

## **Title page of the translation**

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## ARTICLES

of interest association of legal entities

### **Klaster regionálneho rozvoja (Regional Development Cluster)**

established under para. § 20f of Act No. 40/1964 of the Civil Code as amended

#### **Preamble**

**Klaster regionálneho rozvoja - Regional Development Cluster (hereinafter also referred to as "KRR" or "Association")** is a voluntary interest association of legal entities based on the principle of private - public partnership. It brings together entities that are interested in regional development. In the territorial delimitation, it focuses primarily on the support and development of the region of western Slovakia (hereinafter also referred to as "**Region**"). It actively involves legal entities from adjacent areas of the "Region", especially from other parts of Slovakia and adjacent cross-border areas of the Czech Republic, Hungary and Austria, in their activities, if they show interest.

## **Article 1**

### **Basic provisions**

**1.1** The name of the Association is: **Klaster regionálneho rozvoja - Regional Development Cluster**

The abbreviated name of the Association is: **KRR**

**1.2** The Association is an interest association of legal entities established pursuant to Art. § 20f et seq. of Act No. 40/1964 of the Civil Code. The Association is a legal entity that is liable with its assets for failure to fulfill its obligations.

**1.3** The address of the headquarters of the Association is: **Mikovíniho 217/4, 917 01 Trnava.**

## **Article 2**

### **Characteristics, subject of activity and mission of KRR**

**2.1** The Association is an interest, voluntary, independent, non-political and non-profit legal entity with legal personality associating legal entities whose interest is the all-round development and support of the Region. It focuses mainly on supporting the development of tourism and regional products, further supports the development of infrastructure and the creation of favorable business conditions in the Region, the creation of favorable conditions for optimal allocation and use of resources and the involvement of disadvantaged groups in the development of the Region, especially through consulting, marketing activities, presentations, consultations and monitoring, provision of services from the KRR portfolio in obtaining external financial resources, especially through the drawing of grants, subsidies and the use of other investment projects, etc. The aim of KRR's activities is to actively represent the interests of KRR and its members with a focus on assistance, support and adult education in the development of the Region, including support for economic and social development of the Region, building information systems, expanding integrated transport systems, ensuring sustainable development in the Region, environmental protection as well as the promotion of culture and sport. KRR acts independently towards state bodies, self-government bodies of municipalities, cities and higher territorial units, employers, trade unions, political parties and movements and other entities. KRR represents a concentrated grouping of independent entities, including companies and affiliated institutions, with the potential to increase their competitiveness.

**2.2** The subject of KRR's activities is:

- 1) Actively represent the interests of KRR and its members;
- 2) Actively represent the interests of the Region in several areas of interest (hereinafter also referred to as "AoI"), including tourism, science and culture, social and legal assistance, education, training, environment, gastronomy, viticulture and winemaking, economics, law, public procurement, support for the integration of socially disadvantaged groups into society and their involvement in the development of the Region;
- 3) Support the development of infrastructure and the improvement of the quality of the business environment, including the creation of business conditions in the Region;

- 4) Implement marketing and PR activities supporting the activities of KRR and the development of tourism in the Region;
- 5) Provide advisory assistance to entrepreneurs in the AoI, other entrepreneurs and those interested in doing business in the AoI;
- 6) Organize courses, seminars and trainings focused on new know-how for the development of AoI;
- 7) Organize excursions, participation in exhibitions, fairs and other events of a promotional nature;
- 8) Cooperate with other associations, institutions and business entities operating in the AoI;
- 9) Implement activities related to the education of the local population in relation to AoI;
- 10) Cooperate in the creation of local and regional regulations in AoI;
- 11) Cooperate in the creation of local and regional development plans and strategies in the field of tourism;
- 12) Implement other tasks that fulfill the mission of the KRR;
- 13) Ensure the implementation of support programs for members, with a focus on adult education in obtaining and drawing external financial resources;
- 14) Identify and analyze barriers to the development of AoI in the Region;
- 15) Prepare proposals for the removal of barriers to the development of AoI in the Region;
- 16) Coordinate the cooperation of its members with state bodies and institutions;
- 17) Provide advice and implementation of support programs for the development of AoI in the Region and at the same time to cooperate with regional organizations or other entities (legal entities);
- 18) Ensure the development of cooperation in obtaining external resources, in particular in the form of information, publicity, education and building relationships with third parties;
- 19) Provide advice and assistance in solving problems of stagnating of AoI;
- 20) Fulfill tasks connected with the support of the development of AoI in the Region and the efficient use of public resources;
- 21) Search for and secure new investment opportunities in the Region;
- 22) Organize cooperation with foreign partner organizations and support funds;
- 23) Popularize the use of external subsidies in the environment of AoI;
- 24) Create conditions for securing and implementing development projects for members of the Association;
- 25) Provide advice, information and marketing, especially for members of the Association;
- 26) Support and guide cooperation with territorial and regional tourism organizations;
- 27) Ensure the transfer of experience, innovations and know-how in AoI from other regions;



