

Constitution
of the Interest Association of Corporate Entities named
ČESKO-SLOVENSKÁ INICIATIVA ECR, z.s.p.o.

1. NAMED, HEAD OFFICE and CHARACTERIZATION

- 1.1. Česko-slovenská iniciativa ECR¹, z.s.p.o. is an association of corporate entities such as business and industrial companies that enables the tertiary sector to participate in corporate reorganization of the whole supply network. An elimination of low efficiency in logistics and in related information flow by using ECR techniques as well as more efficient customer-oriented policy of launching new products and sale support will become more and more significant factors determining the success in the competitive environment of the European consumer goods market.
- 1.2. Česko-slovenská iniciativa ECR, z.s.p.o., is a corporate entity founded pursuant to the Czech law, s. 20f et seq. of the Civil Code. It is registered to the Register of interest association of corporate entities at The Prague Municipality.
- 1.3. The interest association of corporate entities will use the following name:
Česko-slovenská iniciativa ECR, zájmové sdružení právnických osob (i.e. Czech-Slovak ECR Initiative, interest association of corporate entities).
Hereinafter the interested association is referred to as "ECR" or "Association".
- 1.4. The head office of the interest association of corporate entities is Prague.

2. TASKS

- 2.1. All business partners shall cooperate within the ECR-C&SR Initiative in an open and trustful environment in order to make the supply network more efficient so that we could provide Czech and Slovak consumers with the optimal quality of services and diversity of product.
- 2.2. Based on the above said, ECR techniques should be promoted and supported so that the number of companies using them would increase as much as possible.

3. OBJECTS OF ACTIVITIES

- 3.1. To increase economy and efficiency of the supply network and to support wide sharing of electronic data and business procedures necessary to get the desirable sale of trade and industry;
To elaborate standards necessary for both demand and supply and thus help the business community to provide trade and industry services in mutual cooperation only;
To support pioneer projects of cooperation between industry and trade in favour of all ECR-C&SR member companies.

¹ Czech-Slovak ECR Initiative

4. MEMBERSHIP IN THE ASSOCIATION

- 4.1. Any domestic or foreign corporate entity can become the member of the Association if incorporated in the Czech Commercial Register.
- 4.2. Foundation members become members of the Association by signing the Memorandum of Foundation.
- 4.3. A corporate entity interested in the membership in the Association can apply for such membership in writing at the Presidium of the Association. The application shall include the declaration that the applicant has become acquainted with the Memorandum of Foundation and the Constitution of the Association and that it agrees with their content; the signature of the statutory representative shall be certified. The Extract from the Commercial Register shall be enclosed to the application. On the Presidium's request the corporate entity interested in the membership in the Association shall pay the initiation fee of CZK 10,000.00 as well as the membership fee for the calendar year in which it applies for the membership. The Presidium votes about the new members by majority of votes. When appraising the application, the Presidium mainly focuses on whether the applicant is ready or able to actively participate in reorganization of the supply network, to contribute with its skills and experience to the work of the ECR-C&SR Initiative, to use the advanced ECR techniques and to play a pioneer role at new defining of business procedures in the Czech and Slovak Republics. If the Presidium rejects the application, such application is forwarded for the final decision to the General Assembly.
- 4.4. The membership ceases as follows:
 - a) By the cessation of the member - corporate entity;
 - b) When a bankruptcy is declared to the member's property;
 - c) By secession based on a written declaration containing the statutory representative's certified signature. In such event, the membership ceases on the last day of the calendar month following the month in which such declaration was delivered to the Presidium of the Association.
 - d) By expulsion for infringement of the Constitution, the General Assembly may expulse any member of the Association based on the motion of the Presidium or any member, if the member repeatedly and despite the prior written warning grossly violates the Constitution, particularly if such member does not pay membership fees or breaches the confidentiality provision due to this Constitution.
- 4.5. The member whose membership ceased has no right for the repayment of membership fees or other performances provided in favour of the Association, unless otherwise agreed by Presidium.

