

**STATUTES**  
**of the non-profit company**  
**"Virtual Exhibitions EXPONET o.p.s."**

**Section I**  
**Opening clause**

1. On 18 September 2006 the founders
  - Milan Černík, residence: 142 00 Praha 4;
  - Břetislav Janík, residence: 109 00 Praha 10;signed the Founding charter in accordance with act No. 248/1995 Coll., section 4, on non-profit organisations and amendment of certain laws.
2. By the above mentioned founding charter, the founders founded the non-profit company named: "Virtual Exhibitions EXPONET" ("Virtuální výstavy EXPONET o.p.s.") (hereinafter referred to as "company") with registered office (domicile): Kutnohorská 309, 109 00 Praha 10
3. The company is founded for indeterminate period.
4. The company pursues its activity for subjects interested in its services in the scope listed below, both on domestic and international basis. The company is a non-profit company without any political or religious activities.

**Section II**  
**Scope of activity**

1. The company will provide following services:
  - a) Exhibition and exhibitor activities in the Internet;
  - b) Providing of non-profit services in the area of inventive activities – acquisition, provision, collecting, processing, preservation, distribution, presentation, and professional reflection of public study, information and documentation systems of cultural values and cultural heritage in a digital form, especially in the Internet, both on domestic and international basis, regardless of geographic area and time period;
  - c) Purchase, disclosure and exercise of study, collection, catalogue, documentation, professional education, publication, promotion and popularisation of resources and activities for this purpose both on domestic and international basis;
  - d) Support of the development of the Internet as a global communication medium especially in the areas focussed on fine arts, postal history, philately, numismatics, bibliophilism, and other areas of collectors interests;
  - e) Creation, development and working operations of the Internet and multimedia projects especially aimed at participation of young generations through the free time activities into the development and promotion of information technologies; contribute to deepening of "computer literacy" and promotion of the cultural heritage through the communication forms of the 21st century;
  - f) Reinforcement of the European and international context of the education and information exchange through education in the areas of art, postal history, polygraphy, librarianship, museology, organisation of exhibitions, and in the areas of broad collectors interests for all interested in the activities of the company both on domestic and international basis.

**Section III**  
**Conditions of providing non-profit services**

1. Services of the company are provided to natural persons and legal persons interested in the company activities.
2. The services are provided within individual projects of the company, conditions of which are defined and declared for each project by the Executive Council. The condi-

tions are published in the registered office, in the specialised press and on the Internet. Each person interested in the services of the company must be familiar with these conditions. The conditions of providing individual services must be defined so that they are identical for all to whom the service will be provided.

3. The services are usually provided free of charge. The company Executive Council can decide that some services will be provided for consideration. Price of these services in such a case will not be higher than costs related to the provided service. The Executive Council will publish a price list for all clients of the company. The price list must be open in the registered office, at the same time it is published on the Internet on the company sites, and each person interested in the company services will get acquainted with it.
4. The company does not practise any supplementary (business) activity at the date of company founding. For the future this supplementary activity is not excluded.
5. Decision on provision of company's services is taken jointly by the President of the Executive Council and the company director. All services and projects must be approved by the Executive Council. The decision is published in the registered office and on Internet sites of the company

#### **Section IV Company bodies**

1. Bodies of the company are:
  - a) Executive Council,
  - b) Board of Trustees,
  - c) Director.

#### **Section V Executive Council**

1. The Executive Council is the statutory body of the company.
2. Executive Council has 3 members and it is headed by the President.
3. Members of the Executive Council are appointed and recalled by the founders.
4. Term of office of the members of the Executive Council is three years in general. The term of office of the President of the Executive Council is three years with the exception of the first Executive Council which starts in year 2006 on registration of the company and ends after a three-year period on 31. 12. 2009.
5. On the first meeting of the Executive Council one member is allotted whose term of office ends after one year after the 1 January of the year following the inception day of the company, and one member whose term of office ends after two years after the 1 January of the year following the inception day of the company. In the following years the term of office is identical with the accounting period (1. 1. – 31. 12.).
6. No member of the Executive Council may hold an office for more than two subsequent periods and after six years of membership he may be appointed again only after another year.
7. Membership in the Executive Council ceases by:
  - a) Lapse of term of office,
  - b) Recall by founder,
  - c) Written resignation addressed to the company,
  - d) Death.
8. Recall of the member of the Executive Council is decided by the founders.
9. The President of the Executive Council assembles and chairs the meetings of the Executive Council. The first President of the Executive Council is appointed by the founders.
10. Each member of the Executive Council has one vote, and the function of the member of the Executive Council is personal.
11. Executive Council decides by majority of present votes, except of cases specified in the

following paragraphs of the statutes. The quorum is at least two thirds of the present members. In case of stand-off the vote of the President of the Executive Council decides, in his absence the vote of the person who chairs the Executive Council.

