

# ČSZV STATUTES

## SECTION I

### **1. Name, Seat, Legal Form and Territorial Field of Activities**

- 1.1 The name of the Association is "**České sdružení pro značkové výrobky, z.s.**" (in English "Czech Association for Branded Products, z.s.", hereinafter "the Association"). The Association uses the abbreviation ČSZV and its registered seat is located in Těšnov 5, 110 00 Prague 1, Czech Republic.
- 1.2 ČSZV is an Association following the Law No. 89/2012 Coll., Civil Code, as amended.
- 1.3 The Association is registered in the register of associations maintained by the City Court in Prague under file number L 58735.
- 1.4 The Association's identification number is: 49371797.
- 1.5 The Association performs its activities throughout the entire territory of the Czech Republic.
- 1.6 The Association is a non-profit legal person and has no political, commercial or entrepreneurial aims.

### **2. Scope of Activities, Purpose**

- 2.1. The scope of the Association's activities is to protect and support the common interests of manufacturers of branded products by all legal means which may be appropriate at the time.
- 2.2. The main purpose of the Association is to contribute to the creation and maintenance of an environment in which branding can continue to be the most effective mechanism for distributing quality products to the final consumer.
- 2.3. On the other hand, the Association, as a non-profit and non-commercial organization, will not discuss, nor communicate any information and any issues relating to: prices, sale and purchase conditions, volumes of goods, production and market shares, commercial/ productions/ investment/ marketing plans, or any other information of a commercially sensitive nature which might be subject of protection of competition under EU or national legislation and other sensitive information that might be capable to harm the personality protection rights or business secrets.
- 2.4. At the beginning of each meeting of each Association's working body, the chairman of such meeting reads the above anti-trust and sensitive data clause (2.3.) and the participants in such meeting sign "Compliance Guidelines for

Meetings”, which are an integral part of the Association’s Statutes (see the Annex) and an integral part of participation list of each meeting of each Association’s working body.

- 2.5. It is to be ensured that the minutes from the meetings correctly reflect the course of discussion and its outcomes. If concrete wordings appear to give cause for concern from a competition law point of view, it is a right of any meeting participant to ask the Association’s Permanent Office for arranging for a legal review of an external independent lawyer.
- 2.6. The Association pays special attention to permanent growth of quality and effectiveness of media communications. For this reason a special internal Section operates within the Association which protects and promotes the interests of advertisers in those issues important for the media environment in the Czech Republic. Membership in this Section is also open for advertisers which are not members of the Association.

## **SECTION II**

### **3. Acquisition and Management of Assets and Financial Resources**

- 3.1. The assets and financial resources needed to achieve the purpose of the Association and its scope of activities are gained through:
  - (a) membership fees;
  - (b) donations and bequests.

The Association manages these resources according to the decisions and resolutions of the General Meeting of the Association and the relevant legal regulations.

## **SECTION III**

### **4. Acceptance, Withdrawal and Expulsion of a Member**

#### **Acceptance of a Member**

- 4.1 Only a legal entity (company) may become a member. The following companies may obtain full membership in the Association:
  - (a) companies which are registered with the Commercial Register in the Czech Republic and manufacture branded products in the Czech Republic, or
  - (b) exclusive commercial representations of foreign manufacturers without manufacturing facilities in the Czech Republic whose products are protected on the territory of the Czech Republic by a trademark.

- 4.2 A written application for the Association membership signed by the General Manager or a statutory representative of the company that is applying for membership must be submitted to the Association. The Board of Directors decides on all matters related to membership in the Association.
- 4.3 The Board of Directors may accept or refuse new members of the Association at its discretion. The Board of Directors votes on this subject by ballot. If any member of the Board of Directors asks for, the ballot shall be secret.
- 4.4 The Board of Directors may refuse a company membership, without being required to state the reasons therefor. The same company may not apply for membership for second time within a period of one year after having been refused admittance.
- 4.5 The acceptance of a new member will not become effective before such new member has paid the membership fees and, furthermore, before such new member has submitted a signed statement to the Association to the effect that it accedes to these Statutes, as amended.

