

ITEM 13: DECISION ON CHANGE TO THE ARTICLES OF ASSOCIATION OF UNIPETROL, A.S.

Resolution :

The General Meeting of UNIPETROL, a.s. hereby pursuant to Section 8.2 letter a) of Articles of Association of UNIPETROL, a.s. decides on the changes in the Articles of Association of UNIPETROL, a.s. (the “Articles of Association”) provided that such changes shall become effective on the day of approval of this resolution by the General Meeting. The changes shall be as follows:

(1) Amendment of Section 1.3 of the Articles of Association

Before the word “Prague” in the Section 1.3 of the Articles of Association the text “the municipality of” shall be inserted.

(2) Amendment of Section 2.1 of the Articles of Association

After the last bullet of Section 2.1 of the Articles of Association a new bullet with the following wording shall be inserted:

“- _____ Renting of flats, real estate and non-residential premises”.

(3) Amendment of Section 3.1 of the Articles of Association

Changes of Section 3.1 of the Articles of Association are proposed only in the Czech language version of Articles of Association. The meaning of English translation of this provision remains the same so no changes are proposed in English translation of Section 3.1 of the Articles of Association.

(4) Amendment of Section 5.1 of the Articles of Association

After the text “of CZK 100” in the Section 5.1 of the Articles of Association the text “(in words: one hundred Czech crowns)” shall be inserted.

(5) Amendment of Section 5.2 of the Articles of Association

The current wording of the Section 5.2 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“5.2 All shares have been issued as book-entered securities and have been admitted to trading on a European regulated market.”

(6) Amendment of Sections 6.2 – 6.7 of the Articles of Association

The current wording of Sections 6.2 – 6.7 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“6.2 The shareholder is entitled to attend the General Meeting and vote there. Further regulation of attending the General Meeting is in Article 9 hereof.

6.3 The shareholder is entitled to request and receive from the Company at the General Meeting explanation to matters pertaining to the Company or the persons controlled by it if such explanation is necessary in order to consider the contents of the matters included in the agenda of the General Meeting or to exercise his shareholder rights at the General Meeting. The shareholder shall formulate his speech to be brief and clear. Each shareholder is limited in presenting of his request or other speech to ten (10) minutes. The explanation of the matters pertaining to the current General Meeting shall be provided to the shareholder by the Company directly at the General Meeting. If this is not possible due to the complexity of the explanation the Company shall provide it to the shareholders within fifteen (15) days of the date of the General Meeting, even if it is no longer necessary in order to consider the contents of the matters included in the agenda of the General Meeting or to exercise the shareholder rights at the General Meeting. The information included in the explanation must be unambiguous and must provide adequate and true picture of the facts asked about. The explanation may be provided in the form of an aggregate answer to multiple questions with similar content. A shareholder shall be deemed to have received the explanation also when the information was published on the Company’s website no later than the day preceding the date of the General Meeting and is available to the shareholders at the place of the General Meeting. The Board of Directors or the person convening the General Meeting may refuse to provide the explanation or any part thereof if (i) the provision of the explanation may cause harm to the Company or

persons controlled by the Company; (ii) it involves inside information or classified information pursuant to applicable legal regulation, or (iii) the requested explanation is publicly available. Fulfillment of the conditions for refusal to provide explanation shall be assessed by the Board of Directors which shall communicate the reasons to the shareholder. The communication of the refusal to provide explanation shall be included in the minutes from the General Meeting. Shareholder is entitled to request the Supervisory Board to determine that conditions for refusal of providing an explanation have not been satisfied and the Board of Directors shall provide the explanation to the shareholder. The Supervisory Board shall decide on the request of the shareholder directly at the General Meeting or, if it is not possible, within five (5) working days following the General Meeting. In case the Supervisory Board does not agree to provide the explanation or does not respond within the statutory time period, the Company's obligation to provide the information shall be decided by a court based upon a request of the shareholder. The right to initiate proceedings against the Company may be asserted within one (1) month following the General Meeting, at which the request for provision of explanation was refused, or within fifteen (15) days following the General Meeting in case of refusal or failure to provide information; the right asserted after these periods shall be disregarded.