12. Executive Council may decide per-rollam. The per-rollam decision is non-permissible in cases when according to the statutes two thirds of votes of all members of the Executive Council are required.
13. Executive Council meets at least twice a year. The meeting is called by the President of the Executive Council. All members of the Executive Council must be invited by a registered letter sent to their residence at least 10 calendar days before the day of the meeting. The invitation must always contain the time, place and agenda of the meeting.
14. The stipulations of the previous paragraph is void in case all members of the Executive Council take part in the meeting, though the meeting was called differently than specified in the previous paragraph.
15. In case at least one third of all members of the Executive Council asks, the President of the Executive Council is obliged to call the meeting of the Executive Council. This meeting has to take place within 15 days after delivery of the request. In case it is obvious from his acting of the President of the Executive Council that he will resist his obligation specified in this paragraph, the meeting of the Executive Council can be called on the suggestion of the applicants by the Board of Trustees. In the invitation to such a meeting of the Executive Council the reason of call must be quoted.
16. President of the Executive Council chairs the meeting of the Executive Council. In case of his absence the plenum of the Executive Council is able to take decisions decides by simple majority of votes about the person who chairs the Executive Council.
17. Voting of the Executive Council is public in principle, in case the Executive Council does not make other decision.
18. In case the Executive Council is not able to take decisions due to demission of its members, the founders must nominate new members of the Executive Council before the next meeting of the Executive Council, at the latest.
19. About each meeting of the Executive Council a record is kept. The record is made out by an entrusted member of the Executive Council of the company and it is signed by the person who chairs the Executive Council and one other member of the Executive Council.

## **Section VI**

### **Activity of the Executive Council**

1. Executive Council decides on matters trusted to it by law and on:
  - a) Creation, change and supplement of the company statutes,
  - b) Proxy extent of the company director,
  - c) The matter that an individual project may be provided for consideration and on the price list.
2. Executive Council decides by two thirds of votes of all members of the Executive Council on the changes of the statutes, of the founding charter, establishment of branch offices and on company, to which the liquidation balance will be offered. In case of stand-off, the vote of the person who chairs the Executive Council decides.
3. Executive Council in context of providing services of the company in particular:
  - a) Issues written rules for providing of the company services,
  - b) Looks after compliance of purpose of provided means,
  - c) Manages the company when the position of company director is vacant,
  - d) Additionally authorises the decisions of the company director according to section III, paragraph 3 of the statutes.
4. Executive Council approves financial rules concerning management of resources acquired by the company in accordance with section X, paragraph 2 of the statutes.
5. Executive Council can transfer its authority by proxy to the director of the company, except of those authorities which are trusted exclusively to the Executive Council by law.

6. Executive Council can approve the company rules of organisation and in case of need other internal documents governing internal relations in the company. These documents must not be inconsistent with the law, the statutes and with the founding charter.

## **Section VII Board of Trustees**

1. Board of Trustees is the supervisory body of the company.
2. Board of Trustees has 3 members.
3. The first Board of Trustees is appointed by the founders.
4. Members of the Board of Trustees must not be members of another company body and they must not be employed by the company.
5. Term of office of the Board of Trustees is three years in general. The term of office of the President of the Board of Trustees is three years with the exception of the first Board of Trustees which starts in year 2006 on registration of the company and ends after a three years period on 31. 12. 2009.
6. On the first meeting of the Board of Trustees one member is allotted whose term of office ends after one year after the 1 January of the year following the inception day of the company, and one member whose term of office ends after two years after the 1 January of the year following the inception day of the company. In the following years the term of office is identical with the accounting period (1.1. – 31. 12.).
7. For the call, acting and decision taking of the Board of Trustees the articles about acting of the Executive Council will be used in analogy. The Board of Trustees is entitled to adopt its own rules of procedure and other rules which modify its call and acting. These rules must be in other parts consistent with the statutes.
8. Membership in the Board of Trustees ceases by:
  - a) Lapse of term of office,
  - b) Recall by founder,
  - c) Written resignation addressed to the company,
  - d) Death.
9. Board of Trustees in particular:
  - a) Audits the accuracy of the company's accounting,
  - b) Audits the annual financial statements and the annual report of the company,
  - c) Supervises compliance of the company with laws, founding charter and statutes,
  - d) Calls attention of the Executive Council to the recognised inadequacies and moves motions for their elimination.
  - e) Presents at least once a year a report on the results of its supervisory activity to the Executive Council.
10. Board of Trustees is further authorised
  - a) To inspect the account books and other documents of the company and to check the contained data,
  - b) To call the extraordinary meeting of the Executive Council if necessary in the interest of the company.
11. Members of the Board of Trustees are authorised to take part in all meetings of the Executive Council and if they ask, they may express themselves to any point of the agenda, but they are not authorised to vote.
12. Board of Trustees informs the Executive Council without unreasonable delay about each discovery concerning a breach of the law, regulations of the founding charter, company statutes or any uneconomic proceedings and other imperfections in the company activity.