#### **Withdrawal of a Member**

- 4.6 A member may terminate membership of the Association only at the end of each calendar year by giving a written notice addressed to the Board of Directors of the Association and signed by a General Manager of the member or by a statutory representative of the member. Notice must be delivered to the Board of Directors by registered mail at least three months before the termination.

#### **Expulsion of a Member**

- 4.7 The Board of Directors has the authority to terminate company's membership in the Association with immediate effect in any of the following events:
- (a) a member enters into bankruptcy proceedings (in Czech „konkurz“);
  - (b) a member is more than three months in delay with payment of its annual contribution;
  - (c) a member repeatedly acts in a manner which is at variance with the aims, purpose and/or Statutes of the Association;
  - (d) a member repeatedly fails to abide by the decisions of the Board of Directors or the General Meeting of the Association.

### **5. Membership Fees**

- 5.1 Amounts, and composition of the membership fees and the deadline for their payment are set forth for each calendar year in the „Statutes of Membership Fees of the Association“ prepared by the Board of Directors which are to be approved by the General Meeting of the Association until 31 November of each

year. The Permanent Office of the Association will send requests for payments to all members at least one month before the deadline for payment set by the Statutes of Membership Fees of the Association approved by the General Meeting of the Association.

## **6. Members' Rights**

- 6.1 All members of the Association have the right to participate in the Annual or Extraordinary General Meetings. In a General Meeting each member has the right to vote.
- 6.2 Representatives of all members have the right to be elected to any of the bodies of the Association referred to below.
- 6.3 Members of the Association have free access to the know-how and advice available in the Association on the subjects covered by the objectives of the Association.
- 6.4. In specific cases of special interest to the Association, the Board of Directors of the Association may provide wider support to individual members, including financial support to cover the costs of legal assistance.

### **Communication with members**

- 6.5. All written communication between members of the Association and the Association shall be procured using either (i) an email to the electronic address provided to the Association by a member company or (ii) registered mail to the registered office of a member provided to the Association (or to another address provided by a member to the Association), in accordance with member's preference. The members of the Association are obliged to provide the Association with the valid email address and/or registered address. The Association is not responsible for the incorrectness of provided email address and/or registered address.

## **7. Members' Obligations**

- 7.1 All members of the Association are required to adhere to the Statutes of the Association and to the decisions and resolutions of any of the Association's bodies.
- 7.2 All members of the Association are required to pay their membership fees properly and on time. In case of a delayed payment of membership fees, the member is required to pay a delay charge in the amount of 2 percent of the applicable amount of annual membership fee for each month of delay. In the case of expulsion due to non-payment of the annual membership fee the member is required to pay within one month from the date of expulsion a pro-rata annual membership fee by the date of the termination of membership, plus the applicable delay charge.

- 7.3 All members of the Association shall contribute to achieving the purpose of the Association and are required not to act in the manner which is at variance with the interests of the Association.

## **SECTION IV**

### **8. Bodies of the Association**

- 8.1. Bodies of the Association are: General Meeting, Board of Directors, Executive Director, Permanent Office, working bodies for general issues (legislation, advertising, Czech market, liberalization of trade, etc.) and sector type working bodies.

### **9. General Meeting**

- 9.1. The General Meeting is the supreme organ of the Association. It decides upon all the important matters of the Association, unless these Statutes put the decisions to the discretion of another body of the Association.

#### **Annual and Extraordinary General Meeting**

- 9.2. The Annual General Meeting shall be held within six months after the end of the financial year.
- 9.3. The agenda for the Annual General Meeting shall include at least the following items:
- a) approval of the Board of Director's annual report concerning the activities of the Association;
  - b) approval of the annual accounts and auditor;
  - c) adoption of the Plan of Action for the next financial year;
  - d) adoption of the budget of the Association proposed by the Board of Directors for the current financial year.

