

CONSTITUTION

**of the Association of Synthetic Turf Football Pitch Manufacturers
with ESTO membership**

ID: 22690409

**Registered by the Ministry of Interior under Ref. No.: VS/1-
1/69785/07-R**

(Full version as of 26 March 2008)

Part 1 - Basic Provisions

Article 1 - Name of Association of Citizens

The name of the association of citizens is as follows:

Association of Synthetic Turf Football Pitch Manufacturers with ESTO membership (in Czech: Asociace zhotovitelů fotbalových hřišť s umělými trávnický při ESTO, o.s.)

(hereinafter referred to as '**Association**' only)

Article 2 - Legal Status

Association is an independent, non-political, professional and voluntary association of its members and is registered by the government.

Association is established in accordance with Act No. 83/1990 Coll. on Associations of Citizens, as amended.

Association is a legal entity, acts on its behalf in legal relations and is liable with its property for its obligations.

Article 3 - Registered Office

The address of the Association registered office is: **Prague 2 - Vinohrady, Londýnská 329/25, postal code: 120 00**

Article 4 - Applicability

Area of applicability: Czech Republic

Part 2 - Programme Objectives

Article 5 - Primary Mission and Objectives of Association

- To establish an independent guild organization within its collective membership in ESTO (European Synthetic Turf Organisation, based at 6, Avenue E. Van Nieuwenhuyse, B - 1160 Brussels, www.eu-syntheticturf.org);
- To associate manufacturers of football pitches with synthetic turfs throughout the Czech Republic territory;
- To establish a professionally strong and socially respected organization;
- In cooperation with the Football Association of the Czech Republic (FACR), to achieve the utmost quality of football pitches with synthetic turfs since it is a costly investment with an expected useful life of 10 and more years and many

investors find it hard to select or evaluate the actual quality of the given turf. The Association, therefore, wants to contribute to disseminate the objective information for the best sake of final users who are mainly the football clubs organized under FACR and for the benefit of the entire game of football - our sport No.1;

- To strive to maintain a reputation and high quality of services rendered by members of the Association;
- To defend, enforce and represent common interests of its members in terms of operating their business activities, and to enforce them in relation to the state administration bodies and other territorial and administrative authorities and organizations;
- To maintain the database of its members in accordance with the personal data protection legislation;
- To collaborate with other associations in this field and other entities which operate in the field of or affecting the football pitch construction and other associated services, even outside the Czech Republic territory;
- To strive to create a suitable external economic conditions for the competitiveness development in this field throughout the territory;
- To provide the members with expert, information, consulting, advisory, legal, accounting, tax-related and other services under the terms and conditions of the Association and to help them achieve their business welfare using other ways as well;
- To hold or at least to involve in holding various courses, trainings and similar events to obtain up-to-date information in the field or other information useful for the Association members;
- To conduct negotiations with suppliers of goods and services in order to obtain the most favourable conditions for its members and to involve in the mutual exchange of experiences within this Association in this field.

Part 3 - Membership in Association

Article 6 - Commencement of Membership

The individuals or legal entities which run their businesses in the sphere of synthetic turf football pitch construction or other related activities may become the full members of the Association. Individuals (i.e. natural persons) may become the members of the Association, only if they are older than 18 years.

The membership in the Association is commenced by accepting a member and paying the membership dues to the amount specified by the general meeting of the Association for one year. Each applicant for the membership shall meet the following prerequisites:

- Exclusiveness, i.e. applicants for the membership shall prove that they are authorized to sell the synthetic turfs at the territory of the Czech Republic (based on an exclusive sales agency) by a certified company which is a member of ESTO;
- Equipment, i.e. an applicant for membership shall own the corresponding machinery to lay and maintain synthetic turfs and be in possession of a valid licence for laying synthetic turfs, directly issued by the turf manufacturer;
- Staff and work experience, i.e. the applicant's employees shall be trained in terms of laying synthetic turfs directly by the turf manufacturer;

- References, i.e. applicants for membership shall prove that they have successfully constructed at least three (3) football pitches with a synthetic turf for which the FACR Attestation was issued in favour of an applicant. Applicants shall attach these certificates to their application forms.

The General Meeting will decide on whether to admit an applicant as a member of the Association or not.

Article 7 - Termination of Membership

The membership in the Association terminates

- a) On the basis of a written statement of a member informing that a member terminates his/her membership;
- b) By the death of a member;
- c) By the termination of the existence of a legal entity (upon its entering the winding up procedure or upon adjudication of bankruptcy)
- d) By failure to pay membership dues
- e) By exclusion of a member. The decision on the exclusion of a member from the Association shall be made by the general meeting. The membership terminates at the moment the general meeting decision is accepted. If an excluded member is absent during the proceedings of the general meeting which has made decision on such exclusion, the Board of Directors must inform such a member in writing. The written document informing on the exclusion shall be given to an excluded member against a written acknowledgment of service of this announcement or shall be send to such a member through a registered letter to his/her last known address. The effects of exclusion shall be effective regardless of whether the announcement is serviced or not.