- 6.4 The shareholder is entitled to make proposals and counterproposals on the matters included in the agenda of the General Meeting. If a shareholder intends to make a counterproposal on the matters included in the agenda of the General Meeting he shall deliver it to the Company within a reasonable time period prior to the date of the General Meeting; this shall not apply if it concerns proposals of certain persons for membership in the Company's bodies. The Board of Directors shall notify all shareholders in manner for calling the General Meeting the wording of shareholder's counterproposal including the Board of Directors' position to it; this shall not apply in case the Board of Director's notice would be delivered in less than two (2) days before the day of the General Meeting or costs for such notification would be in gross disproportion to the relevance and content of such counterproposal or the wording of such counterproposal contains more than one hundred (100) words. If the counterproposal contains more than one hundred (100) words, the Board of Directors shall notify the shareholder of the nature of the counterproposal including its position thereto and shall publish the counterproposal at the Company's webpages. The shareholder is entitled to submit his proposals to matters, which shall be included into the agenda of the General Meeting, also before publication of the invitation to the General Meeting. Board of Directors shall publish together with the invitation to the General Meeting any proposal delivered to the Company seven (7) days before publication of the invitation to the General Meeting at latest and its position thereto. Proposals delivered after this period shall be governed mutatis mutandis by Section 362 of the Act on Corporations.
- 6.5 Shareholder present on the General Meeting is entitled to request the minutes clerk to include a protest regarding a resolution of the General Meeting into the minutes from the General Meeting.
- 6.6 The shareholder may request the Board of Directors to provide a copy of minutes from the General Meeting or its part during the whole existence of the company. The request must be made in writing, unless it is given in oral form directly at the General Meeting.
- 6.7 Shareholder or shareholders holding shares with aggregate nominal value or number of shares of at least one per cent (1 %) of the registered capital of the Company are entitled to:
- a) request the Board of Directors to include into the agenda of the General Meeting a matter specified by them, provided that a resolution is also proposed for each matter or the reasoning for including thereof are provided; if the request is delivered after the publication of the invitation to the General Meeting, the Board of Directors shall announce the addition to the agenda of the General Meeting no later than five (5) days before the decisive date for the participation in the General Meeting. If such announcement is not possible, the proposed matter may be included into the agenda of the General Meeting only when all shareholders of the Company are present at the General Meeting and unanimously agree with discussing such matter;
 - b) request the Board of Directors to convene General Meeting to discuss matters proposed by them provided each requested matter includes a proposed resolution or reasoning;
 - c) request the Supervisory Board to review exercise of authority by the Board of Directors in matters specified in the request;
 - d) in accordance with the Act on Corporations claim on behalf of the Company a compensation for a harm against a member of the Board of Directors or the Supervisory Board or fulfillment of their obligation, if any, under an agreement on settlement of harm caused to the Company resulting from a failure to act with due managerial care, or payment of the issue price against a shareholder who is in delay with payment thereof, and to represent the Company in such proceedings;

- e) request the court to appoint a court expert to review the report on relations between the controlling person and the controlled person and between the controlled person and the persons controlled by the same controlling person (the "Report on Relationships") if they consider the Report on Relationships not prepared correctly;
- f) claim compensation of harm against an influent person, if such person caused a harm to the Company."

(7) New Sections 6.8 – 6.12 of the Articles of Association

After the Section 6.7 of the Articles of Association new Sections 6.8 – 6.12 with the following wording shall be inserted:

"6.8 The shareholder is entitled to the share in the Company's profits, which have been approved by the General Meeting to be distributed among the shareholders. This share in profits shall be determined according to the shareholder's share in the registered capital. The decisive date for exercising the right to the share in profits shall be the decisive date for participation at the General Meeting, which decided on the distribution of profits. The right to the share in profits is separately transferrable as of a day the General Meeting decided on its distribution. The Company shall pay the share in profits, at its own cost and risk, in the manner determined by the General Meeting.; details of manner of payment of the share in profits determined by the General meeting shall be set forth by the Board of Directors in accordance with generally binding legal regulations. The share in profits is due in three (3) months following a day, when the General Meeting decided on distribution of profits, unless the General Meeting decides otherwise.

6.9 Upon winding-up of the Company with liquidation, every shareholder is entitled to a share in the liquidation balance. The entitlement to the share in the liquidation balance arises as of the date of cancellation of the Company's shares registered in the registry of book-entered shares of central depository based on the liquidator's instruction.

6.10 In addition to other obligations, the shareholder is obliged to:

- a) pay within the set period and in duly manner the issue price of the shares subscribed by him/her/it; and
- b) comply with the Articles of Association of the Company.

6.11 The shareholder who acquires or exceeds share on all voting rights at the Company of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50% and 75%, or reduces his share on all voting rights below such thresholds, shall notify this to the Company and the Czech National Bank within four (4) working days after he/she/it learnt or could have learnt of such event. The notification can be made also in English language. Details on notification duty regarding voting rights are set forth in Act No. 256/2004 Coll., on trading on capital markets, as amended.