- 9.4. An Extraordinary General Meeting shall be held whenever the Board of Directors or a group of members representing at least 20 percent of all the members so request stating the purpose of the meeting.

- 9.5. Each General Meeting shall appoint the chairman and the secretary to manage the General Meeting.

#### **Convening of General Meeting**

- 9.6. The General Meeting shall be held in Prague, unless the General Meeting Notice (clause 9.7) states otherwise.

- 9.7. The Board of Directors shall notify the members of the exact time, date and place of the General Meeting at least 14 days in advance by placing the notice (the „**General Meeting Notice**“) at the Association’s official webpage, and simultaneously by notifying the individual members in writing pursuant to section 6.5. above. The matters to be discussed at the General Meeting shall be stated in the General Meeting Notice. No valid resolutions can be passed in respect of matters that have not been stated in the General Meeting Notice or in a supplementary notice sent with due observance of the above notice period, unless such resolution is passed unanimously by all members of the Association at the General Meeting.
- 9.8. If a convening of the General Meeting is requested by a group of members referred to in Article 9.4., the Board of Directors will convene such General Meeting within six weeks of the date of delivery of such request to the Board of Directors.

### **Powers**

- 9.9. The General Meeting shall have all powers which have not been vested by the Statutes in other bodies of the Association, including, but not limited, to:
- a) taking decisions on the matters set out in Article 9.3. above;
  - b) appointing, suspending and dismissing members of the Board of Directors;
  - c) amendments and modifications of and supplements to the Statutes of the Association or adoption of new Statutes of the Association;
  - d) dissolution of the Association.

### **Participation and Voting**

- 9.10. Each member of the Association has the right to participate in the General Meeting. Each member of the Association may participate in person (through its statutory body or through another person of the member's general management committee, board of directors or supervisory board), or may be represented based on the written power of attorney.
- 9.11. Members of the Association may always participate at the General Meeting through means of distant communication, i.e. by using electronic devices, programmes and means of online communication, such as email, internet, telephone, videophone, fax etc., provided these enable members’ identification and do not entirely exclude members’ ability to participate („**Distant Communication Means**“), unless the relevant General Meeting Notice says otherwise.
- 9.12. At the General Meeting each member has the right to cast one vote. Apart from voting in physical presence, members of the Association may vote also by submitting their votes in writing in the meaning of section 6.5. above, plus also

through the Distant Communication Means prior to the General Meeting („**Distant Voting**“), unless the relevant General Meeting Notice says otherwise. All votes (including votes submitted by Distant Communication Means) must be signed by a person authorized to act on behalf of a member or otherwise enable assesment that the vote reflect members’ true will and choice. Members shall submit their votes concerning the matters to be discussed at the relevant General Meeting pursuant to the General Meeting Notice to the Board of Directors at the latest by the start of the General Meeting.

- 9.13. A duly convened General Meeting constitutes a quorum if at least half of all the members of the Association as at the date of the General Meeting are present. Member is deemed present at the General Meeting also when using Distant Communication Means with the intent to participate at the General Meeting or when voting through Distant Voting. In the case of Distant Voting, member is deemed present only for discussion on matters included in matters to be discusses at the relevant General Meeting in the General Meeting Notice.
- 9.14. If a particular General Meeting does not constitute a quorum according to 9.13., the Board of Directors convenes a substitute General Meeting („**Substitute General Meeting**“). Substitute General Meeting is convened the same way as regular General Meeting with the exception that the General Meeting Notice for Substitute General Meeting must be executed (i.e. the members shall be notified) at least 7 days prior to the Substitute General Meeting. Substitute General Meeting constitutes a quorum regardless the number of members present.
- 9.15. The General Meeting shall pass all its decisions with a 75 percent majority of votes of members present at the General Meeting.
- 9.16. Resolutions of the General Meeting may be passed outside the General Meeting if all members of the Association have expressed themselves in favour of the proposal at issue sent to them in writing. The proposal must include procedural rules by which the proposal may be adopted with the effects of the resolution of the General Meeting, including the deadline by which the members must express themselves in favour of the proposal and admittance or non-admittance of use of Distant Communication Means. Resolution duly adopted outside of the General Meeting is deemed to be the resolution of the General Meeting. If consensus of all members is not achieved, the Board of Directors shall organize an Extraordinary General Meeting to vote on the issue.
- 9.17. The minutes of the General Meeting shall be executed within 30 days following the General Meeting by the Board of Directors and signed by the chairman and the secretary of the General Meeting. The minutes of the General Meeting shall always include details on use of any Distant Communication Means during the General Meeting, if applicable. The minutes are kept in the register of the Association.