- 28) Coordinate development plans in AoI and investments in attractions;
- 29) Provide expert analyzes and studies, monitor statistics and evaluate trends;
- 30) Developed joint marketing of AoI and a joint offer of AoI products at the level of the Region;
- 31) Assist the Region in drawing domestic and foreign grants, as well as in streamlining the use of the Region's own resources;
- 32) Assist in the elaboration of long-term development plans according to the valid spatial planning documentation;
- 33) Provide marketing activities for the presentation of the Region;
- 34) Create Regional information systems and databases;
- 35) Initiate and manage strategic development plans in the Region;
- 36) Promote effective cooperation in economic, cultural and social development between self-government, state administration, entrepreneurs and the third sector;
- 37) Promote cooperation between the public and private spheres;
- 38) Promote the Region and its potential both within the Region and at the supranational and international level, to support imports and exports;
- 39) Support the inflow of investments into the Region;
- 40) Provide educational, advisory, information, publication and promotional activities for the benefit of the development of the Region;
- 41) Ensure the preparation and implementation of projects, including public procurement projects;
- 42) Ensure the conclusion of cooperation agreements with various state institutions, associations of citizens, legal entities, chambers of commerce, business entities and other domestic and foreign natural persons in order to achieve mutual benefit;
- 43) Publish and prepare various promotional and educational materials, periodicals and publications, regional newspapers and magazines;
- 44) create a synergy effect in the development of the region through the effective "networking" of members.

2.3 The mission of the KRR is to support the all-round development of the Region in several areas of interest, especially in the field of tourism (cycling, use of water potential, culture and sacral tourism, accommodation and gastronomy, adventure tourism, regional products, specifically viticulture and winemaking); support activities (especially in the field of public procurement, legal, economic, tax support, including audit,); in the social field and education (formal and non-formal); in the field of environment (planting of greenery, beekeeping, separation and recycling of waste); involving disadvantaged groups in regional development; including support for other areas of the Region, in particular through the coordination of the activities of its members.

### Article 3 Membership in KRR

3.1 The members of the Association can have the following status:

a) **Permanent (regular) member:**

permanent status members of the KRR have legal entities that have registered in accordance with point 3.4 of the Articles of Association, have expressed their will to become a permanent (regular) members of the KRR, have fulfilled the conditions for membership in the KRR defined in these Articles of Association, if their membership in the KRR is approved according to point 3.3 of the Articles of Association. The permanent members are members of the General Meeting, have the right to vote at the General Meeting and have the right to submit opinions, proposals and comments, which the Board of Directors discusses.

b) **Associate member** - permanent status member of the KRR have legal entities that have registered in accordance with point 3.4 of the Articles of Association, have expressed a willingness to become an associate member of the KRR, have fulfilled the conditions for membership in the KRR defined in these Articles of Association, if their membership in the KRR is approved according to point 3.3 of these Articles of Association. Associate members are not members of the General Meeting, but have the right to participate in the General Meeting without the right to vote. They shall have the right to submit opinions, suggestions and comments which the Board of Directors shall discuss.

c) **Sympathetic Member** - The status of a sympathetic member of KRR have legal entities that favor activities and mission of KRR, filled in the application and it was decided to admit them as a sympathetic member. They do not attend the General Meeting or submit opinions, proposals and comments for discussion. However, they may participate in open KRR activities that do not require the status of a permanent (regular) member or of an associate member.