5. PRESIDIUUM OF THE ASSOCIATION

- 5.1. The Presidium of the Association is a statutory, executive and controlling body of the Association. It exclusively consists of members of statutory bodies of the Association members. The General Assembly appoints the Presidium out of the statutory representatives of the members for the period of two years; each member may have up to one representative in the Presidium. The ECR Presidium consists at least of four but

not more than twenty people. The re-appointment of the Presidium member is possible. The first Presidium members are appointed by the foundation members in the Memorandum of Foundation.

- 5.2. The Presidium will agree on two co-chairmen out of its members; one chairman represents members operating in the industry sector and the other chairman represents members operating in the trade sector. The co-chairmen summon and chair ECR Presidium meetings and act on behalf of the ECR Presidium in relation to third parties, particularly to media etc. The co-chairmen are always appointed for the period of two years. The re-appointment is possible.
- 5.3. Co-chairmen decide on change of the Association location as described in article 1., paragraph 1.4. of Bylaws, and this decision must be in written form, which must be signed by both Co-chairmen.
- 5.4. The ECR Presidium summons as needed always based on written invitations sent by the co-chairmen (beside the case, when Presidium act in the same day when it was selected by General Assembly) that shall be delivered at least 14 days before the planned date of the meeting and shall contain the draft schedule of the meeting. The ECR Presidium is expected to summon at least three or four times a year.
- 5.5. The ECR Presidium decides about the following:
 - 5.5.1. Work schedule and basic strategies and projects;
 - 5.5.2. Determination of branches within the tertiary sector whose application for the membership in the Association shall be approved;
 - 5.5.3. Setting teams, their structure and tasks;
 - 5.5.4. Appointment of advisors;
 - 5.5.5. Harmonization and coordination of tasks and results achieved in the Association with the European ECR Initiative;
 - 5.5.6. Publications of work results;
 - 5.5.7. Organization of events.
- 5.6. The Presidium will elaborate and submit the following documents to the General Assembly:
 - 5.6.1. Estimated yearly budget to achieve and use the necessary funds and yearly final accounts;
 - 5.6.2. Calculation of initiation fees to be paid by new members and calculation of yearly membership fees as well as contributions provided in order to secure the availability of reports, work results, and other publications of the ECR-C&SR Initiative;
 - 5.6.3. Draft conditions and forms of continuation or liquidation of the ECR-C&SR Initiative after all expected work is completed;
 - 5.6.4. Draft of other use of any available assets in case the ECR-C&SR Initiative is dissolved.

- 5.7. The Presidium is entitled to make decisions if the meeting was summoned according to the given rules and if at least the half of all Presidium members is present, excluding the co-chairmen. The Presidium makes decisions by simple majority of all votes. The abstention is considered as rejection. In the event of equal number of votes in favour and against, the co-chairmen have decisive votes. If even after their voting the votes in favour and against are equal, the whole matter is postponed to the schedule of the next Presidium meeting that shall take place within one month. The Presidium may ballot in secret based on the motion of any Presidium member.
- 5.8. The written minutes shall be made from the Presidium meetings and shall contain names of all Presidium members present and all the decisions made. The report shall be signed by the person who chairs the meeting and by the authorized recording secretary.
- 5.9. The Presidium membership ceases if the Presidium member is withdrawn by its own Association member or if the existing member dies or resigns or if the company, which the member represents, leaves the Association. In the event of withdrawal, death or resignation of the existing presidium member, the relevant company shall appoint a new Presidium member out of people mentioned in Article 5.1 within four weeks. In the event of expiration of the appointed co-chairmen´ term of office, the new election should take place at the next Presidium meeting.
- 5.10. The Presidium members may announce their resignation in writing to any co-chairman.
- 5.11. The Presidium member may empower another person mentioned in Article 5.1 to act on his behalf at certain Presidium meetings.
- 5.12. The Presidium members shall keep all current work results confidential until they are published officially or until the Initiative decides to release them. The ECR Presidium will publish the work results immediately after their completion in the form of "ECR-C&SR Reports".
- 5.13. The Presidium shall present its work results and other important facts about the ECR-C&SR Initiative to the General Assembly at least once a year.
- 5.14. The Presidium is a statutory body of the Association and acts on its behalf. The Presidium is represented by one co-chairman and another Presidium member or by both co-chairmen. The signature is realized in the way that one co-chairman and another Presidium member or both co-chairmen append their signatures and functions to pre-printed or pre-written name of the Association.