6.12 The shareholder who acquires by himself or together with other persons acting in concert a decisive share in voting rights at the Company, shall within the period of thirty (30) days following the day, when the shareholder acquired or exceeded such share, to make a takeover bid to all owners of the shares of the Company. This obligation shall cease to exist if within the same period the shareholder has already reduced or will reduce his share in voting rights below the threshold, which triggered his obligation pursuant to this provision, by transferring the shares to another person and thereby will cease to exercise directly or indirectly through other persons a decisive influence on the Company. The cessation of such obligation pursuant to the previous sentence is subject to a decision of the Czech National Bank initiated upon a written request of the shareholder. The decisive share on voting rights of the Company is a share corresponding at least thirty per cent (30%) of all votes attached to all participating securities issued by the Company. Detailed rules and exceptions from meeting the takeover bid obligation are set forth in Act No. 104/2008 Coll., on takeover bids and amendments of other acts (Takeover Bids Act), as amended."

(8) Amendment of Section 7.1 of the Articles of Association

In the Section 7.1 of the Articles of Association the word "establishes" shall be replaced with the words: "has chosen".

(9) Amendment of letter q) of Section 8.2 of the Articles of Association

Changes of letter q) of Section 8.2 of the Articles of Association are proposed only in the Czech language version of Articles of Association. The meaning of English translation of this provision remains the same so no changes are proposed in English translation of letter q) of Section 8.2 of the Articles of Association.

(10) Amendment of letter s) of Section 8.2 of the Articles of Association

The current wording of letter s) of Section 8.2 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“s) deciding on a transformation of the Company, unless the laws regulating transformations of business companies and cooperatives sets forth otherwise;”.

(11) Amendment of letter u) of Section 8.2 of the Articles of Association

After the text “rules of providing discretionary” in letter u) of Section 8.2 of the Articles of Association the text “and other” shall be inserted.

(12) Amendment of letter w) of Section 8.2 of the Articles of Association

Before semicolon at the end of letter w) of Section 6.8 of the Articles of Association the text “, unless such measures are entrusted by the rules of procedure within the authority of Chairman of the General Meeting” shall be inserted.

(13) Amendment of letter x) of Section 8.2 of the Articles of Association

After the text “decision on acquisition” in letter x) of Section 8.2 of the Articles of Association the text “for consideration” shall be inserted.

(14) New Designation of Section 8.3 of the Articles of Association

The current Section 8.3 of the Articles of Association shall be newly designated as Section 8.4.

(15) New Wording of Section 8.3 of the Articles of Association

The new wording of Section 8.3 of the Articles of Association shall be as follows:

“8.3 The General Meeting may not reserve deciding on matters, which are not entrusted into its authority by law or these Articles of Association.”.

(16) Amendment of Section 9.2 of the Articles of Association

After the text “such power of attorney or its recall shall not be regarded as duly granted or recalled.” in the Section 9.2 of the Articles of Association the text “For avoidance of any doubt, the shareholder is entitled to notify the Company of granting a power of attorney to represent him at the General Meeting, as well as, of recalling of a power of attorney by the principal by electronic means using an electronic signature.” shall be inserted.

(17) Amendment of Section 9.3 of the Articles of Association

After the text “excerpts from the commercial register pursuant to this provision 9.3 hereof.” in the Section 9.3 of the Articles of Association the following text shall be inserted: “Documents issued by foreign authorities, which are submitted by the shareholder or the shareholder’s representative, shall be superlegalized or accompanied with authenticity certificate (apostille), if the Czech Republic does not have a mutual legal assistance treaty concluded with a state, where the shareholder has his permanent residence or registered seat. If the above mentioned documents or authenticity certificates are in a foreign language (except for Slovak language), they must be also accompanied with an official translation into the Czech language.”.

(18) Amendment of Section 9.4 of the Articles of Association

In the Section 9.4 of the Articles of Association the word “notaries” shall be replaced with word “notary”.

(19) New Section 9.6 of the Articles of Association

After the Section 9.5 of the Articles of Association a new Section 9.6 with the following wording shall be inserted:

“9.6 The Board of Directors may entrust Company employees or third persons with securing organization and technical aspects of the General Meeting (the “entrusted persons”). Entrusted persons shall be entitled to verify at presentation for the General Meeting the right of shareholder or his representative to attend the General Meeting. Until scrutineers are elected by the General Meeting, the entrusted persons are authorized to perform their position.”.

(20) **New Section 9.7 of the Articles of Association**

After the new Section 9.6 of the Articles of Association a new Section 9.7 with the following wording shall be inserted:

“9.7 The attending shareholders or their representatives shall register in the attendance sheet which shall contain the business name or name, as the case may be, and registered office, respectively, of the legal entity or name and residence address of the individual, who is the shareholder or his representative, nominal value of the shares which entitle the shareholder to vote or, as the case may be, information that the share does not entitle the shareholder to vote. In the event of the Company refuses to register a person in the attendance sheet, the refusal and the reason thereof shall be recorded in the attendance sheet. The person convening the General Meeting or a person authorized by the person convening the General Meeting shall certify correctness of the attendance sheet with his signature.”.