Part 4 - Rights and Duties of Association Members

Article 8 - Member of the Association has the right:

- a) To participate in discussions and decision making (voting) at the general meeting;
- b) To elect and be elected into all bodies and associations;
- c) To propose incentives and file proposals to the association bodies;
- d) To request explanation of the Board of Directors;
- e) To be informed on the Association activity and to take part in events the Association is to hold;
- f) To terminate his/her membership in the Association at any time.

Article 9 - Duties of Members

- a) To follow the Constitution of the Association and to comply with it;
- b) To defend the interests of the Association;
- c) To pay their membership dues properly and in time (within a period specified by the Board of Directors)
- d) To take an active part in the activities of bodies for which they were elected;
- e) To follow the decisions of the general meeting and the Board of Directors;
- f) To report any important alterations concerning their names or companies, addresses, phone numbers, etc. to the registered office of the Association;

- g) When constructing the football pitches with synthetic turfs, members of the Association may use only those synthetic turfs which they are authorized to sell at the territory of the Czech Republic (on the basis of an exclusive sales agency) by a certified ESTO-member company; in order to construct the football pitch, a member is also allowed to use another synthetic turf for which another member of the Association has exclusive sales agency rights, applicable to the territory of the Czech Republic, issued by the certified company who is a member of ESTO, however, only upon agreement of the latter member of the Association.
- h) Member of the Association undertakes not to use his/her property interest or any other means in business of another person who uses, when laying the synthetic turfs, other synthetic turfs than those for which this or another member of the Association has an exclusive sales agency applicable to territory of the Czech Republic, issued by a certified company who is a member of ESTO.

Part 5 - Administrative Bodies of Association

Articles 10 - Administrative bodies of the Association are:

- a) General meeting of the members of the Association,
- b) Board of Directors,
- c) Supervisory Board,
- d) Expert committees

Article 11 - General Meeting

General meeting is a supreme body of the Association. It is summoned by the Board of Directors at least once a year to be held not later than 6 months after the end of the last accounting period (i.e. regular general meeting). Otherwise, the general meeting may be summoned at any time. If at least one fourth of the members of the Association requires so, the Board of Directors shall summon the general meeting within one month after receipt of the request.

The general meeting is announced to the members through a written invitation sent through the post office to the place of living/registered office of a member of the Association (registered letter is not required) or using an e-mail message sent to the e-mail address of a member or may be handed over against the written acknowledgment of service of this invitation. The Board of Directors shall inform all members of the Association on the general meeting and ensure that the invitations are sent at least 2 weeks before the date of the general meeting or delivered to the members of the Association seven (7) days before the date of the general meeting, at the latest. Provided that all members agree, the general meeting can also be summoned even regardless of these periods.

Statements made using the communication facilities (e-mail, facsimile, etc.) are considered as written. Each member is entitled to take part in the general meeting proceedings only in person (this applies to natural persons). Legal entities are represented by their authorized representatives at the general meeting or by the third persons authorized to do so on the basis of the letter of attorney.

General meeting is attended by a quorum in presence of at least one half of the Association members. If the necessary number of members fails to meet at the specified time of the general meeting opening, the general meeting will begin 30

minutes later and will be able to negotiate and have a quorum in presence of any number of members.

General meeting decides by a mere majority of the present members' votes. Agreement of at least the two-third majority of all presented members of the Association is necessary to adopt the resolution to change the Constitution. The votes of individual members of the Association are of an equal weight.

If the general meeting determines or if any of the members requires so, the minutes of the general meeting proceeding shall be taken. The minutes shall be signed by the President (or Vice President or by any member of the Board of Directors, if both the President and Vice President are absent) and a reporter appointed by the general meeting. Each member has a right that his/her different opinion to the matter in question is recorded in the minutes. Each member may ask the Board of Directors for a copy of the minutes or a part of this document.

General meeting is opened by the President of the Association, or any other delegated member of the Board of Directors who will submit a program and the Rules of Order of General Meeting to be discussed on and approved by the general meeting. The Rules of Order must not be contrary to the Constitution of the Association. The proposal of the Rules or Order must contain especially the information concerning the way of voting during general meeting (acclamation, secret vote, etc.).

General meeting appoints and discharges the President, Vice President(s), administrator and other members of the Board of Directors and also the members of a Supervisory Board (if established). The way of vote is regulated by the Rules of Order of General Meeting. The election of bodies applies to one term of office, which lasts two years.

Discussions and approval of especially the following fundamental documents is in competence of the general meeting:

- Constitution of the Associations and its amendments,
- Annual Report on the Activities and the Business Management of the Association,
- Supervisory Board Report,
- Proposal of the activity for the next term.

The competence also includes:

- Determination of the amount of membership dues for one year,
- Making decisions on the cancellation of the Association and appointing the persons responsible for its property settlement.

