

## RULES OF DECISION-MAKING OF THE GENERAL MEETING OF CZG - ČESKÁ ZBROJOVKA GROUP SE OUTSIDE THE GENERAL MEETING (DECISIONS *PER ROLLAM*)

Dear Shareholders,

Given the emergency caused by the global COVID-19 epidemic relating to the current inappropriateness and impossibility to hold a meeting of the general meetings of **CZG - Česká zbrojovka Group SE**, with its registered office at Opletalova 1284/37, Nové Město, 110 00 Prague 1, ID no.: 291 51 961, registered in the Commercial Register kept by the Municipal Court in Prague, file no. H 962 (the “**Company**”), with participation of the shareholders currently listed by the Company, and at the same time, given the necessity and urgency of a decision of the general meeting regarding the draft decision the Board of Directors of the Company decided, in accordance with the provisions of Section 18 et seq. of Act No. 191/2020 Sb., on Certain Measures to Mitigate the Effects of the SARS CoV-2 Coronavirus Epidemic on Persons Involved in Legal Proceedings, Victims of Criminal Offences and Legal Entities, and on Amendments to the Insolvency Act and to the Code of Civil Procedure, as amended, (“**Lex Covid**”) in connection with the provisions of Section 418 et seq. of Act No. 90/2012 Sb., on Companies and Cooperatives (the Corporations Act), as amended (“**CA**”), to submit on 26 February 2021 a draft decision of the Company’s General Meeting to be adopted outside its meeting (decision *per rollam*) to the Company’s shareholders (the “**Draft**”). The Draft will include also a notarial deed pursuant to Section 419(2) of the CA.

The Company’s Articles of Association count with *per rollam* decision-making only in documentary form. That is why the Company’s Board of Directors has decided in accordance with Section 19(2) of Lex Covid that the meeting outside of the General Meeting will take place accordingly, but electronically. The proposal must be published on 26 February 2021 on the Company’s website and in the Commercial Journal (i.e. in the same way in which an invitation to the Company’s General Meeting is to be published pursuant to the Articles of Association). At the same time, the shareholders obtain the possibility to send their Opinion (as defined below) to the Draft not only by post, but also by email or data mailbox. The Company’s Board of Directors believes that these changes will enable to all shareholders to participate in the Company’s matters more efficiently and more flexibly, despite the current situation.

In this context please find below an **overview of important information** relating to the procedure of *per rollam* decision-making of the general meeting as well as **detailed information** regarding the whole *per rollam* decision-making procedure.

### OVERVIEW OF IMPORTANT INFORMATION:



#### **What is decision-making *per rollam*?**

The shareholders exercise their right to participate in the management of the Company outside the general meeting, i.e. **outside a meeting of the general meeting**. The shareholders deliver their opinion on the Draft by **mail to the address of the Company’s registered office for the attention of the Board of Directors in the original copy, or by**

email to: [ValnaHromada.CZG@czg.cz](mailto:ValnaHromada.CZG@czg.cz), or to the Company's data box, data box ID: srqpv3e (the "Opinion").



#### **Why decision-making *per rollam*?**

Primarily because of the emergency caused by the global COVID-19 epidemic relating to the current inappropriateness and impossibility to hold the Company's general meetings with the physical participation of the Company's shareholders in a regular meeting of the Company's general meeting and at the same time the necessity and urgency of a decision on the Draft.



#### **What is the subject of the decision?**

**Draft decision of the General Meeting to grant the Company's Board of Directors an instruction regarding business management (request for instruction) (Draft I);**

**Draft decision on exclusion of the pre-emptive right to subscription for shares (Draft II);**

**Draft decision on increasing of the Company's registered capital by share subscription (Draft III);**

**Draft amendment to the Company's Articles of Association (Draft IV).**



#### **Who can decide?**

A person who is the Company's shareholder on the record date; the record date (because the Draft will be published on the Company's website and in the Commercial Journal on 26 February 2021) for the decision *per rollam* is **the seventh day preceding the date of publication of the Draft on the Company's website and its publication in the Commercial Bulletin, i.e. 19 February 2021**, and who is at the same time entered in the book-entry securities register maintained by the Central Securities Depository on the record date, or a representative of such a person.