6. GENERAL ASSEMBLY OF THE ASSOCIATION

- 6.1. The General Assembly is a supreme body of the Association. It consists of all Association members. The Association members are represented by their statutory bodies or by any other empowered representatives.
- 6.2. The General Assembly is chaired by one of the Presidium co-chairmen appointed by the Presidium.
- 6.3. The General Assembly controls the operation of the Presidium and summons at least once a year in order to discuss the reports submitted by the ECR Presidium.

- 6.4. Any co-chairmen summons the General Assembly meeting by written invitation at least 14 days before the planned date of the meeting. The invitation shall include the schedule of the meeting.
- 6.5. The General Assembly shall be entitled to information concerning Presidium resolutions due to Article 5.6. on the following matters:
 - 6.5.1. Work schedule and basic strategies and projects;
 - 6.5.2. Setting teams, their structure and tasks;
 - 6.5.3. Appointment of advisors;
 - 6.5.4. Publications of work results;
 - 6.5.5. Organization of events.

All the companies present at the meeting will receive a copy of the minutes elaborated due to Article 5.9 and addressed to their representatives in the General Assembly.
- 6.6. The following matters are in the competence of the General Assembly:
 - 6.6.1. Approval of yearly membership fees, invitation fees and any other fees and expenses that are to be paid by the Presidium members, on the Presidium's recommendation;
 - 6.6.2. Approval of the budget elaborated by the Presidium;
 - 6.6.3. Approval of the final accounts and making decision on press releases by the ECR Presidium;
 - 6.6.4. Decision-making on appeals from rejections of the application for the new membership; as well as about appeals from the Presidium resolutions, if such resolutions concern the obligation to pay;
 - 6.6.5. Decision-making on Presidium proposals concerning conditions and forms of continuation or liquidation of the Association after all expected work is completed;
 - 6.6.6. Withdrawal and appointment of Presidium members.
- 6.7. The General Assembly is entitled to make decisions if it was summoned properly and if at least half of the Association members are present. If the General Assembly is not entitled to make decisions at the given time of the meeting, the meeting shall take place in 30 minutes with the same schedule; then, the General Assembly is entitled to make decisions irrespective of the number of members present. The General Assembly makes decisions by simple majority of votes, unless the Constitution requires a higher majority. The abstention is considered as rejection. In the event of equal number of votes in favour and against, the co-chairman have decisive votes. If even after their voting the votes in favour and against are equal, the whole matter is postponed to the schedule of the next General Assembly meeting that shall take place within 30 days.
- 6.8. The Association members are entitled to appoint their delegate into all teams and to access to their work results. Therefore, they shall receive a brief operation report from individual teams.
- 6.9. The General Assembly members shall keep all current work results confidential.

- 6.10. The companies represented in the ECR General Assembly shall have the access to all events organized by the Association and shall receive the ECR-C&SR report as well as all other publications under fees determined by the Presidium.