## 10. **Board of Directors**

### **Election, recall and co-optation**

- 10.1. The Board of Directors is the statutory body of the Association that manages all activities of the Association and acts on behalf of the Association. The Board of Directors consists of at least five and maximum nine members.
- 10.2. The power to elect or recall members of the Board of Directors is vested in the General Meeting. Voting procedure for elections of new Board of Directors is decided by the current Board of Directors depending on the number of candidates. The co-optation of a member of the Board of Directors is ruled separately by Article 10.8.
- 10.3. The Board of Directors shall, to the extent possible, reflect the various groups of members of the Association.
- 10.4. The Board of Directors shall establish the policy of the Association, define the tasks and assignments resulting from this policy and create Committees and Sections necessary to accomplish these tasks and assignments. The Board of Directors shall be accountable to the General Meeting.
- 10.5. In its first meeting, the newly appointed Board of Directors shall elect the Chairman and the Vice-Chairman. The Chairman (or in his absence the Vice-Chairman) represents the Board of Directors in period in-between meetings of the Board of Directors.
- 10.6. The term of the office of the members of the Board of Directors is two years. After the accomplishment of their term in office, members of the Board of Directors may be reelected.
- 10.7. A member of the Board of Directors shall resign immediately whenever he/she stops holding a leadership position within the organization of one of the Association's member companies; such a position is also a condition for his/her election to the Board of Directors. A leadership position is deemed to include membership in a general management committee, a board of directors or a supervisory board of a member.
- 10.8. If a member of the Board of Directors resigns during his term of office, either because he/she stops holding a leadership position within the organization of one of the Association's member companies or for other reasons, then the remaining members of the Board of Directors may appoint a new member of the Board of Directors and notify the members of the Association accordingly within 14 days from such appointment. Any objections of the members of the Association to such appointment of a new member of the Board of Directors should be raised within 14 days from the notification by the Board of Directors to members of the Association. If there are any such objections, the Board of Directors shall organize an Extraordinary General Meeting to vote on the appointment of such member.

### **Meetings**



- 10.9. The Board of Directors shall meet whenever any member of the Board of Directors requests its meeting. Members of the Board of Directors shall be notified in writing to attend a meeting by the Permanent Office of the Association. Members of the Board of Directors shall be notified by the Permanent Office at least 10 days prior to the meeting; a meeting can be held without observance of these provisions if all members of the Board of Directors are present at the meeting and agree thereto.
- 10.10. The Board of Directors shall form a quorum when at least half of all its members are present. A majority of votes of present members is required for adopting any resolution of the Board of Directors. In case of a tie, the Chairman has the casting vote.
- 10.11. Resolutions of the Board of Directors may be passed outside a meeting if all members of the Board of Directors have expressed themselves in favour of the proposal at issue in writing. Rules for Distant Voting and for use of Distant Communication Means of the General Meeting apply accordingly.