(21) **New Designation and Amendment of Section 10.1 of the Articles of Association**

The current Section 10.1 of the Articles of Association shall be newly designated as Section 10.3.

In the current Section 10.1 of the Articles of Association (newly designated as Section 10.3) the word “provision” shall be replaced with word “Section”.

This amendment is proposed only for the English translation of the Articles of Association as a clarification of the translation.

(22) **New Wording of Section 10.1 of the Articles of Association**

The new wording of Section 10.1 shall be as follows:

“10.1 The General Meeting shall be held at least once per accounting period, at latest, however, within six (6) months from the last day of the previous accounting period.”.

(23) **New Designation of Section 10.2 of the Articles of Association**

The current Section 10.2 of the Articles of Association shall be newly designated as Section 10.4.

(24) **New Wording of Section 10.2 of the Articles of Association**

The new wording of Section 10.2 shall be as follows:

“10.2 The Board of Directors convenes the General Meeting, eventually a member of the Board of Director may convene the General Meeting provided the Board of Directors does not convene the General Meeting without undue delay and the applicable law requires convocation of the General Meeting, or if the Board of Directors cannot adopt resolutions for a longer period of time, unless the applicable law stipulates otherwise. If the Company does not have an elected Board of Directors or if the elected Board of Directors is not performing its duties over a longer period of time and the General Meeting is not even convened by any member of the Board of Directors, the General Meeting shall be convened by the Supervisory Board; the Supervisory Board may also convene the General Meeting if the Company’s interests require so. The Supervisory Board shall also propose the necessary measures. If the Supervisory Board does not convene the General Meeting it may be convened by any member of the Supervisory Board.”.

(25) **New Designation of Section 10.3 of the Articles of Association**

The current Section 10.3 of the Articles of Association shall be newly designated as Section 10.5.

(26) **New Designation of Section 11.1 of the Articles of Association**

The current Section 11.1 of the Articles of Association shall be newly designated as Section 11.2.

(27) **New Wording of Section 11.1 of the Articles of Association**

The new wording of Section 11.1 shall be as follows:

“11.1 Until the Chairman of the General Meeting is elected, the General Meeting shall be opened and chaired by the convener or a person authorized by him; the same applies if the Chairman of the General Meeting

is not appointed. The General Meeting shall elect the Chairman, a minutes clerk, a verifier of the minutes and a scrutineer or scrutineers. Should any of these persons specified in previous sentence stop performing their positions during the General Meeting, the General Meeting shall elect a new person into such position. The election shall be organized by the Chairman of the General Meeting or a person authorized by the convener.”.

(28) New Designation of Section 11.2 of the Articles of Association

The current Section 11.2 of the Articles of Association shall be newly designated as Section 11.3.

(29) New Designation and Amendment of Current Section 11.3 of the Articles of Association

The current Section 11.3 of the Articles of Association shall be newly designated as Section 11.4.

In the current Section 11.3 of the Articles of Association (newly designated as Section 11.4) the text “one hundred Czech crowns (CZK 100)” shall be replaced with the text “CZK 100 (in words: one hundred Czech crowns)”.

(30) New Designation of Section 11.4 of the Articles of Association

The current Section 11.4 of the Articles of Association shall be newly designated as Section 11.5.

(31) New Designation of Section 11.5 of the Articles of Association

The current Section 11.5 of the Articles of Association shall be newly designated as Section 11.6.

(32) New Designation of Section 11.6 of the Articles of Association

The current Section 11.6 of the Articles of Association shall be newly designated as Section 11.7.

(33) New Designation of Section 11.7 of the Articles of Association

The current Section 11.7 of the Articles of Association shall be newly designated as Section 11.8.

(34) New Designation of Section 11.8 of the Articles of Association

The current Section 11.8 of the Articles of Association shall be newly designated as Section 11.9.

(35) New Designation of Section 11.9 of the Articles of Association

The current Section 11.9 of the Articles of Association shall be newly designated as Section 11.10.

(36) New Designation and Amendment of Current Section 11.10 of the Articles of Association

The current Section 11.10 of the Articles of Association shall be newly designated as Section 11.11.

In the current letter c) of Section 11.10 of the Articles of Association (newly designated as Section 11.11) the conjunction “and” shall be deleted, in letter d) the dot shall be replaced with a comma and after this comma the conjunction “and shall be inserted and new letter e) with the following wording shall be inserted after letter d):

“e) transformation of the Company, unless applicable law stipulates otherwise.”.