#### **How is a decision made?**

**Upon timely delivery of a duly completed Opinion on the Draft bearing an authenticated signature of the shareholder or their representative.**

The completed form of the Opinion on the Draft can be delivered by **mail to the address of the Company's registered office for the attention of the Board of Directors in the original copy, or by email to: [ValnaHromada.CZG@czg.cz](mailto:ValnaHromada.CZG@czg.cz), or to the Company's data box, data box ID: srqpv3e.**

If the Opinion on the Draft is delivered by e-mail or from the shareholder's data mailbox, the Opinion on the Draft with the shareholder's authenticated signature must be converted

from documentary to electronic form through an authorised conversion of documents. The authorised conversion of the document can be made at a branch of Czech POINT or a notary.



#### **What are you supposed to do?**

**You do not have to do anything.** It is purely at your discretion whether or not you will exercise your right to participate in the Company's business management, i.e. to deliver the Opinion on the Draft.



#### **What rights do you have?**

You have the right to **provide your opinion on the Draft.**

You have the right to **request an explanation** of matters relating to the Company or to persons controlled by the Company if such an explanation is required for a decision on the Draft; the request should be delivered to the Company in writing on a prescribed form of a request for explanation by **15 March 2021.**

You have the right to act through a **representative** for the purposes of a decision *per rollam*.



#### **What documents are available (from 26 February 2021)?**

- **Rules of Decision-Making of the General Meeting** of CZG Česká zbrojovka Group SE outside the General Meeting (decisions *per rollam*);
- **Draft Decisions of the General Meeting** of CZG - Česká zbrojovka Group SE adopted outside the general meeting (a decision *per rollam*) together with reasoning and draft decisions in the form of notarial deed pursuant to Section 419(2) of the CA;
- Underlying documents for a decision *per rollam* including presentation describing the Transaction (in the English language);
- Form of the **Shareholder's Opinion** on the draft decision of the general meeting adopted outside the general meeting (a decision *per rollam*);
- Form of **Power of Attorney for a Shareholder – Individual**;
- Form of **Power of Attorney for a Shareholder – Legal Entity**;
- Form of **Request for Explanation.**



#### **When and how will the result be announced?**

**Without undue delay** following the lapse of the period for delivery of the Opinion on the Draft on the **Company's website** and its publication in the **Commercial Bulletin.**



### What you may want to know

The voting period starts on **26 February 2021** and ends on **29 March 2021**.

The **decisive majority** required for the Draft to be adopted is **16,319,001** votes “IN FAVOUR” in the case of Draft I; **24,478,500** votes IN FAVOUR” in the case of Draft II; **21,758,667** votes IN FAVOUR” in the case of Draft III; and **21,758,667** votes IN FAVOUR” in the case of Draft IV.

If you do not **deliver** your “IN FAVOUR” decision to the Company’s Board of Directors, you are deemed **not to agree** with the Draft.

It suffices for an “**AGAINST**” decision if you do not deliver your Opinion on the Draft to the Company’s Board of Directors.



### What is the time sequence of the respective steps?

Record date	<b>19 February 2021</b>
Publishing of the Draft and start of the period for the delivery of the Opinion on the Draft	<b>26 February 2021</b>
End of the period for submitting requests for explanation	<b>15 March 2021</b>
End of the period for the Company to provide a statement on duly submitted requests for explanation	<b>22 March 2021</b>
End of the period for the delivery of the Opinion on the Draft	<b>29 March 2021</b>
Announcement of the result of the decision	<b>31 March 2021</b>

## DETAILED OVERVIEW:

### General information:

Although decision-making *per rollam* takes place outside a meeting of the general meeting, it is still decision-making of the Company's supreme body, i.e. the Company's general meeting.

However, the time frame for voting in the case of decisions *per rollam* is substantially longer than in the case of regular meetings of the general meeting which typically last several hours only.

The main difference from a regular meeting of the general meeting is the application of the legal principle "silence implies disagreement" to the decision *per rollam*. It is therefore also possible to vote "against" the Draft even if the Company's shareholder does not deliver their Opinion to the Company's Board of Directors within the prescribed period.