## **11. Executive Director**

- 11.1. The Executive Director of the Association is appointed to his position by the Board of Directors of the Association. The Executive Director is a full-time employee of the Association based on the employment agreement pursuant to the Labor Code. The Executive Director is not the statutory body of the Association. The form of his remuneration and other allowances are decided upon and approved by the Board of Directors of the Association. The Executive Director reports to the Board of Directors of the Association.
- 11.2. The Executive Director is in charge of the Permanent Office of the Association. The Executive Director is in charge of administrative and organizational execution and the arrangement of all decisions of bodies of the Association. The Executive Director among others leads the Sections, Committees and Subcommittees of the Association, prepares the meetings of these bodies and executes the minutes from these meetings. The Executive Director is responsible to the Board of Directors of the Association and is obliged to follow the instructions of the Board of Directors. To enter agreements exceeding the one-time value of CZK 100 000,- or annual value of CZK 200 000,-, the Executive Director requires a written advance consent of the Board of Directors.
- 11.3. The Executive Director has the authority to participate in the meetings of any bodies of the Association, unless the Board of Directors decides otherwise in the individual case and informs the Executive Director on such decision in advance. The Executive Director shall have a consultative voice and get the floor any time upon his request. The Executive Director also acts as a secretary to the Board of Directors of the Association.

## **12. Permanent Office**

- 12.1. The Permanent Office of the Association is the executive and administrative organ of the Association responsible for the daily operational management of the Association. The Permanent Office comprises as many staff as may be required for the needs of the Association. Decision on the staff composition is in discretion of the Board of Directors.

### **13. Working bodies for general issues**

- 13.1. The establishment of working bodies for general issues shall be approved by the Board of Directors. The working bodies for general issues can be dissolved by the Board of Directors or the General Meeting. The Board of Directors decides on the name of the working body for general issues.
- 13.2. The purpose of the working bodies for general issues is to support and to protect the common interests of members in concrete fields.
- 13.3. The working bodies for general issues are not separate legal entities. The agreed positions of the working bodies for general issues can be presented on letter head papers of the Association.
- 13.4. Any member company may nominate its representative/representatives to any working body for general issues.
- 13.5. Membership in the working bodies for general issues can be granted also to non-members of the Association. Non-members of the Association who are members of a working body for general issues are obliged to pay an annual membership fee to the working body for general issues. The amount of the annual membership fee of the working body for general issues for the relevant financial year is set by the Statutes of Membership Fees of the Association annually approved by the General Meeting.
- 13.6. The Executive Director reports to the Board of Directors upon its request.
- 13.7. The Executive Director is in charge of developing the action plans of the working bodies for general issues. The Executive Director is accountable for the performance of the action plans of the working bodies for general issues to the Board of Directors. The action plans of the working bodies for general issues are a part of the Association's annual plan of actions.
- 13.8. In case the working body for general issues does not achieve a consensus on the issue in discussion, the Executive Director has the right to make a decision on the pending issue in discussion provided he/she considers the compliance of a proposed action with the action plan and basic positions to its individual items as adopted by the General Meeting. Any member of the working body for general issues has the right to appeal in writing against the decision of the Executive Director to the Board of Directors within two weeks after the decision is made. The Board of Directors makes a final decision on the pending issue within two weeks after receiving the written appeal.

## **14. Sector type working bodies**

- 14.1. The establishment of sector type working bodies shall be approved by the Board of Directors. The sector type working bodies can be dissolved by the Board of Directors or the General Meeting.
- 14.2. The purpose of the sector type working bodies is to support and to protect the common interests of members in concrete fields.
- 14.3. The sector type working bodies are not separate legal entities. The agreed positions of the sector type working bodies can be presented on letter head papers of the Association.
- 14.4. The sector type working bodies determine their scope and basic principles, including the decision making mechanism, the admission or expulsion of its members, the representation in international sector type organizations, adoption of internal rules, name, etc.
- 14.5. Membership in the sector type working bodies can be granted also to non-members of the Association. Non-members of the Association who are members of a sector type working body are obliged to pay an annual membership fee to the sector type working body. The amount of the annual membership fee of the sector type working body for the relevant financial year is set by the Statutes of Membership Fees of the Association annually approved by the General Meeting.
- 14.6. The sector type working body reports to the Board of Directors upon its request.
- 14.7. The sector type working bodies develop their action plans which are part of the Association's annual plan of actions.
- 14.8. The Board of Directors shall not intervene and hence is not accountable for the activities of the sector type working bodies. All activities of the sector type working bodies shall be in compliance with the Statutes.