## **Section VIII Director of the company**

1. Director is the executive body of the company who secures the operation of the company. He manages the company in compliance with laws, founding charter, statutes of

- the company and he adopts most economical operations.
2. Director of the company is appointed and recalled by the Executive Council.
  3. Conditions of the function including the remuneration of the director are decided by the Executive Council in the decision on appointment of the company director.
  4. Director is always an employee of the company and he may not be a member of other company bodies.
  5. Director acts on behalf of the company in the range of his proxy given by the Executive Council.
  6. Director is entitled to take part in all meetings of both company bodies as advisory capacity.
  7. Director of the company proposes the Executive Council an auditor in case the law requires the audit of the annual financial statements. Director of the company may propose the Executive Council to ask another natural or legal person to work out an expert opinion or a report on any special problem which appears in the company activity. In case the Executive Council refuses this requirement or the Executive Council does not negotiate it with a positive result on its next meeting, the director is entitled to make the contract on its own. Competence according to the previous sentence has the director only in case that the incurred level of costs for the company is usual and that they are rationally used from the point of view the company director follows.

### **Section IX Secretariat**

1. Secretariat of the company provides the complex administrative service for the work of the Executive Council and other company bodies, and further it guarantees the tasks imposed by the Executive Council and director of the company.
2. Founders do not constitute the company secretariat at the date of company founding. For the future the constitution of the secretariat is not excluded.

### **Section X Contributions by founders, acquisition of financial and other funds, and funds management**

1. The founders do not contribute in the company any funds and properties.
2. Properties and funds necessary to reach the objectives specified in the founding charter and company statutes will be obtained as:
  - a) Yields from events and activities specified in section III of the statutes,
  - b) Subsidies, grants and possibly other forms of subsidies,
  - c) Lease of virtual space and participation on contents of web sites, multimedia and company publishing activity,
  - d) Donations and voluntary fees,
  - e) Demises by will,
  - f) Contributions by founders.

### **Section XI Annual report**

1. Company composes and publishes an annual report about its activity and economy six months after the end of the period under consideration (calendar year) at the latest. The first report will be published 18 months after the inception of the company at the latest.
2. Annual reports are open in the registered office of the company; at the same time they will be published on the Internet sites of the company.

**Section XII**  
**Acting on behalf of the company externally**

1. On behalf of the company acts the Executive Council. On behalf of the Executive Council each member of the Executive Council acts externally independently.
2. Director acts on behalf of the company in the range of his proxy given by the Executive Council. Director is authorised on the basis of proxy to empower another person, provided the Executive Council does not exclude it in the proxy.
3. When signing for the company, President of the Executive Council or member of the Executive Council, director or a person empowered by him adds his signature to the printed or written full name of the company.
4. Employees of the company act on behalf of the company within the range of legal provisions in force.

**Section XIII**  
**Dissolution of the company**

In case of dissolution of the company with liquidation, the liquidation balance of the company will be transferred to the company or association which has similar activity and especially supports development of this activity among children and youth. Selection of such an organisation is the competency of the Executive Council.

**Section XIV**  
**Final provisions**

1. Except otherwise provided in the founding charter, legal relations of the company are regulated by the act No. 248/1995 Coll., on non-profit organisations and amendment of certain laws, and by other legal regulations of the Czech Republic.
2. Changes and amendments of the statutes are possible only as written clause to the statutes.
3. The founding charter is given in five counterparts, one receives each of the founders, one will be enclosed to the application of company registration in the register of non-profit organisations and one will be fixed in the files of documentation of the company directors.
4. The undersigned members of the first Executive Council declare that the content of the statutes is known to them, they discussed it jointly and they reached a full compliance. In witness of this they append their manual signatures.

Prague, 18 September 2006

Milan Černík, Founder (Signature)

Břetislav Janík, Founder and President of Executive Council (Signature)

Miroslav Langhammer, Member of Executive Council (Signature)

Jaroslav Petrásek, Member of Executive Council (Signature)

**Note:**

This is an unofficial translation. In the event of differences of opinion in the interpretation of the translation, the Czech text shall be binding.