### Period for the delivery and form of the Opinion:

Decisions of the Company's general meeting outside its meeting (*per rollam*) are made through the Opinion on the Draft, which is sent along with the Draft.

The Company's shareholders are entitled to modify the Opinion only in a manner that is anticipated by its structure and content. An arbitrarily amended Opinion or an Opinion completed in a non-compliant or confusing manner or in a manner not assumed by the Opinion will not be taken into account.

In the Opinion the Company's shareholder must legibly fill in their name and surname (business name), date of birth (ID no.), permanent residence address (registered office) and the number and nominal value of the shares with which they vote. In the chart containing the relevant Draft, the Company shareholder must indicate in a clear manner (with a cross) in the "IN FAVOUR" or "AGAINST" box whether they vote in favour or against the Draft. Finally, the Company's shareholder must sign their Opinion; the signature on the Opinion must be authenticated (if the shareholder is a legal entity, a person or persons authorised to act on behalf of the shareholder must affix their signature). An Opinion that is not signed by the Company's shareholder is invalid.

In the event that a shareholder of the Company is represented in relation to the Opinion, the shareholder's representative should additionally fill in their name and surname (business name), date of birth (ID no.), permanent residence address (registered office) in the Opinion. Finally, the representative of the Company's shareholder will sign the Opinion, with the signature on the Opinion having to be authenticated (if the representative is a legal entity, its signature will be affixed by a person or persons authorised to act on behalf of that representative).

The Company's shareholder will deliver the completed form of the Opinion on the Draft by **mail to the address of the Company's registered office for the attention of the Board of Directors in the original copy, or by email to: [ValnaHromada.CZG@czg.cz](mailto:ValnaHromada.CZG@czg.cz), or to the Company's data box, data box ID: srqpv3e**. If the Opinion on the Draft is delivered by e-mail or from the shareholder's data mailbox, the Opinion on the Draft with the shareholder's authenticated signature must be

converted from documentary to electronic form through an authorised conversion of documents. The authorised conversion of the document can be made at a branch of Czech POINT or a notary.

**The period for the delivery of the Opinion on the Draft starts on 26 February 2021 and ends on 29 March 2021.**

If the shareholder fails to deliver their consent to the Draft to the Company's Board of Directors within the prescribed period, the shareholder is deemed not to consent to the Draft. A shareholder's Opinion on the Draft delivered to the Company's Board of Directors may not be altered or withdrawn.

**The form of the shareholder's Opinion on the Draft** is published on the Company's website along with other documents.

**Record date for decision-making *per rollam*:**

As the Draft will be published on the Company's website and in the Commercial Journal on 26 February 2021, the record date for the decision *per rollam* is **the seventh day preceding the date of publication of the Draft on the Company's website and its publication in the Commercial Bulletin, i.e. 19 February 2021**. The significance of the record date is that the right to decide (vote) on the Draft and to exercise shareholder rights is vested in the person who is a shareholder of the Company on the record date and who is entered in the book-entry securities register maintained by the Central Securities Depository on the record date, or a representative of such a person.

**Identification of the shareholder or their representative: Related documents:**

In the event that the shareholder is an individual, they will be identified on the basis of an extract from the securities register produced on the record date and they are not required to attach any other documents when sending their Opinion on the Draft. In the event the shareholder is a legal entity, a member of the governing body of such legal entity must attach an up-to-date (not older than 3 months) extract from the relevant public register or another document supporting the member's right to act on behalf of the entity to the Opinion on the Draft.

The representative of the shareholder must also attach the original or an authenticated copy of a written power of attorney with an authenticated signature of the shareholder to the Opinion on the Draft. The person entered in the book-entry securities register as a trustee or a person authorised to exercise rights attached to the share does not have to present a power of attorney. The representative whose right to represent a shareholder arises from a fact/document other than a power of attorney, is required to present this fact or relevant document along with the Opinion on the Draft.

Documents used by a shareholder as proof of identity and authenticated by foreign authorities must be apostilled or superlegalised unless the Czech Republic has signed a legal assistance agreement with the country in which the document was authenticated. All documents must be presented either in Czech or English. If the documents (or authenticating clauses) are made in another language, the documents must be presented along with a certified translation into Czech.

