

AGREEMENT ON PERFORMANCE OF THE OFFICE OF A MEMBER OF THE SUPERVISORY BOARD

(the "Agreement")

THE PARTIES

Colt CZ Group SE

ID no.: 291 51 961, nám. Republiky 2090/3a Nové Město, 110 00 Prague 1, registered in the Commercial Register kept by the Municipal Court in Prague, file no. H 962

(the "Company")

and

[FIRST NAME AND LAST NAME]

Date of birth:

Permanent address:

Bank details:

(the "Member of the Supervisory Board")

(The Company and the Member of the Supervisory Board jointly as the "Parties" and each individually as a "Party")

Recitals

- (A) The Member of the Supervisory Board was appointed to the office of member of the Supervisory Board of the Company effective from [DATE OF ELECTION AS MEMBER OF THE SUPERVISORY BOARD].
- (B) By this Agreement, the Parties regulate their rights and obligations arising from the performance of the office of member of the Supervisory Board of the Company.
- (C) In accordance with Section 59 of Act no. 90/2012 Sb. on business companies, as amended (the "Companies Act"), the relations between the Company and a member of its body are governed *mutatis mutandis* by the provisions of Act no. 89/2012 Sb., Civil Code, as amended (the "Civil Code"), concerning mandate, unless otherwise stipulated in the agreement on performance of the office or by law.

1. Performance of the office of member of the Supervisory Board

- 1.1 The Member of the Supervisory Board undertakes to duly fulfil [his/her] obligations as a member of the Supervisory Board of the Company arising, or which will arise during the relevant period, from the generally binding legal regulations, in particular the Civil Code and the Companies Act, the Articles of Association of the Company, and this Agreement.
- 1.2 The Member of the Supervisory Board undertakes during performance of the office to comply with all obligations and restrictions relating to [him/her] or to [his/her] performance of the office under the Articles of Association of the Company, or in accordance with the binding resolutions or instructions of the general meeting of the Company (the "General Meeting").
- 1.3 On the terms and subject to the conditions set out in this Agreement, the Member of the Supervisory Board (or jointly with other members of the Supervisory Board of the Company) is in particular required to:
 - (a) supervise the performance of the Board of Directors of the Company and the activities of the Company;
 - (b) review the ordinary, extraordinary, consolidated, or interim financial statements and the proposal for distributing profit or covering losses, and submit [his/her] opinion to the General Meeting of the Company;
 - (c) participate in the General Meeting of the Company;

- (d) convene the General Meeting if the Company has not appointed the Board of Directors or if the appointed Board of Directors has not fulfilled its obligations over the long term and if a member of the Board of Directors has not convened the General Meeting, or if convening the General Meeting is required by the interests of the Company, and propose any required measures;
 - (e) prohibit the members of the Board of Directors of the Company, close persons or influenced or controlled persons from entering into an agreement with the Company if the agreement is not in the interest of the Company;
 - (f) implement decisions duly adopted by the General Meeting of the Company that relate to the activities of the Supervisory Board of the Company.
- 1.4** The Member of the Supervisory Board will perform [his/her] obligations with due diligence and care (i.e. attentively and with the required knowledge), using all of [his/her] knowledge, and will be required to inform the Supervisory Board and the General Meeting in the cases set out in the Companies Act and/or the Civil Code of fulfilling [his/her] obligations.
- 1.5** The Member of the Supervisory Board undertakes to perform the office personally, conscientiously, duly and according to [his/her] best knowledge and capabilities. In particular, the Member of the Supervisory Board undertakes:
- (a) to promote the good reputation of the Company, its products and services and to use this good reputation exclusively for the benefit of the Company and not for [his/her] own benefit or that of a third party;
 - (b) to improve [his/her] qualifications for performing the office and adhere to the principles of safety at the workplace, and to act in such a way as not to cause damage to health or property of the Company, its employees or third parties;
 - (c) not to accept for oneself or anyone else any unauthorised benefit or advantage to the detriment of the Company.
- 2. Non-competition clause**
- 2.1** The Member of the Supervisory Board undertakes for the duration of performing [his/her] office to comply with the non-competition clause pursuant to Section 451 of the Companies Act, conflict-of-interest rules pursuant to Section 54 et seq. of the Companies Act and pursuant to the Articles of Association of the Company.
- 2.2** At the time of signing this Agreement, the Member of the Supervisory Board submitted a list of companies (Annex 1 to this Agreement) in which he participates and at the same time declared in writing that [his/her] participation in those companies does not have the characteristics subject to ban on competition under Section 451 of the Companies Act. The Company acknowledges this declaration and declares that it does not consider the declared participation in companies referred to in the first sentence of this clause as competitive activity under Section 451 of the Companies Act.
- 2.3** The Member of the Supervisory Board agrees to inform the Company without delay if [he/she] starts to carry out an activity that may have the characteristics of prohibited competitive activity vis-à-vis the Company, even if it were to occur by a change of the way [he/she] participates in the companies listed in Annex 1 to this Agreement.
- 3. Confidentiality**
- 3.1** The Member of the Supervisory Board is required to maintain confidentiality of information designated as trade secret within the Company or by applicable Czech law, and other matters the disclosure of which to third parties could cause damage to the Company or otherwise have a negative impact on the assets of the Company, its business, good reputation, or its products and services, or could lead to unjust enrichment by another party, unless the obligation to disclose such information or matters applies to the Member of the Supervisory Board under a legal regulation or enforceable decision of a government authority.
- 3.2** The confidentiality obligation under this Article 3 will continue even after termination of the performance of the office of Member of the Supervisory Board. After termination of performance of the office, the Member of the Supervisory Board is not entitled to disclose or use the information referred to in Article 3.1 above in any manner or to allow the disclosure or use of this information by third parties.