(37) New Designation of Section 11.11 of the Articles of Association

The current Section 11.11 of the Articles of Association shall be newly designated as Section 11.12.

(38) New Section 11.13 of the Articles of Association

After new Section 11.12 of the Articles of Association (originally designated as Section 11.11) a new Section 11.13 with the following wording shall be inserted:

“11.13 The matters which were not included in the agenda of the General Meeting can be discussed or decided provided that all shareholders of the Company agree.”.

(39) New Designation of Section 12.3 of the Articles of Association

The current Section 12.3 of the Articles of Association shall be newly designated as Section 12.4.

(40) New Wording of Section 12.3 of the Articles of Association

The new wording of Section 12.3 shall be as follows:

“12.3 No one is entitled to give instructions to the Board of Directors regarding business management, unless stipulated otherwise by law. Members of the Board of Directors may ask the General Meeting to grant an instruction regarding business management; this shall not affect their obligation to act with the due managerial care.”.

(41) New Designation and Amendment of Current Section 12.4 of the Articles of Association

The current Section 12.4 of the Articles of Association shall be newly designated as Section 12.5.

The current wording of Section 12.4 of the Articles of Association (newly designated as Section 12.5) shall be amended as follows:

- in letter a) after the text “CZK 200,000,000” the text “(in words: two hundred million Czech crowns)” shall be inserted;
- in letter c) after the text “CZK 300,000,000” the text “(in words: three hundred million Czech crowns)” shall be inserted;
- in letter d) after the text “CZK 300,000,000” the text “(in words: three hundred million Czech crowns)” shall be inserted;
- in letter e) the word “undertakings” shall be replaced with the word “debts” in the whole letter e) and after the text “CZK 150,000,000” the text “(in words: one hundred and fifty million Czech crowns)” shall be inserted;
- in letter f) after the text “CZK 1,000,000” the text “(in words: one million Czech crowns)” shall be inserted.

(42) Amendment of Section 13.2 of the Articles of Association

Changes of Section 13.2 of the Articles of Association are proposed only in the Czech language version of Articles of Association. The meaning of English translation of this provision remains the same so no changes are proposed in English translation of Section 13.2 of the Articles of Association.

(43) New Designation of Section 13.4 of the Articles of Association

The current Section 13.4 of the Articles of Association shall be newly designated as Section 13.7.

(44) New Wording of Section 13.4 of the Articles of Association

The new wording of Section 13.4 shall be as follows:

“13.4 A member of the Board of Directors may resign from his office by a written notification addressed to the Supervisory Board and delivered to the Company, while informing the Board of Directors of the resignation. The member of the Board of Directors, however, may not do so at a time which is impractical for the Company. The term of the office of the resigning member of the Board of Directors shall end upon expiry of one (1) month after delivery of such notification to the Company, unless the Supervisory Board approves a different end of the term of office upon request of the resigning member.”.

(45) New Designation and Amendment of Current Section 13.5 of the Articles of Association

The current Section 13.5 of the Articles of Association shall be newly designated as Section 13.8.

In the current Section 13.5 of the Articles of Association (newly designated as Section 13.8) the text “Section 13.4” shall be replaced with the text “Section 13.7”.

(46) New Wording of Section 13.5 of the Articles of Association

The new wording of Section 13.5 shall be as follows:

“13.5 In case the member of Board of Directors dies, resigns, is recalled or in case of other termination of his term of office, the Supervisory Board shall elect a new member of the Board of Directors within two (2) months.”.

(47) New Section 13.6 of the Articles of Association

After new Section 13.5 of the Articles of Association a new Section 13.6 with the following wording shall be inserted:

“13.6 The Chairman or the Vice-chairman of the Board of Directors may resign from his office of the Chairman or the Vice-chairman by a written notification addressed to the Board of Directors and delivered to the Company or by resigning directly at a meeting of the Board of Directors. The performance of the position of the Chairman or the Vice-chairman of the Board of Directors shall terminate on a day when resignation is discussed on the next meeting of the Board of Directors, unless the Board of Directors approves a different moment of the office termination upon request of the resigning member. Termination of performance of the Chairman or Vice-chairman office does not cause the termination of office of member of the Board of Directors.”.

(48) New Section 13.9 of the Articles of Association

After the new Section 13.8 of the Articles of Association a new Section 13.9 with the following wording shall be inserted:

“13.9 A member of the Board of Directors shall perform his office in person; this, however, does not prevent him from authorizing another member of the Board of Directors in a particular case to vote on behalf of him in his absence at the meeting of the Board of Directors.”.