d) **Strategic member** - the status of a strategic member is the status assigned by the decision of the Board of Directors for legal entities that are permanent (regular) or associate members of the KRR and who participate most in the activities of the KRR, or are active participants in at least one project or thematic block implemented with the active participation of KRR, which the Board of Directors has decided to be of strategic importance for KRR, as its scope, focus or significance considerably helps KRR activities and mission and is designed to bring or could bring benefit to a wider membership base. The status of a strategic member can also be obtained by the legal entity whose operation in the region unquestionably significantly or considerably helps the overall development of the Region, and such involvement of the legal entity in the structures of the KRR gives prestige to the KRR and its activities. In this case, such a legal entity may have the status of a permanent (regular) member or an associate member as well as a sympathetic member. The Board of Directors may, on a proposal from the Executive Director, decide at any time to withdraw the status of a strategic member of a particular legal entity. This fact shall be notified to such a member.

3.2 In addition to the appointed members of the Association, there are also other entities in the Association that have the status of **Partners**; these are cooperating entities (non-members) who do not have the obligations of a member of the Association, i.e. they cooperate with the Association on an informal principle and their activities represent an added value for the Association consisting mainly in the results of their activities depending on their areas of operation. Their relationship with the Association will be regulated for each individual case in a separate Memorandum of Partnership between KRR and the Partner. The Executive Director shall inform the Board of Directors of the signing of the Memorandum with the new Partner at its next meeting at the latest.

3.3 The Executive Director of KRR decides on the admission of an applicant for membership as a member of KRR on the basis of a written application for a member of KRR. The Executive Director shall inform



the Board of Directors of this fact at its next meeting. The Board of Directors has a power of veto over the Executive Director's decision to admit a new member, which it may exercise at a meeting of the Board where the Executive Director informed it of the admission of new members by his decision, otherwise this veto expires. The Board of Directors must substantiate the right of veto. In such a case, the Board of Directors shall rule on the basis of decision and the member admitted shall be notified; in such a case, the membership expires on the date of the respective decision of the Board of Directors. In the event of payment of a membership fee by a member to whose participation the Board of Directors has exercised a veto, the member shall have the right to return its membership fee in full.

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- 3.4 In addition to the identification data, the applicant's written application also contains a declaration that they fully agree with and accept the Article of Association and other binding standards of KRR, and undertake to fulfill the obligations arising from membership in KRR. When completing the application, the applicant shall state which type of membership they are interested in – the status of a permanent (regular) member, associate member or sympathetic member. In subsequent years, the status of a member is governed by the payment of the relevant membership fee for the given calendar year. Member status may change during the year.
- 3.5 Membership is established on the day of registration in the list of KRR members maintained by the Secretariat of the Executive Director, after fulfilling all conditions for admission of an applicant for membership as a KRR member and after payment of membership fee. There is no legal title to membership in the Association.
- 3.6 Membership in KRR expires by:
- a) Voluntary withdrawal of a member from KRR – such withdrawal is possible only at a time when it is not to the detriment of other KRR members;
  - b) Exclusion from KRR for gross or repeated breach of any of the obligations arising from membership in KRR, based on the decision of the Board of Directors;
  - c) Termination of the legal entity – member of KRR.
- 3.7 A voluntary withdrawal from the KRR is considered to be a unilateral expression of the will to terminate the membership in the KRR. This expression of will must be in writing, must be dated, approved by the competent authority of the legal entity – member of KRR, duly signed and must be demonstrably delivered to the address of KRR. The membership of a member in KRR is suspended at the moment of delivery of the expression of will to KRR and terminates by a decision of the Board of Directors. If, on the basis of a decision of the Board of Directors, it is stated that the voluntary withdrawal from the KRR is not possible, as this would be to the detriment of other KRR members, the KRR member's request for voluntary withdrawal shall be deemed not approved and the membership of the respective member shall terminate three months from the date of its non-approval by the Board of Directors. A member with suspended membership in the KRR does not have the right to vote.
- 3.8 The Board of Directors decides on the expulsion of a member from the KRR. A serious breach of the obligations arising from membership is considered to be, in particular, a serious breach of the obligations arising from the Articles of Association, the internal regulations of the KRR and the decisions of the bodies of the KRR; the Board of Directors is entitled to determine the nature of the breach of the obligations arising from membership subject to its fair discretion.
- 3.9 After the termination of membership in the Association, the member is not entitled to a refund of contributions provided for the activities of KRR, even in proportion. This does not apply in the event

of termination of membership under point 3.3 of this article of the Articles of Association (exercise of the right of veto by the Board of Directors).

