President authorised by him/her or the Executive Director authorised by him in writing.
3. In between the General Meetings, the Presidium usually meets four times a year. In addition to these meetings, it uses electronic tools to discuss and decide on key issues and activities of the Association. The per rollam principle can be used in the approval process especially in the following areas:
 - a) strategic planning;
 - b) research, development, testing, standardisation and informatics;
 - c) industry;

- d) cooperation and trade policy;
 - e) legislation;
 - f) international relations.
4. The management of the individual areas referred to in point 3 is entrusted to individual Vice-Presidents. They act on behalf of the Association in accordance with the Statutes of Association and the decision of the General Meeting. To perform the role, the President and Vice-Presidents may, for the term of office, appoint a representative, or advisor to the President and Vice-President, with their appointments approved by the Presidium. Their competencies are specified in the minutes of the meeting of the Presidium, which approved their appointment. Each of the Vice-Presidents is responsible for developing and carrying out the tasks entrusted to him/her, as well as for relations and communication with the competent authorities in this area.
5. Presidium:
- a) appoints and removes the Executive Director of the Association based on the proposal of the President;
 - b) approves the Internal Rules of the Association based on the proposal of the President;
 - c) coordinates, in cooperation with the President, the activities of the Vice-Presidents;
 - d) proposes to the President measures in individual areas stipulated in point 3;
 - e) decides on the proposal for expulsion of a member from the Association, in the cases referred to in point 6 of Article 'IV Establishment and termination of membership';
 - f) approves the composition of the Board of Directors;
 - g) approves measures on the provision of financial and technical means for the performance of the bodies of the Association and the proper performance of the subject of activity of the Association;
 - h) in the event of the resignation of a member of the Presidium, the decision on the co-optation of a substitute member of the Presidium is within the competence of the Presidium. If the substitute member of the Presidium co-opted in this way is not duly elected a member of the Presidium at the next General Meeting, his/her membership in the Presidium shall expire.

D. Executive Director of the Association

1. The Executive Director of the Association is a paid executive operating body of the Association, appointed and removed by the Presidium based on the proposal of the President. He/she is responsible for the internal operation of the Association. For this activity, the Executive Director establishes the Secretariat of the Association and appoints his/her deputies. The activities of the

Secretariat, the Executive Director and his competencies are further regulated by the Internal Rules of the DSIA CR.

2. The Executive Director is responsible for the internal operation of the Association and reports to the President. If the Executive Director is also the President, he/she is responsible for his/her activities to the Presidium.
3. Executive Director of the Association:
 - a) submits the financial statements for the past year and draft budget for the following year to the General Meeting for approval;
 - b) manages the assets of the Association;
 - c) manages the agenda and correspondence of the President and the Presidium of the Association;
 - d) coordinates activities of all Vice-Presidents;
 - e) performs all acts to ensure the proper functioning of the Association.
4. The Executive Director regularly participates in meetings of the Presidium of the Association in an advisory capacity. He/she takes minutes of the Presidium's meetings.
5. The position of the Executive Director may be cumulated with activities in the elected body of the Association.

E. Board of Directors

1. The Board of Directors (Board) is an advisory body to the Presidium of the Association. The Board consists of a Chairman, a Vice-Chairman and members. The term of office for the Vice-Chairman and the Chairman of the Board is four years and ends with its expiration or his/her removal by the relevant member of the Association. The Board shall meet on the initiative of the Chairperson, the Vice-Chairperson or the members.
2. The Chairman and the Vice-Chairman shall be elected at the Assembly of Members of the Board convened by the Presidium. The Chairman is entitled to submit proposals on behalf of the Board to the Presidium of the Association, concerning all areas of the Association's activities to the effect of the Statutes of Association. The proposals do not have a legally binding effect for the Association; they have the character of recommendations for the Presidium of the Association. The Presidium authorises the Chairman, Vice-Chairman and members to negotiate in favour of the implementation of the approved recommendations.
3. The Board is composed of top officials of individual members of the Association. A proposal for the appointment and removal of a Board member is submitted by a member of the Association on a prescribed form to the Presidium that approves the composition of the Board. The Presidium informs the General Meeting about the composition and activities. The members of the Board have

the right to use the designation 'Chairman (Vice-Chairman) of the Board of Directors' or 'Member of the Board of Directors of the Association.

4. Sections may be established within the Board headed by the President of the Section who may use the designation 'Chairman of the Section of the Board of Directors of the Association'. The proposal for the establishment of the Section is submitted by at least three members of the Board to the Presidium that approves the establishment of the Section.
5. The Presidium may decide on the termination of the Section in the event of its malfunction, long-term inactivity or other similar and justifiable reasons.
6. Organisational issues and ways of working of the Board are determined by its Internal Rules, the development and update of which is the responsibility of the Chairman of the Board.

VIII. Termination and dissolution of the Association

1. The Association is dissolved by the decision of the General Meeting.
2. In the event that the rights and obligations of the Association do not pass onto a legal successor, liquidation will take place. The liquidation balance will be divided equally among the members of the Association.
3. The Association is terminated by deletion from the register kept by a competent authority.

IX. Other

1. The Association communicates with its members in Czech language. Legal relations established between the Association and its members are governed by Czech law. In the event of a dispute between the Association and its members, the dispute will be decided by the locally competent court, determined according to the headquarters of the Association.
2. These Statutes of Association were approved by the General Meeting on 19 June 2017.

In Prague on 20 June 2017

**RNDr. Jiří Hynek (m.p.),
President
Defence and Security Industry Association of the Czech Republic**