

# FOUNDATION DEED

[*extended version - may contain arrangement of any company issues*]

## 1 Preamble

- 1.1 This foundation deed sets out the legal relations of the company, in particular principal organization of the company, rights and obligations of shareholders, specification of company bodies and their powers and rules of the economic administration of the company.

## 2 Company name

- 2.1 The company name shall be: [*company name*]

## 3 Registered office

- 3.1 The company registered office shall be in: [*town*]

## 4 Corporate purpose

- 4.1 The company corporate purpose shall be:

- [*business activity 1*]
- [*business activity 2*]
- [*business activity 3*]

## 5 Shareholders

- 5.1 The company shareholders shall be:

- [*shareholder name 1*], born on [*date of birth*], residing at [*residence address*].
- [*shareholder name 2*], born on [*date of birth*], residing at [*residence address*].
- [*shareholder name 3*], born on [*date of birth*], residing at [*residence address*].

## 6 Registered capital

- 6.1 The company registered capital shall be: CZK [*capital overall sum*].

- 6.2 The registered capital shall comprise of the funds provided by the shareholders as follows:

- the shareholder [*shareholder name 1*] shall provide a capital contribution in the sum of CZK [*capital contribution 1*] which reflects the ordinary share No. 1 of [*share percentage 1*]% in the company.

- the shareholder [*shareholder name 2*] shall provide a capital contribution in the sum of CZK [*capital contribution 2*] which reflects the ordinary share No. 2 of [*share percentage 2*]% in the company.
- the shareholder [*shareholder name 3*] shall provide a capital contribution in the sum of CZK [*capital contribution 3*] which reflects the ordinary share No. 3 of [*share percentage 3*]% in the company.

6.3 The shareholder capital contributions shall be paid as follows:

- the shareholder [*shareholder name 1*] shall pay 100% contribution, i.e. the sum of CZK [*contribution sum 1*] no later than within the period for filing the application for the company registration by bank transfer to a specific company bank account opened by the capital administrator.
- the shareholder [*shareholder name 2*] shall pay 100% contribution, i.e. the sum of CZK [*contribution sum 2*] no later than within the period for filing the application for the company registration by bank transfer to a specific company bank account opened by the capital administrator.
- the shareholder [*shareholder name 3*] shall pay 100% contribution, i.e. the sum of CZK [*contribution sum 3*] no later than within the period for filing the application for the company registration by bank transfer to a specific company bank account opened by the capital administrator.

6.4 The company has only ordinary shares with no specific rights and obligations. The shareholder may possess more shares.

## **7 Company bodies**

7.1 The company bodies shall be:

7.1.1 general meeting;

7.1.2 directors.

## **8 General meeting**

8.1 The general meeting shall be a supreme body of the company.

8.2 The general meeting shall be entitled to make decisions in respect to:

8.2.1 appointment and recall of company directors;

8.2.2 execution or recall of powers of attorney per procuram;

8.2.3 changes of company foundation deed;

8.2.4 winding up the company and appointment and recall of company liquidator;

8.2.5 approval of company regular, irregular and consolidated statements of accounts and in cases set out by legal regulations intermediate statements of accounts;

- 8.2.6 distribution of profits and compensation for losses;
  - 8.2.7 changes of company registered capital;
  - 8.2.8 other issues entrusted to the powers of the general meeting under applicable laws or by this foundation deed.
- 8.3 The general meeting shall take place at least once during a financial year. The general meeting approving regular company statements of accounts shall take place no later than 6 months after the last day of the preceding financial year.
- 8.4 Unless otherwise set out by law or this agreement, the general meeting shall have a quorum in case that the shareholders present at the general meeting have at least one half of votes of all shareholders. Each shareholder shall have 1 vote against each of its CZK 1 capital contribution.
- 8.5 Decisions of the general meeting shall be passed by majority of votes of shareholders present at the general meeting, unless a higher portion of votes is required under applicable laws or by this foundation deed. The votes of shareholders excluded from voting rights shall not be taken into account for the purpose of assessing a general meeting quorum.
- 8.6 The shareholders shall also be entitled to make decisions outside of the general meeting. In such a case, the person authorised to convene the general meeting shall submit a proposition to the shareholders and provide a period of fifteen days after the date of delivery for written statements of the shareholders to such proposition. If no shareholder statements are obtained within the period provided, it applies as a disagreement with the proposition. A majority of votes shall be decided from the total number of votes of all shareholders.
- 8.7 Voting at the general meeting or decisions made outside of the general meeting may be performed by the use of technical devices that allow verification of shareholder identity, including shareholder share with voting rights and the result of voting. The conditions of voting or decision making shall be determined by the company director and shall be described in the invitation to the general meeting or the decision proposal.
- 8.8 In case the company has one shareholder only no general meetings take place and the powers of general meeting shall exercise the sole shareholder.

## **9 Director**

- 9.1 The director shall be a statutory body of the company. The company shall have [*number*] directors.
- 9.2 The director shall undertake his/her function with due care. The director shall in particular undertake commercial management of the company, inform shareholders of issues relating to the company and propose precautions necessary for further management of the company, summon company general meetings, ensure proper maintenance of records and company bookkeeping, maintain a list of shareholders and undertake the rights and obligations of his/her employer applicable under relevant laws.
- 9.3 The first company directors shall be:

- [director name 1], born on [date of birth], residing at [residence address].
- [director name 2], born on [date of birth], residing at [residence address].
- [director name 3], born on [date of birth], residing at [residence address].

9.4 The manner of acting of directors on behalf of the company shall be: [description].

## **10 Rights and obligations of the shareholders**

10.1 The shareholders undertake their rights in relation to the company management and control of its activities at company general meetings.

10.2 The shareholders shall be entitled to require company directors to provide information relating to the company and to inspect and control all company records.

10.3 Unless stated otherwise, the shareholder's share may be transferred to another shareholder or to a third party subject to consent of the company general meeting. The consent of general meeting shall not be required in cases that the company has two shareholders and the share is transferred to the second shareholder; or the company has one shareholder and the share is transferred to a third party. The transfer shall be completed by a written share transfer agreement with certified signatures. The transfer shall become effective on the day of delivery of the effective agreement to the company.

## **11 Economic administration of the company**

11.1 The company shall be the owner of all financial and non-financial means transferred to its ownership by the shareholders and assets acquired as a result of its commercial activities or otherwise during the term of its existence.

11.2 The company shall be liable for its debts to the extent of all company assets.

11.3 Profit distribution shall be approved by the general meeting. The profit shall be distributed among the shareholders in the proportion of their shares. The profit share shall be paid within one month after the decision of company general meeting relating to the profit distribution.

11.4 The company net profit shall be distributed in accordance with the decision of the general meeting.

## **12 Miscellaneous**

12.1 All company affairs that are not explicitly governed by this foundation deed shall be governed by relevant applicable laws, in particular by the Czech Civil Code No. 189/2012 Coll. and the Czech Corporation Act No. 90/2012 Coll.

12.2 The administrator of capital contributions shall be [administrator name], born on [date of birth], residing at [residence address].