#### **Article 4**

##### **Rights and obligations of KRR members**

4.1 The rights and obligations of a member of the KRR are exercised by a member of the KRR through a statutory representative (statutory representatives, unless the statutory body or a member of the statutory body is authorized to act independently) or through a body commissioned or authorized by them.

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4.2 The rights and obligations of a member of the KRR are determined by its current statute (second membership in the sense of point 3.1 of the Articles of Association). Unless the point 3.1. of the Articles of Association or other provisions of these Articles do not stipulate otherwise, the rights of each member of the KRR are as follows:

- a) Participate in the meetings of the bodies of the KRR under the conditions specified by these Articles of Association;
- b) Be invited to the meetings of the bodies of the KRR if, according to the fair discretion of the KRR body in question, they directly concern its rights, interests and obligations;
- c) Be free to comment on the issues under discussion, request explanations and submit proposals, suggestions for comments and complaints about the activities of the KRR bodies and request their assessment and solution;
- d) Request support for their rights and legitimate interests within the possibilities of the KRR;
- e) Participate in events and activities organized by KRR;
- f) Be informed about all basic issues of the activity of KRR and its bodies;
- g) Request support and advisory services from the Association in all matters that fall within the mission of the KRR, under the conditions specified in these Articles of Association and in the internal normative and decision-making activities of the relevant bodies of the KRR.

4.3 Obligations of a KRR member:

- a) Comply with the Articles of Association, internal regulations approved by the bodies of the KRR and the decisions of the bodies of the KRR;
- b) Protect the goodwill and interests of KRR;
- c) Refrain from actions that could harm the interests of KRR and its members,
- d) Make every effort to achieve the objectives of the KRR;
- e) Participate according to their possibilities in the promotion of KRR and its activities, in particular by promoting its membership in KRR in a suitable form, e.g. placing the KRR logo on its website and its own promotional materials;
- f) Provide the required textual and pictorial information, especially for the creation of KRR's own information system and the fulfillment of KRR tasks;
- g) Support the activities of the KRR and its activities beyond the scope of its own territorial competence and actively participate in their provision;
- h) Pay the membership fees as specified in these Statutes. With the consent of the Executive Director membership fees can also be paid in individual installments. The subsequent change in the amount of membership fees is within the competence of the Board of Directors without the need to change these Articles of Association.

4.4 Members are obliged to pay membership fees annually in the amount specified in point 4.5 of these Articles of Association, or by a decision of the Board of Directors.



- 4.5. The amount of the minimum annual membership fee of a KRR member is determined by the Board of Directors. The amount of the minimum annual membership fee of a KRR member as of the date of adoption of these Articles of Association is as follows:
- a) for permanent member (regular): 1,000. - EUR
  - b) for an associate member: 500. - EUR
  - c) for a sympathetic member: without a membership fee.

The Board of Directors may decide to change the membership fee. The Board of Directors will announce this fact to the members of KRR. It is not necessary to amend the Articles of Association to change the decision and the amount of the minimum annual membership fee of the members of the Association.

- 4.6 Each member of the Association may participate in the activities of the Association not only with the above-mentioned fixed membership fee, but also with other membership fees as part of a voluntary contribution in order to stabilize the KRR and strengthen its interests. An increase in membership fees (beyond the mandatory annual membership fee) may be earmarked on the basis of an agreement with KRR, in accordance with the interests of KRR, and such an agreement must not be to the detriment of other members of the Association.

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- 4.7 In justified cases, at the request of a member, the Executive Director may decide to reduce the minimum annual contribution in accordance with point 4.5 of this Article of the Articles of Association by a maximum of 50% of the minimum annual membership fee; for the avoidance of any doubt, for this purpose it is necessary to submit a separate duly substantiated application each year (the period for which the annual membership fee of the member of the Association is paid) and to decide on it again. For the avoidance of eventual doubts, if the Executive Director decides on such a reduction, the status of the member is derived from the amount of the reduction (not the reduced amount) of the minimum membership fee.