## **SECTION V**

### **15. Decision-Making Procedure Principles**

- 15.1. In the period in-between General Meetings, the Board of Directors, the chairmen of the Sections, the chairmen of the Committees and Subcommittees and the Executive Director have the right to make decisions on matters relating to the objectives of the Association, on the basis of the action plan and basic positions relating to its individual items adopted by the General Meeting, and to present them publicly.

## **16. Statutory representation**

- 16.1. Pursuant to the nature and importance of the concrete matter the Association is represented at law and otherwise by the chairman and the member of the Board of Directors acting jointly or two members of the Board of Directors acting jointly.
- 16.2. If a member of the Board of Directors in his private capacity, or as representative of, or as otherwise being involved with a company which is a member of the Association, has a conflict of interest with the Association, then the member company shall be represented in relation thereto by another member of the Board of Directors.
- 16.3. Mean of representation of the Association pursuant to Article 16.1. above, especially toward financial payments and obligations of the Association, is defined by the relevant decision of the Board of Directors.

## **17. Financial Year, Annual Accounts**

- 17.1. The financial year of the Association corresponds to the calendar year.
- 17.2. Annually, within five months after the end of the financial year, the Board of Directors shall prepare annual accounts and submit these to the General Meeting for approval. The annual accounts shall be accompanied by a statement from the auditor referred to in Article 18 below. All members of the Board of Directors shall furthermore sign the annual accounts.
- 17.3. The Board of Directors shall ensure that the annual accounts, the annual report and the Board of Director's budget proposal are available at the seat of the Association, namely they should be kept by the Permanent Office of the Association from the day of the General Meeting Notice for the relevant General Meeting at which they are to be discussed. The members of the Association may inspect those documents and obtain a copy thereof free of charge. The Board of Directors is obliged to provide each member of the Association with the draft of the annual accounts, the annual report and the Board of Director's budget proposal in writing pursuant to section 6.5 above together with the General Meeting Notice, i.e. at least 14 days prior to the General Meeting that shall approve these documents.
- 17.4. The approval of the annual accounts by the General Meeting constitutes confirmation of the management of the Board of Directors and its members (absolutorium) for the financial year for which the annual accounts have been prepared.

## **18. Auditor**

- 18.1. The General Meeting shall appoint an auditor to examine the annual accounts prepared by the Board of Directors. Subject to re-appointment, the auditor shall be appointed for a period of one year.

## **19. Dissolution and Liquidation**

### **Dissolution (Winding up)**

- 19.1. The Association may be dissolved only pursuant to the resolution of the General Meeting on dissolution passed with a 75 percent majority of the votes cast.
- 19.2. The Association is dissolved as at the day stated in the resolution of the General Meeting on dissolution, or if not stated, as at the day of adopting such resolution.

### **Liquidation**

If the assets of the Association are not being transferred to a legal successor, the Association must enter into liquidation after its dissolution. Relevant provisions on liquidation of the Law No. 89/2012 Coll., Civil Code apply on the process of liquidation of the Association.

- 19.3. The Board of Directors/the General Meeting appoints and dismisses the liquidator.
- 19.4. What remains of the assets of the Association after liquidation („**Liquidation Balance**“) shall be distributed among the members of the Association. The portion of the Liquidation Balance to be distributed to each member of the Association is calculated as the ratio of the number of completed years of membership for each member of the Association to the sum of completed years of membership of all members, unless the General Meeting resolves otherwise.

### **Cease of existence**

- 19.5. The Association ceases to exist as at the day of its deletion from the register of associations.

## **SECTION VI**

## **20. Amendments of Statutes**

- 20.1. All amendments or modifications of the Statutes must be made in written form. Any member of the Association or any body of the Association may submit proposals to amend/modify the Statutes to the General Meeting.
- 20.2. The General Meeting adopts amendments/modifications of the Statutes. All resolutions concerning amendment/modification of these Statutes shall be adopted by the General Meeting of the Association with a 75 percent majority of members present at the General Meeting.