In the event that the shareholder's Opinion on the Draft is sent by e-mail or to the Company's data box, the above documents, which the shareholder or representative attaches to the shareholder's

Opinion on the Draft, must be converted from paper to electronic form by means of authorised conversion.

**The form of the Power of Attorney** granted by the shareholder to their representative is published on the Company's website along with other documents for a shareholder being an individual as well as a legal entity.

**Request for explanation:**

A shareholder has the right to demand an explanation regarding matters of concern to the Company or to entities controlled by the Company, to the extent that such explanation is necessary to assess the adoption of the Draft. A shareholder is entitled to submit a request for explanation in writing on the relevant form to the Company in the same way as the Opinion on the Draft by **15 March 2021** (inclusive) at the latest following the publication of the Draft on the website and in the Commercial Bulletin. The Company will respond to timely and duly submitted requests for information by **22 March 2021**.

**The form of a Request for Explanation** is published on the Company's website along with other documents.

**Decision-making majorities and the manner of announcing results:**

In accordance with Article 11.6 of the Company's Articles of Association and Section 419(2) of the CA the decisive majority is calculated from the total number of votes of all shareholders of the Company. The Company's registered capital comprises 32,638,000 registered ordinary book-entry shares, each having a nominal value of CZK 0.10, or EUR 0.00402. One vote is attached to each share in voting at the General Meeting. The total number of votes in the Company is 32,638,000 votes.

Pursuant to Section 415, Section 416, Section 417 and Section 419(3) of the CA, for the adoption of:

Draft I an absolute majority of the votes of all the Company's shareholders is required;

Draft II at least three-quarters of the votes of all the Company's shareholders are required;

Draft III at least two-thirds of the votes of all the Company's shareholders are required; and

Draft IV at least two-thirds of the votes of all the Company's shareholders are required.

**The decisive majority** required for the Draft to be adopted is **16,319,001** votes "IN FAVOUR" in the case of Draft I; **24,478,500** votes IN FAVOUR" in the case of Draft II; **21,758,667** votes IN FAVOUR" in the case of Draft III; and **21,758,667** votes IN FAVOUR" in the case of Draft IV.

The form of a public document within the meaning of Article 11.6 of the Company's Articles of Association and the provisions of Section 419(2) of the CA is required for a decision of the Company's General Meeting.

**If the shareholder fails to deliver their consent to the Draft to the Company's Board of Directors within the prescribed period, the shareholder is deemed not to consent to the Draft.**

The immediate results of decision-making *per rollam* will be available on the Company's website at <https://www.czg.cz/investors#general-meeting>

The outcome of the decision-making *per rollam*, including the date of adopting a decision, will be announced to the Company's shareholders without undue delay by posting the results on the Company's website at <https://www.czg.cz/investors#general-meeting> and by publishing the result in the Commercial Bulletin.

**Information on documents available to the shareholders (from 26 February 2021):**

In connection with this proposal the following documents have been published on the Company's web pages at <https://www.czg.cz/investors#general-meeting>:

- **Rules of Decision-Making of the General Meeting** of CZG Česká zbrojovka Group SE outside the General Meeting (decisions *per rollam*);
- **Draft Decisions of the General Meeting** of CZG - Česká zbrojovka Group SE adopted outside the general meeting (a decision *per rollam*) together with reasoning and draft decisions in the form of notarial deed pursuant to Section 419(2) of the CA;
- Underlying documents for a decision *per rollam* including presentation describing the Transaction (in the English language);
- Form of the **Shareholder's Opinion** on the draft decision of the general meeting adopted outside the general meeting (a decision *per rollam*);
- Form of **Power of Attorney for a Shareholder – Individual**;
- Form of **Power of Attorney for a Shareholder – Legal Entity**;

No further underlying documents pursuant to Section 418(2)(c) of the CA are required to adopt the Draft.

We hope that this exhaustive overview provides you with all information you may need in decision-making *per rollam*.

Place: Prague

Date: 24.2.2021



Name: Ing. Lubomír Kovařík

Title: Chairman of the Board of Directors

Place: Prague

Date: 24.2.2021



Name: Jan Drahoša

Title: Vice-chairman of the Board of Directors