4. Remuneration and other benefits

- 4.1** The basic remuneration of the Member of the Supervisory Board for performance of the office of member of the Supervisory Board of the Company is [CZK 150,000 PER MONTH FOR A MEMBER OF THE SUPERVISORY BOARD, AND CZK 300,000 PER MONTH FOR THE CHAIRMAN OR VICE-CHAIRMAN OF THE SUPERVISORY BOARD]. The basic remuneration is payable in the calendar month following the month in which the Member of the Supervisory Board became entitled to it, on the Company's regular pay day at the latest. The Member of the Supervisory Board agrees that any payments by the Company to the Member of the Supervisory Board be made by bank transfer to the bank account indicated by the Member of the Supervisory Board.
- 4.2** In addition to the basic remuneration, the Company will pay to the Member of the Supervisory Board an annual bonus in the amount of up to [CZK 1,200,000 FOR A MEMBER OF THE SUPERVISORY BOARD, AND CZK 2,400,000 FOR THE CHAIRMAN OR VICE-CHAIRMAN OF THE SUPERVISORY BOARD]. The annual bonus constitutes a variable component of remuneration of the Member of the Supervisory Board and is conditional on at least 80% attendance of the Member of the Supervisory Board at Supervisory Board meetings in the relevant calendar year. If the Member of the Supervisory Board's attendance at Supervisory Board meetings in the relevant calendar year is lower than 80%, the entitlement to annual bonus is extinguished. The evaluation of the annual bonus will be carried out once a year, no later than 30 June of the following year, by the Chairman of the Supervisory Board. The annual bonus is payable in the month following the month in which the annual bonus was evaluated by the Chairman of the Supervisory Board and notified to the Board of Directors, together with the basic remuneration paid under the conditions of this Article 4.2. If the Member of the Supervisory Board does not perform the office for the Company during the full calendar year, the annual bonus will be reduced pro rata.
- 4.3** The Company has the right not to award the annual bonus under Article 4.2 above to the Member of the Supervisory Board if the performance of office by the Member of the Supervisory Board apparently contributed to an adverse financial result of the Company, unless the General Meeting resolves otherwise.
- 4.4** The Company will also provide the Member of the Supervisory Board with the following:
- (a) a mobile telephone to perform the office and for private purposes under the conditions stipulated by the internal regulations of the Company. The Member of the Supervisory Board is obliged to reimburse the Company for costs related exclusively to the use of the Company's mobile phone for private purposes plus the relevant amount of value added tax;
 - (b) a laptop computer to perform the office;
 - (c) [FOR THE CHAIRMAN OR VICE-CHAIRMAN OF THE SUPERVISORY BOARD] a company car to perform the office and for private purposes [OR A CAR WITH DRIVER FOR BUSINESS TRIPS] on the terms and subject to the conditions set out by the Remuneration Policy approved by the Company, including insurance against all risks and payment of repair and maintenance costs.
- 4.5** Justified costs for travel and accommodation and other justified costs incurred by the Member of the Supervisory Board during the performance of [his/her] office will be reimbursed to the Member of the Supervisory Board in accordance with the internal regulations of the Company. For the purpose of reimbursing these costs, the place of performance of the office is understood to be the registered office of the Company.
- 4.6** The Company will also provide to with the Member of the Supervisory Board the following insurance:
- (a) liability insurance for damage caused as a result of breach of obligations in the performance of the office of a Member of the Supervisory Board (so-called D&O insurance);
 - (b) accident insurance for the risks of death as a result of an accident, permanent consequences of an accident, and permanent disability as a result of an accident;
 - (c) travel insurance obtained for short-term business trips abroad related to the performance of office.
- 4.7** If the Company provides insurance to the Member of the Supervisory Board under Article 4.6 above, the basic remuneration of the Member of the Supervisory Board will be increased by compensatory remuneration in an amount such that the basic remuneration or annual bonus paid to the Member of the Supervisory Board after deduction of taxes and other mandatory payments is always paid in an amount in which it would be paid if the insurance under Article 4.6 above was not provided as non-pecuniary benefit to the Member of the Supervisory Board.