- 20.3. Following the resolution on amendment/modification of the Statutes the Executive Director or the Board of Directors execute up-to-date wording of the Statutes and make it available to all members for their inspection in electronic form at the Association 's official webpage and as a hard copy at the registered office of the Association at the place freely available to all members. Up-to-date wording of the Statutes must also be submitted to the register of associations within reasonable period from its execution.

**Closing Provision**

- 20.4. These Statutes are valid as of the day of their adoption by the General Meeting of the Association and become effective as of the day of registration in the register of associations.
- 20.5. Binding is the Czech text of the Statutes; English text has the character of a working translation.

## ANNEX TO THE ČSZV STATUTES

### GUIDELINES FOR ČSZV MEETINGS

**All those present are reminded of the need to remain within the strict confines of applicable competition laws at all time, in order to enable ČSZV to achieve its aims and objectives, without giving the appearance of facilitating unlawful conduct.**

*These guidelines are not comprehensive and are designed to serve as a reminder only. It is the responsibility of each member to take its own advice on attendance at ČSZV meetings and what can and cannot legitimately be discussed.*

ČSZV is a membership organization. Many of its members compete with each other. This means that every activity of ČSZV must be measured against the national and international competition laws which prohibit behaviour that prevents, restricts or distorts competition. Infringements of any applicable competition law are treated very seriously by the authorities and could result in severe penalties both for individual members and for ČSZV.

Strict compliance with the competition laws is and always has been the policy of ČSZV. ČSZV exercises extreme care to avoid not only infringement, but anything that might raise even a suspicion of possible infringement.

An action, seemingly innocent when taken by itself, may be viewed by competition enforcers as part of a pattern of activity constituting a competition infringement. Therefore, participants on ČSZV sections, committees, subcommittees, working groups or other similar bodies must always remember the purpose of the body is to enhance the ability of all industry members to compete more efficiently and effectively to provide better value to the consumer and the end user. However, because ČSZV's activity often involves input from two or more competitors, great care must be taken to ensure compliance with the competition law. ČSZV must comply with the competition rules even where the objective has been endorsed by an EU, national or other government body, such as environmental or health initiatives.

THIS MEANS:

- Participation must be voluntary, and failure to participate shall not be used to penalize any company.
- There shall be no discussion, or sharing, of commercially sensitive information. This includes:
  - price information, such as actual prices charged or paid and also costs, discounts and rebates;
  - promotional and advertising activities;
  - production volumes or capacity;
  - trading terms and conditions with third parties, including purchasing strategy, terms of supply, trade programs or distribution strategy;
  - product plans;
  - salaries, benefits, or other confidential information;
  - non-public information regarding customers, for example, information on negotiations with customers;
  - market shares.
- Discussions between members must not lead to any agreement or understanding regarding geographic markets, or lead to a collective refusal to deal or a boycott.
- Historic data may be provided to the ČSZV Permanent Office for the purposes of agreed work but at no time shall such data be available to other members or attributable to any individual member. Tests or data collection shall be governed

on strictly controlled rules and the members shall receive only data in aggregated/anonymous form, so that it is not possible for members to identify individual members' input information.

- Meetings shall be governed by a written agenda prepared and circulated in advance, and recorded by a summary prepared promptly after the meeting. Every agenda shall contain, as its first item, a statement in the terms set in this document.
- ČSZV members shall not be limited in any respect in the ways they decide to conduct their business. All actions of members remain voluntary. Each individual member remains free to make independent, competitive business decisions.
- If any participant of a ČSZV meeting believes a ČSZV section, committee, subcommittee, working group or any other similar body is drifting toward impermissible discussion, the topic shall be postponed until the opinion of legal counsel can be obtained.

At all time each ČSZV member is responsible for ensuring its own compliance with principles of economic competition.

Message to new ČSZV members or people taking part in a ČSZV meeting for the first time:

Please take note that taking part in ČSZV is subject to having read and understood the ČSZV antitrust guidelines. If you have not yet done so, please do so now.