- 4.8 Members are obliged to pay their respective membership fees determined in accordance with paragraph 4.5 of these Articles of Association no later than 31 March of the calendar year concerned, unless otherwise stated. Unless otherwise stated, new members have this obligation within 15 days from the date of the decision by the Executive Director on their admission as a member. The membership fee relates in such a case for the relevant calendar year and is paid in full (not a proportional part). Each member has the option to decide that in the relevant year they are interested in a different status of a member than in the previous year. In such a case, its position in the relevant calendar year will be governed by the amount of the membership fee currently paid in the relevant year. In the event that the membership fee is not paid properly and on time, the legal entity automatically acquires the status of a sympathetic member of the KRR. By paying the membership fee, it is automatically reclassified into the category of a permanent (regular) or associate member according to the amount of the paid membership fee paid. For the avoidance of doubt, the minimum membership fees are paid in full for each, even started, calendar year of membership in the KRR and after payment are in no case refunded even in proportion. For the avoidance of doubt, after payment of the membership fee, a member may not decide in the calendar year in question to change its status to another status with a lower or no minimum membership fee.

- 4.9 The provision of point 4.8 of the Articles of Association shall apply mutatis mutandis to all members of the KRR who have not paid their membership fees by 31 March 2018 (associate member who did not pay membership fee and stayed member of KRR by the date of adoption of these Articles of

Association, shall have a sympathetic member status). If the associate member has paid the membership fee by 31 March 2018, it has the status according to the amount of the paid membership fee (point 4.5 of the Articles of Association), except for the exception specified in point 4.7, last sentence of the Articles of Association.

## **Article 5**

### **KRR bodies**

5.1 The bodies of the Association are:

- a) General Meeting
- b) Board of Directors
- c) Executive Director
- d) Board of Supervisors
- e) Team of Advisors

5.2 All collective bodies of KRR are obliged to keep minutes of their meetings and keep documentation related to their activities.

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## **Article 6**

### **General Meeting**

6.1 The General Meeting of the KRR consists of all permanent (regular) members of the KRR, and they have the right to vote, provided that their membership has not been suspended. Each permanent (regular) member has one vote. The Chairperson of the General Meeting (hereinafter referred to as “GM”) is the Executive Director and the Vice-Chairperson of the GM is the Chairperson of the Board of Directors. Each permanent (regular) member is represented by the statutory body or a person authorized by this member on the basis of a written power of attorney.

6.2 The General Meeting is convened by the Chairperson of the GM as necessary, at least once a year, by electronic invitation or written invitation sent by registered mail to the registered office of each member of the Association, preferably at least 21 days before the relevant day. The invitation must include the place, time and the agenda of the General Meeting.

6.3 The decision of the GM is adopted if it is voted for by an absolute majority of the present permanent (regular) members with the right to vote, unless these Articles of Association provide otherwise.

6.4 The GM of the Association has a quorum if at least one third of the permanent (regular) members with the right to vote are present.

6.5 An extraordinary meeting of the GM is convened by the Chairperson of the GM whenever it is requested by at least  $\frac{1}{3}$  of permanent (regular) members with the right to vote. In this case, the GM will take place within 15 working days from the delivery of the request to convene the GM. The invitation to an extraordinary meeting of the GM must be delivered to the address of the registered office of each permanent (regular) member of the KRR at least 5 working days before the day of the GM.

6.6 General Meeting:

- a) Discusses and approves reports on the activities of the KRR and reports on the management of the KRR;
- b) Approves the rules of procedure of the GM;



- c) Decides on the submission of a proposal for termination of the KRR to the Board of Directors;
- d) Appoints and dismisses members of the Board of Supervisors;
- e) Appoints and dismisses members of the Board of Directors in accordance with Article 7 para. 1 letter b) of the Articles of Association;
- f) Decides on the dismissal of a member of the Board of Directors, exclusively on the proposal of the Executive Director;
- g) Decides on the amount of remuneration of members of the Board of Supervisors;
- h) Decides on the amount of remuneration of members of the Board of Directors.