4.8 Any other benefit or performance to which the Member of the Supervisory Board is not entitled under law, this Agreement or the internal regulations of the Company approved by the General Meeting, may be granted to the Member of the Supervisory Board only with the consent of the General Meeting.

5. Term

5.1 This Agreement was entered into for the duration of the performance of the office of the Member of the Supervisory Board.

5.2 The period of performance of the office of the Member of Supervisory Board will also end:

- (a) upon dismissal of the Member of the Supervisory Board from [his/her] office by the General Meeting;
- (b) upon resignation of the Member of the Supervisory Board from the office;
- (c) on the day that the Member of the Supervisory Board no longer fulfils the conditions set out in the generally binding legal regulations for performance of the office of a member of the supervisory board, if not otherwise provided in these legal regulations.

5.3 If the duration of the performance of the office of the Member of the Supervisory Board is terminated in accordance with Article 5.2 of this Agreement, the Member of the Supervisory Board is entitled to a proportional part of [his/her] remuneration under Article 4.1 above which corresponds to the actual period of performance of [his/her] office.

5.4 In the event of termination of this Agreement for any reason, the Member of the Supervisory Board is required to refrain from any acts on behalf of the Company and is required to duly hand over [his/her] office. In this context, the Member of the Supervisory Board is required in particular to:

- (a) inform the Supervisory Board of all steps necessary in relation to terminating [his/her] obligations as a member of the Supervisory Board of the Company;
- (b) return without undue delay all documents relating to the Company (e.g. agreements, accounting documents, correspondence, invoices, powers of attorney, etc.);
- (c) return to the Company all items that [he/she] has obtained from the Company (or from third parties for the benefit of the Company) in relation to performance of the office.

5.5 In connection with the termination of the performance of the office of a member of the Supervisory Board in the Company, the Company shall provide the Member of the Supervisory Board with remuneration in the amount of six times the basic remuneration (according to Article 4.1) in the following cases:

- (a) the performance of the office of the Member of the Supervisory Board was terminated by dismissal according to Article 5.2(a), or
- (b) the performance of the office of the Member of the Supervisory Board is terminated upon the expiration of the term of office, and the Member of the Supervisory Board is not re-elected to the office of a member of the Supervisory Board on the day following the day of the termination of the performance of the office of a member of the Supervisory Board in the Company.

This remuneration is payable on the day of payment of the last basic remuneration for the performance of the function.

5.6 In the case of recall from office, the Member of the Supervisory Board is entitled to remuneration in the amount of six times the basic remuneration (in accordance with Article 4.1). This remuneration is payable on the pay date for the last basic remuneration for performance of the office.

6. Final provisions

6.1 The template of this Agreement was approved by the General Meeting on [DATE OF APPROVAL BY THE GENERAL MEETING] and comes into force and effect on [DATE OF APPOINTMENT AS MEMBER OF THE SUPERVISORY BOARD OR DATE WHEN THE AGREEMENT IS SIGNED BY THE LAST PARTY OF THE AGREEMENT DEPENDING ON CIRCUMSTANCES].

6.2 The Member of the Supervisory Board is not entitled to transfer any rights or obligations arising from this Agreement to a third party.

6.3 The Member of the Supervisory Board is fully responsible for any damage, costs and expenses that the Company incurs as a result of an intentional breach of this Agreement.

- 6.4 If any of the provisions of this Agreement is invalid, unlawful or unenforceable, the other provisions will remain valid and enforceable. The Parties undertake to replace any such invalid, unlawful or unenforceable provision with a valid and enforceable provision that has a similar legal interpretation.
- 6.5 This Agreement is deemed as the entire agreement of the Parties concerning the rights conferred under and the obligations arising from this Agreement, and after coming into effect, it replaces any previous agreements or arrangements, whether verbal or written.
- 6.6 Any amendments, variations or supplements to this Agreement must be made in writing and signed by the Parties.
- 6.7 This Agreement is in accordance with the Company's Remuneration Policy.
- 6.8 This Agreement shall be governed by and interpreted in accordance with the laws of the Czech Republic.
- 6.9 This Agreement was drawn up in two (2) counterparts, each of which is a valid original. Each Party will receive one (1) original hereof.

The Parties hereby expressly declare that this Agreement is their free act and deed. In witness whereof, they attach their respective signatures below.

Colt CZ Group SE

Place: Prague

Date: _____

Member of the Supervisory Board

Place: Prague

Date: _____