(49) New Section 14.6 of the Articles of Association

After the Section 14.5 of the Articles of Association a new Section 14.6 with the following wording shall be inserted:

“14.6 Costs of holding the meeting of the Board of Directors including attendance by the members of the Board of Directors as well as further activities of the Board of Directors shall be borne by the Company.”.

(50) New Section 14.7 of the Articles of Association

After the new Section 14.6 of the Articles of Association a new Section 14.7 with the following wording shall be inserted:

“14.7 The Company shall compensate the Board of Directors members for the reasonable costs incurred in relation with attending meetings of the Board of Directors.”.

(51) New Designation and Amendment of Current Section 15.2 of the Articles of Association

The current Section 15.2 of the Articles of Association shall be newly designated as Section 15.3.

After the text “state of assets, receivables,” in letter a) of current Section 15.2 of the Articles of Association (newly designated as Section 15.3) the text “debts,” shall be inserted.

(52) New Wording of Section 15.2 of the Articles of Association

The new wording of Section 15.2 shall be as follows:

“15.2 No one is entitled to give instructions to the Supervisory Board pertaining to its statutory obligation to supervise the performance of powers of the Board of Directors.”.

(53) New Designation and Amendment of Current Section 15.3 of the Articles of Association

The current Section 15.3 of the Articles of Association shall be newly designated as Section 15.4.

The current wording of Section 15.3 of the Articles of Association (newly designated as Section 15.4) shall be amended as follows:

- in letter a) the text “12.4” shall be replaced with the text “12.5”;
- between letter a) and letter b) the conjunction “and” shall be deleted;
- in letter b) the text “15.2 g)” shall be replaced with the text “15.3 g)”.

(54) New Designation of Section 15.4 of the Articles of Association

The current Section 15.4 of the Articles of Association shall be newly designated as Section 15.5.

(55) Amendment of Section 16.2 of the Articles of Association

Changes of Section 16.2 of the Articles of Association are proposed only in the Czech language version of Articles of Association. The meaning of English translation of this provision remains the same so no changes are proposed in English translation of Section 16.2 of the Articles of Association.

(56) Amendment of Section 16.3 of the Articles of Association

At the end of the Section 16.3 of the Articles of Association the following text shall be inserted: “The time period when the substitute member of the Supervisory Board performs the position shall not be counted towards the term of office of the member of the Supervisory Board.”.

(57) New Designation of Section 16.5 of the Articles of Association

The current Section 16.5 of the Articles of Association shall be newly designated as Section 16.7.

(58) New Wording of Section 16.5 of the Articles of Association

The new wording of Section 16.5 shall be as follows:

“16.5 A member of the Supervisory Board may resign by a written notification addressed to the Supervisory Board and delivered to the Company. The member of the Supervisory Board, however, may not do so at a time which is impractical for the Company. The term of the office of the resigning member of the Supervisory Board shall end upon expiry of one (1) month after delivery of such notification to the Company, unless the Supervisory Board approves a different end of the term of office upon request of the resigning member.”

(59) New Designation of Section 16.6 of the Articles of Association

The current Section 16.6 of the Articles of Association shall be newly designated as Section 16.9.

(60) New Wording of Section 16.6 of the Articles of Association

The new wording of Section 16.6 shall be as follows:

“16.6 The Chairman or the Vice-chairman of the Supervisory Board may resign from his office of the Chairman or the Vice-chairman by a written notification addressed to the Supervisory Board and delivered to the Company or by resigning directly at a meeting of the Supervisory Board. The performance of the position of the Chairman or the Vice-chairman of the Supervisory Board shall terminate on a day when resignation is discussed on the next meeting of the Supervisory Board, unless the Supervisory Board approves a different end of the office term of office upon request of the resigning member. Termination of performance of the Chairman or Vice-chairman position does not cause the termination of office of member in the Supervisory Board.”

(61) New Section 16.8 of the Articles of Association

After the new Section 16.7 of the Articles of Association (formerly designated as Section 16.5) a new Section 16.8 with the following wording shall be inserted:

“16.8 Should the General Meeting elect the member of the Supervisory Board, the invitation to the General Meeting shall include an eventual notice pursuant to Section 452 of the Act on Corporations and the agenda of the General Meeting shall include an item on potential disagreement pursuant to Section 452 of the Act on Corporations.”

(62) New Section 16.10 of the Articles of Association

After the new Section 16.9 of the Articles of Association (formerly designated as Section 16.6) a new Section 16.10 with the following wording shall be inserted:

“16.10 A member of the Supervisory Board shall perform his office in person; this, however, does not prevent him from authorizing another member of the Supervisory Board in a particular case to vote on his behalf in his absence at the meeting of the Supervisory Board.”