7. TEAMS

- 7.1. The Presidium may establish several operation teams.
- 7.2. Such teams consist of professionals empowered by companies and delegated by the Presidium. Individual business sectors shall be represented equally. An acceptance of new team members is governed by Article 4.3. The team membership is limited to two people for each represented company and team. Each company has one vote only.
- 7.3. When appraising teams, the existing activities within the project are taken into consideration, which is documented anonymously after agreement with the relevant company and used as basis of its operation.
- 7.4. All team members shall keep current work results confidential. The work results will be published after the work of all teams is completed in the form approved by the ECR Presidium.
- 7.5. Each team shall appoint its leader. The team leader summons and chairs the meetings, determines and controls the fulfillment of work schedules and harmonograms, controls keeping the current work results confidential, submits results after the work of team is completed, and makes their harmonization with other teams within the ECR-C&SR Initiative. The team leader presents team projects on Presidium meetings.
- 7.6. The companies that delegated team members shall provide the members with enough time and resources necessary for such work.

8. PERMANENT OFFICE

- 8.1. The Permanent Office will be in charge of all organizational, financial and administrative tasks and of common operation of the Association with regard to the maximal efficiency of invested funds.

The Permanent Office will mainly focus on the following activities:

- 8.1.1. Organization of any meetings of the above ECR-C&SR Initiative bodies, including elaboration and distribution of minutes from such meetings (except for minutes from meetings of individual teams) as agreed in advance with the current chairperson;
- 8.1.2. Supervision over the implementation of work results documentation in cooperation with external advisors;
- 8.1.3. Elaboration of groundwork materials necessary for estimated yearly budgets and final reports for the ECR Presidium, which submits them to the ECR General Assembly;
- 8.1.4. Coordination of projects (except for pilot projects) and work results as well as keeping in touch with the Presidium of the European ECR Initiative.

9. PROPERTY CONDITIONS

- 9.1. To sponsor tasks of the Association, the members hereby undertake to pay yearly membership fees which amount will be determined by the Presidium as well as other payments and fees determined by the Presidium or by the General Assembly. All funds to cover the expenses of the Association shall be taken into consideration when estimating yearly budgets by the Presidium. Such funds are to be approved by the General Assembly in accordance with Article 6.6.2.
- 9.2. Until the General Assembly agrees in other way, the membership fee should be EUR 1,000.00 / year / company / country. Membership fees or future years are always due by the end of January of the year.
- 9.3. In case of extra Association funding needs will be necessary amount distributed comparatively among all particular members of the Association. Every additional funding must be agreed by Presidium.
- 9.4. The concerned companies hereby undertake to contribute equally to the funds approved by the General Assembly. If the member leaves the Association, he shall have no right for repayment of already paid fees.
- 9.5. As the corporate entity, the Association is liable for its obligation by the whole property.

10. PUBLICATION

- 10.1. The Permanent Office shall have formal right for ECR-C&SR reports, work results, and publications. Any company, which is not the ECR General Assembly member, will receive ECR-C&SR publications against payment of the fee determined by the ECR Presidium on condition that it fulfils other criteria. This applies also to appraisal of work results, reports, etc. after the liquidation of ECR-C&SR Initiative when all the planned work is finished.

11. CANCELLATION AND CESSATION OF THE ASSOCIATION

- 11.1. The Association ceases by the deletion from the Registry of Associations:
 - 11.1.1. Based on the Presidium's resolution, if its number of members decreases below 3;
 - 11.1.2. If the General Assembly decides by 75% majority of all votes;
 - 11.1.3. If bankruptcy is declared for the Association's property. Then, after fulfilment of the schedule resolution the Association ceases by the deletion from the Registry of Associations.
- 11.2. In the event of cessation due to Articles 11.1.1. and 11.1.2., the liquidation is realized according to the rules valid for liquidation of limited companies. The body, which decided on the cessation of the Association, should agree on the liquidator by simple majority of votes. After the liquidation, the remaining assets should be equally divided among the Association members.

12. AMENDMENTS OF THE CONSTITUTION

- 12.1. The General Assembly decides on any amendment or complement of the Constitution based on motion of any Presidium member.

- 12.2. The motion to amend or complement the Constitution shall be submitted in written to the Presidium that will incorporate such motion in the schedule of the next General Assembly meeting. At least 75% of all members shall agree on the alteration of the Constitution.
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In Prague, 15.11.2010