6.7 The GM is closed to the public. The GM deliberates according to the agenda approved at the beginning of the meeting.

## **Article 7**

### **Board of Directors**

7.1 The Board of Directors of the Association (hereinafter referred to as “**BoD**” or “**Board of Directors**”) is the executive body of the Association. The BoD has a minimum of 3 and a maximum of 7 members. The right to nominate a member of the Board of Directors has any of the permanent (regular) members of KRR or the Executive Director. A member of the Board of Directors may only be a representative of a permanent (regular) member of the KRR, who has duly and timely paid membership fee. Otherwise, such representative shall lose the status of a member of the Board of Directors. The following shall decide on admission as a new member of the Board of Directors:

- a) The existing Board of Directors unanimously, or

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- b) Unless the Board of Directors fails to decide by a qualified majority on the proposal for admission of a new member in the BoD within 6 months from the delivery of the relevant application to the Chairperson of the BoD or the Vice-Chairperson of the BoD (if they are not appointed yet then to some of the members of the BoD), the relevant decision shall be made by the qualified majority of the General Meeting subject to point 7.2 of these Articles, under the right of absolute veto of the Executive Director in both cases (points (a) and (b)).

The dismissal of a member of the BoD is decided exclusively on the proposal of the Executive Director by the General Meeting by a 3/5 majority of the permanent (regular) members present at the General Meeting.

7.2 The Executive Director is entitled, but not obliged, to propose candidates to supplement the BoD, unless the number of members of the BoD falls below 3. In the event that the number of members of the BoD falls below 3, the Executive Director is obliged to convene the GM and propose that the GM supplements the BoD up to least 3 members by a qualified majority vote, which is 3/5 of the permanent members present at the GM. In such a case, any of the present permanent (regular) members of the GM with the right to vote has the right to nominate a member of the BoD.

7.3 Each member of the BoD has one vote. The term of office of the members of the BoD is unlimited if other conditions for participation in the membership in the BoD are also met.

7.4 The BoD is convened by the Chairperson of the BoD at least twice a year, by a written invitation sent by registered mail to the registered office of each member of the BoD, at least 10 days before the day of

its holding. The invitation must contain the time, place and agenda of the meeting of the BoD. Change in the agenda of a meeting of the BoD is possible only with the consent of the Chairperson of the BoD.

The Chairperson of the BoD and also the Vice-Chairperson of the BoD are elected for an indefinite period by the Board of Directors from among its members, and also dismissed from the position in the BoD.

7.5 The BoD has a quorum if an absolute majority of its members is present at its meeting. The approval of an absolute majority of the present members of the BoD is required for the adoption of a decision by the BoD, unless otherwise stated in the Articles of Association. In the event of a tie, the Chairperson of the BoD, or in his absence, the chairperson of the meeting elected ad hoc at the relevant meeting, have the decisive vote.

7.6 The Board of Directors:

- a) Discusses and approves amendments to the Articles of Association of the KRR;
- b) Appoints and dismisses the Executive Director of the KRR, both by  $\frac{3}{4}$  of votes of all members of the BoD;
- c) Approves the remuneration of the Executive Director of KRR for the work performed;
- d) elects and dismisses the Chairperson and also the Vice-Chairperson of the BoD from among its members;
- e) Approves the management principles, budget and annual financial statements of KRR;
- f) Has the right of veto in case of deciding on the admission of new members of KRR;
- g) Decides on the participation of KRR in business companies (entry, establishment);
- h) Approves the most important actions concerning the property of KRR;
- i) Approves and assigns the status of Strategic Membership;
- j) Decides on the expulsion of a member of the KRR or on its voluntary resignation on the basis of an application;
- k) Determines the amount of the financial contribution, any other contribution and the amount of the membership fee;
- l) Appoints a liquidator;
- m) Performs other competencies specified in these Articles of Association.

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7.7 Per rollam meetings of the Board of Directors.

Urgent matters and proposals, for the discussion of which it is not possible or expedient to convene the BoD, shall be circulated to its members for consideration and decision per rollam on the motion of the Chairperson of the BoD. The deadline for such an evaluation shall be determined by the Chairperson of the BoD. Written documents for per rollam negotiations are made in 1 copy. The handouts may also be distributed electronically. In a written statement on the motion sent per rollam, the members of the BoD shall announce whether they agree or disagree with the respective motion. If they disagree, they shall give a brief substantiation of their opinion. The motion is voted on in accordance with point 7.5 of these Articles of Association. Minutes shall be taken of the per rollam deliberations.