(63) New Section 16.11 of the Articles of Association

After the new Section 16.10 of the Articles of Association a new Section 16.11 with the following wording shall be inserted:

“16.11 Costs of holding the meeting of the Supervisory Board including attendance by the members of the Supervisory Board as well as further activities of the Supervisory Board shall be borne by the Company.”

(64) New Section 16.12 of the Articles of Association

After the new Section 16.11 of the Articles of Association a new Section 16.12 with the following wording shall be inserted:

“16.12 The Company shall compensate the Supervisory Board members for the reasonable costs incurred in relation with attending meetings of the Supervisory Board.”

(65) Amendment of Section 18.1 of the Articles of Association

The current wording of the Section 18.1 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“18.1 The Audit Committee is Company’s body, which, without affecting liability of members of the Board of Directors or the Supervisory Board, performs particularly the following:

- a) supervises efficiency of the internal controlling, the risk management system;
- b) supervises efficiency of the internal audit and secures its functional independence if the internal audit function is established; in such case the internal audit is functionally subordinated to the Audit Committee;
- c) supervises procedure of preparation of financial statements and consolidated financial statements;
- d) recommends to the Supervisory Board an auditor - such recommendation must be well reasoned;
- e) evaluates independence of statutory auditor and auditing company and provision of auxiliary services by statutory auditor and auditing company to the Company;
- f) supervises the process of statutory audit.”

(66) New Designation of Section 18.2 of the Articles of Association

The current Section 18.2 of the Articles of Association shall be newly designated as Section 18.3.

(67) New Wording of Section 18.2 of the Articles of Association

The new wording of Section 18.2 shall be as follows:

“18.2 The Auditor shall regularly provide reports to the Audit Committee on significant matters arising from the statutory audit, in particular, on relevant deficiencies in internal control with regard to the procedure of preparation of financial statements and consolidated financial statements.”

(68) Amendment of Section 19.1 of the Articles of Association

In the Section 19.1 of the Articles of Association the text “must have at least three years practical experience in the area of accounting or obligatory audit.” shall be replaced with the following wording: “professionally qualified. A person shall be considered professionally qualified if he (i) performed for at least two (2) years an executive position in an accounting unit which carries out its business in the same area as the Company, or (ii) was responsible for performance of risk management, evaluation of compliance of activities with applicable laws, internal audit or actuarial function or other similar function.”

(69) New Designation and Amendment of Current Section 19.2 of the Articles of Association

The current Section 19.2 of the Articles of Association shall be newly designated as Section 19.3.

Changes of Section 19.2 of the Articles of Association (newly designated as Section 19.3) are proposed only in the Czech language version of Articles of Association. The meaning of English translation of this provision remains the

same so no changes are proposed in English translation of Section 19.2 (newly designated as Section 19.3) of the Articles of Association.

(70) New Wording of Section 19.2 of the Articles of Association

The new wording of Section 19.2 shall be as follows:

“19.2 At least one member of the Audit Committee must be a person, who was a statutory auditor or a person, whose knowledge and experience in the accounting area guarantee that the position of the member of the Audit Committee will be duly performed, while taking into account the area, where the Company carries out its business; this member must be always independent.”.

(71) New Designation and Amendment of Current Section 19.3 of the Articles of Association

The current Section 19.3 of the Articles of Association shall be newly designated as Section 19.4.

At the end of the current Section 19.3 of the Articles of Association (newly designated as Section 19.4) the following text shall be inserted: “Chairman of the Audit Committee must be independent.”.

(72) New Designation and Amendment of Current Section 19.4 of the Articles of Association

The current Section 19.4 of the Articles of Association shall be newly designated as Section 19.7.

At the end of the current Section 19.4 of the Articles of Association (newly designated as Section 19.7) the following text shall be inserted: “The time period when the substitute member of the Audit Committee performs the position shall not be counted towards the term of office of the member of the Audit Committee.”.

(73) New Section 19.5 of the Articles of Association

After the Section 19.4 of the Articles of Association (formerly designated as Section 19.3) a new Section 19.5 with the following wording shall be inserted:

“19.5 A member of the Audit Committee may resign from his office by a written notification addressed to the Audit Committee and delivered to the Company. The term of the office of the resigning member of the Audit Committee shall end upon expiry of one (1) month after delivery of such notification to the Company, unless the Audit Committee approves a different end of the term of office upon request of the resigning member.”.