Article 12 - Board of Directors of the Association

Board of Directors is a statutory and executive body of the Association in the periods between the general meetings.

Board of Directors makes decision on all issues unless they are in the competence of the general meeting.

The following activities belong to the Board of Directors competence:

- a) To decide on and deal with common matters of the Association management,
- b) To ensure that the specified records and accounting are kept properly,
- c) To maintain the list of the Association members,
- d) To execute the resolutions of the general meeting,
- e) To inform the Association members on the Association matters,
- f) To approve involvement (membership) in other domestic or international organizations.

Since the date of their appointment, the President and Vice President also act as authorised representatives of the Association and represent the Association externally, i.e. they act and sign the documents on behalf of the Association, each of them separately to the full extent. A Vice President also represents the President in the period of his/her absence.

Members of the Board of Directors may resign from the office of a member of the Board of Directors. Members must inform the Board of Directors on their resignation in writing. The effects of resignation will be effective after the written statement is received. In case of releasing an office in the Board of Directors, the Board of Directors is entitled to co-opt another member of the Association to become a member of the Board of Directors. When the office of the President or Vice President is released, the Board of Directors is entitled to elect a new President or Vice President among its members and to inform all members of the Association about the result of the election.

Board of Directors meets as necessary. The meeting of the Board of Directors is summoned by the President or by Vice President, if the former is absent, at least 7 days in advance.

Board of Directors decides by the majority of votes of all members of the Board of Directors. In the event of equality of votes, the President has the casting vote.

The offices of the President, Vice President, administrator and other members of the Board of Directors are honorary and unsalaried. Only the outlays and cost related to the participation in the meetings of the Board of Directors and other sessions and events in the domestic country or abroad may be covered to members of the Board of Directors, on the basis of delegating by the Board of Directors and within the approved budget.

Article 13 - Supervisory Board

Supervisory Board is an auditing body which is entirely subject to the general meeting. Members of the Supervisory Board are elected by the general meeting. The members will then elect their chairman among themselves who will take responsibility for the activity of the Supervisory Board.

Supervisory Board executes the supervision over the administration of the Association and compliance with the Constitution and resolutions of the general meeting.

While performing their tasks, members of the Supervisory Board are entitled to inspect all the records, documents and other materials of the Association and to require the relevant explanations.

The Chairman of the Supervisory Board or any member authorized by him/her is entitled to take part in the Board of Directors meetings, having the advisory vote. The Chairman submits the findings arising out of the audit activity of the Committee to the Board of Directors.

The Chairman informs the Board of Directors of any observed defects and proposes the way of their remedy, including adoption of actions to avoid their potential recurrence.

Before the general meeting the Supervisory Board shall elaborate the Audit Report to present it to the general meeting for information. The membership in the Supervisory Board is incompatible with the membership in other administrative bodies of the Association (especially in the Board of Directors).

Article 14 - Expert Committees

Decisions on the creation of expert committees shall be made by the Board of Directors. Expert committees are advisory groups established to help the Board of Directors to be well informed about a field the given committee is responsible for.

Based on their expertise and experience, expert committees propose the steps for the Board of Directors to take in order to help find a solution for the given issue.

Members of the expert committee will elect their chairman among themselves. Unless the chairman of the expert section is an elected member of the Board of Directors, he/she may take part in the meeting of the Board of Directors, however, only with the advisory vote.

Membership in expert sections is voluntary.

Part 6 - Principles of the Association Administration

The following are used to ensure the administration of activities of the Association:

- a) Membership dues,
- b) Assumed property,
- c) Financial means provided by state bodies and organizations,
- d) Donations from individual organizations, inheritance and bequests.

The Association shall manage its business in accordance with the budget approved by the general meeting.

The Association shall keep accounts in the specified way, make up annual accounting reports and the declaration of taxes. The Budget Meeting and Business Report for a current year shall be presented by the Board of Directors to the general meeting for approval. The services of the Association are provided to the members mainly free of charge. Individual services for the members requiring special efforts and financial demands may be charged according to their nature.

Part 7 - Acting on behalf of Association

The President shall represent and act on behalf of the Association. If absent the Vice President shall represent him/her. Signing a document on behalf of the Association means that the President or the Vice President will attach their signatures to a printed or written name of the Association.

Part 8 - Final Provisions

Relations not covered by this Constitution are regulated by the Act No. 83/1990 Coll. on the associations of citizens, as amended.

This Constitution was adopted at the establishing general meeting on 4 December 2007 and became effective upon its registration under the Ministry of Interior on 17 December 2007. During its session held on 19 February 2008 the general meeting adopted the Constitution amendment which was acknowledged by the Ministry of Interior on 26 March 2008.

Signed by:

(signature illegible)

Milan Vopička

President of the Association

Logo of

the Association of Synthetic Turf Football Pitch Manufacturers