7.8 The proceedings of the BoD are not public.



## **Article 8**

### **Executive Director**

- 8.1 The statutory body of KRR is the Executive Director of KRR, who acts for and on behalf of KRR in all matters and represents KRR externally. The competence and authority of the Executive Director includes all matters which these Articles of Association do not explicitly entrust to the competence of another body of the KRR.
- 8.2 The Executive Director shall be appointed and dismissed by the Bord of Directors. The position of the Executive Director of the Association is not limited in time. The Board of Directors shall be entitled to dismiss the Executive Director at any time, provided that it also appoints a new Executive Director in its stead.
- 8.3 The Executive Director is obliged to participate in the meetings of the Bord of Directors and is entitled to present proposals, comments, opinions, and/or objections.
- 8.4 The support and executive body of the Executive Director is the Secretariat of the Executive Director, which, among other things, ensures the administrative side of the Executive Director's activities, including the registration and maintenance of the list of KRR members.
- 8.5 The Executive Director shall have in particular the following powers:
- a. Creates separate Sections of the KRR (Article 10 of the Articles of Association);
  - b. Appoints/dismisses Heads of Sections (Article 10 of the Articles of Association);
  - c. Performs other tasks related to the leadership and management of the Interest Groups, including the final decision-making powers for the Interest Groups and for the Team of Advisers;
  - d. Decides on the admission of an applicant for membership as a member of the KRR;
  - e. Decides on the possibility of paying annual membership fees in installments, or on reduction of the minimum annual contribution;
  - f. Chairs the GM;
  - g. Has the right of veto in case of appointment of members of the Bord of Directors by the General Meeting and by the Board of Directors in accordance with point 7.1 of the Articles of Association;
  - h. Decides on the organizational structure of KRR.
- 8.6 The legal relationship between KRR and the Executive Director is governed by a special agreement. The documents are signed for and on behalf of KRR by the Executive Director, who is a statutory body.

## **Article 9**

### **Board of Supervisors**

- 9.1 Board of Supervisors (hereinafter also referred to as “BoS”) is the control body of KRR.

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- 9.2 The BoS has 3 members. They are elected by the General Meeting for a maximum period of 5 years by a simple majority of the present members of the KRR authorized to vote at the respective General Meeting. The members of the BoS elect a chairman from among themselves. The BoS meets as needed, at least once a year. Its proceedings are convened and chaired by the chairperson.

9.3 Each member of the BoS has one vote. The BoS has a quorum if at least two its members are present. A minimum of two votes is required for a decision to be taken by BoS.

9.4 The scope of activities of the BoS includes in particular:

- a) Control in accordance with binding legal regulations the management and efficient use of KRR funds while respecting the principles of economy;
- b) Submit reports and recommendations of the BoD;
- c) Control the observance of the Articles of Association, the fulfillment of the decisions of the GM and of the BoD;
- d) Comment on the draft budget and propose measures to remedy the shortcomings identified;
- e) Examine the financial statements and submit their statements to the GM and the BoD.

9.5 The members of the BoS have the right to request information and explanations from the Executive Director of KRR on all matters of KRR and to inspect all accounting and bookkeeping as well as other documents and documentation of KRR.

9.6 BoS is responsible for its activities to GM.

## **Article 10**

### **Team of Advisors**

10.1 The Cluster is entitled, by decision of the Executive Director, to establish separate purpose-oriented Sections (hereinafter referred to as "**Section**"), headed by the Heads of Sections (hereinafter also referred to as the "**Head**"). A Team of Advisors (hereinafter also referred to as "**Team of Advisors**") may be created from the Heads of Sections. The Heads of Sections will be appointed/dismissed by the Executive Director.

The Team of Advisors represents an advisory, supporting and initiative body of individual Sections, which:

- a) Performs tasks focused on the development of all Sections;
- b) Prepares and submits recommendations, expert materials, opinions for the Executive Director and the BoD;
- c) Proposes solutions to issues related to the development and progress of the Sections.

10.2 The number of Sections as well as the number of Heads in the Team of Advisors is unlimited and the members may be reappointed by the Executive Director.

10.3 The Team of Advisors shall meet as necessary and shall appoint the Chair of the Team of Advisors from among its members. The more detailed organizational structure of the Team of Advisors will be determined by the Executive Director.

10.4 At its meetings, the Team of Advisors shall adopt proposals which are of a recommendatory and advisory nature and which must first be approved by the Executive Director for the purpose of their implementation; no Section has legal personality.