(74) New Section 19.6 of the Articles of Association

After the new Section 19.5 of the Articles of Association a new Section 19.6 with the following wording shall be inserted:

“19.6 The Chairman or the Vice-chairman of the Audit Committee may resign from his office of the Chairman or the Vice-chairman by a written notification addressed to the Audit Committee and delivered to the Company or by resigning directly at a meeting of the Audit Committee. The performance of the position of the Chairman or the Vice-chairman of the Audit Committee shall terminate on a day when resignation is discussed on the next meeting of the Audit Committee, unless the Audit Committee approves a different end of the office term of office upon request of the resigning member. Termination of performance of the Chairman or Vice-chairman position does not cause the termination of office of member in the Audit Committee.”.

(75) New Section 19.8 of the Articles of Association

After the new Section 19.7 of the Articles of Association (formerly designated as Section 19.4) a new Section 19.8 with the following wording shall be inserted:

“19.8 A member of the Audit Committee shall perform his office in person; this, however, does not prevent him from authorizing another member of the Audit Committee in a particular case to vote on his behalf in his absence at the meeting of the Audit Committee.”.

(76) New Section 19.9 of the Articles of Association

After the new Section 19.8 of the Articles of Association a new Section 19.9 with the following wording shall be inserted:

“19.9 Costs of holding the meeting of the Audit Committee including attendance by the members of the Audit Committee as well as further activities of the Audit Committee shall be borne by the Company.”.

(77) New Section 19.10 of the Articles of Association

After the new Section 19.9 of the Articles of Association a new Section 19.10 with the following wording shall be inserted:

“19.10 The Company shall compensate the Audit Committee members for the reasonable costs incurred in relation with attending meetings of the Audit Committee.”.

(78) Amendment of Section 20.1 of the Articles of Association

The last sentence of the Section 20.1 of the Articles of Association (“In the case of equal votes the vote of the chairman shall be decisive.”) shall be deleted.

(79) Amendment of Section 21.1 of the Articles of Association

The current wording of the Section 21.1 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“21.1 Profits may, in accordance with a decision of the General Meeting, be used particularly for: a distribution among shareholders, an increase of the registered capital from Company’s own resources, voluntary contributions to reserve or other funds of the Company (provided that such funds were created), a distribution among members of the Board of Directors and the Supervisory Board of the Company, a distribution among Company’s employees and other purposes allowed by law, or potentially a settlement of losses or a transfer to a retained profits account. The previous sentence hereof shall be used similarly on a decision of the General Meeting on method of distribution of retained profits from previous periods. The General Meeting shall decide on a ratio, in which shareholders, members of the Board of Directors, members of the Supervisory Board and employees shall participate on the distributed profits provided that this ratio shall be applicable only for an individual distribution of profits and may not be used for profits distribution in other time periods, unless shall be decided otherwise.”.

(80) Amendment of Section 21.2 of the Articles of Association

The current wording of the Section 21.2 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“21.2 The Company’s duty to create and supplement the reserve fund as such duty was regulated in Section 217 of the Act No. 513/1991 Coll., the Commercial Code, valid as of 31.12.2013, was cancelled based on the decision of the General Meeting of the Company dated 26.5.2014 on amendments to the Articles of Association and submission to the Act on Corporations as a whole. The right to decide on disposing of the reserve fund in the extent in which it was created as of 26.5.2014 is vested within the powers of the Board of Directors; this shall not affect the right of the General Meeting to decide on the distribution of this reserve fund among the shareholders.”.

(81) Amendment of Section 22.1 of the Articles of Association

The current wording of the Section 22.1 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“22.1 By adoption of these Articles of Association the Company submitted itself under the regime of the Act No. 90/2012 Coll., the Commercial Corporations Act (the “Act on Corporations”) as a whole, based on the decision of the General Meeting of the Company dated 26.5.2014.”

(82) Amendment of Section 23.2 of the Articles of Association

The current wording of the Section 23.2 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“23.2 These Articles of Association were adopted on 26.5.2014 and are valid in the wording of changes approved by the resolution of the General Meeting of 2.6.2015 and 21.6.2016.”

(83) Correction of Designation Sections 21.3 of the Articles of Association

In English translation of the Articles of Association was by mistake in writing two sections designated as 21.3. The last of Sections designated as 21.3 shall be designated as Section 21.4.

(84) Other Provisions of the Articles of Association

Other provisions of the Articles of Association of UNPETROL, a.s. remain unchanged.

Justification:

Reason for the proposed amendment to Articles of Association of UNIPETROL, a.s. is the adoption of Act no. 221/2015 Coll. amending Act no. 93/2009 Coll., on Auditors, as amended (the "Act on Auditors"). This bill amending the Act on Auditors changed some requirements towards the members of the Audit Committee and outline of authorities of the Audit Committee.

Further reason of proposed amendment to Articles of Association is to simplify to shareholders reference to their rights and obligations through introducing some important statutory rights and obligations of shareholders directly in Articles of Association.

Further changes proposed are rather of a technical nature.