10.5 Neither the Section nor the Team of Advisors have the right to dispose of the property of the Association, to act for and on behalf of the Association externally in relation to third parties, or to make independent decisions.

10.6 Further internal organization of the Sections and of the Team of Advisers will be determined by special internal regulations.

## **Article 11**

### **Regulation of property relations and management of KRR**

11.1 KRR is an independent non-profit economic entity. It is managed according to the budget approved by the BoD.

11.2 KRR manages its own and entrusted property, namely movable and immovable property.

11.3 Prescribed records are kept of all KRR assets. The Executive Director is authorized to set up separate accounting centers in accordance with the applicable and effective legislation.

11.4 The activity of KRR is ensured by financial means in a particular from:

- a) Individual approved project budgets, which KRR manages as a contractor or subcontractor, or participates in them as a partner;
- b) Donations from natural and legal persons, subsidies, contributions and grants;
- c) Income from shares in companies;
- d) Slovak and foreign funds;
- e) Membership fees and deposits;
- f) Other sources (e.g. a source pursuant to § 50 of Act No. 595/2003 of the Legal Code on Income Tax, as amended).

11.5 Revenues from the property and from KRR's own activities may only be used to cover KRR's own costs and to support KRR's objectives.

11.6 The actual costs of KRR's activities include, in particular, operating costs, expenses for staff salaries and remuneration of members of KRR bodies and contractual advisers.

11.7 In the interest of creating its own resources, KRR may, in accordance with the law, also carry out business activities related to ensuring the objectives and mission of KRR, in accordance with generally binding regulations and these Articles of Association. Any positive economic result from business activity must be used in its entirety to ensure the activities of KRR and support the objectives of KRR. The provisions of the Commercial Code on the dissolution of commercial companies shall apply mutatis mutandis to the dissolution of KRR and its dissolution with or without liquidation. The Board of Directors shall appoint the liquidator.

## **Article 12**

### **General provisions**

The members of the KRR bodies are obliged to perform their activities with the necessary care so that the interests of the KRR are not harmed.

## **Article 13**

### **Revocation and termination of KRR**

13.1 The KRR may be revoked in the following ways:

- a) Voluntary dissolution;



- b) Valid decision of a state body of the BoD;
- c) Merger with another legal entity;
- d) Otherwise, if so provided by law.

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13.2 The Board of Directors decides on the cancellation of the KRR on the proposal of the GM. KRR expires with deletion from the register of associations.

13.3 Upon the termination of the KRR by merging with another association, a proper inventory shall be made and the property of the Association, including all receivables and payables, shall be handed over to the successor association on the basis of the handover and takeover protocol.

13.4 Upon termination of KRR by voluntary dissolution, the assets do not pass to the legal successor. The liquidation balance shall be divided, after payment of all obligations, between the permanent (regular) members according to their share in the membership contributions and the property share in the KRR.

#### **Article 14** **Final provisions**

14.1 KRR acquires legal capacity by registration in the Register of Associations.

14.2 KRR is established for an indefinite period.

14.3 Amendments to the Articles of Association are in the exclusive competence of the BoD.

In Trnava, on 15 August 2018

Members of the Board of Directors:

JUDr. Jozef Palla (Illegible signature)

Ing. Miroslav Solčány (Illegible signature)

Štefan Murárik (Illegible signature)

Mgr. Marko Semeš, M.B.A. (Illegible signature)

<b>TRNAVA DISTRICT OFFICE</b>
Change in the Articles of Association was acknowledged on 22 November 2018
File No.: OU-TT/OVSS-/2018/035424

(Illegible signature)  
Mgr. Ivona Reinhardtová  
Head of the Department  
of General Internal Administration

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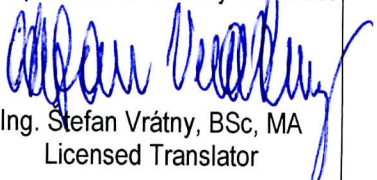


**Translator's Clause:**

I have translated the attached document as a translator for the English, German and Slovak languages whose name is kept on the list of translators of the Ministry of Justice of the Slovak Republic under No. 970535.

This translation is registered under No. 196/2/2020.

This is the true translation of the attached document. I am aware of the consequences of willfully incorrect translation.

  
Ing. Stefan Vrátny, BSc, MA  
Licensed Translator

