

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

entered into in accordance with Act no. 89/2012 Sb., the Civil Code, as amended
and Act no. 90/2012 Sb., on companies and cooperatives (the Companies Act), as amended
(the “Agreement”)

THE PARTIES

CZG – Česká zbrojovka Group SE

ID no.: 291 51 961

Opletalova 1284/37, Nové Město, 110 00 Prague 1

registered in the Commercial Register kept by the Municipal Court in Prague, file no. H 962

represented by [●], [●] of the Board of Directors, and [●], [●] of the Board of Directors

(the “Company”)

and

Mr / Mrs [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 [●].
- (B) The Parties are interested in regulating under this Agreement 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 the Companies Act (the **Companies Act**), the relations between a company and a member of its body are to be adequately regulated *mutatis mutandis* by the provisions of Act no. 89/2012 Sb., as amended (the “**Civil Code**”), if not 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 from, or which will arise from during the relevant period, the generally binding legal regulations, in particular the Civil Code and the Companies Act, and 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 restrictions relating to [him/her] or to [his/her] performance of the office under the Articles of Association of the Company, the internal regulations of the Company, or in accordance with the binding resolutions or instructions of the general meeting of the Company (the “**General Meeting**”) or Supervisory Board.

1.3 Under the terms 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 its 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 not even one member has 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 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 Civil Code or the Companies Act of fulfilling [his/her] obligations.

1.5 The Member of the Supervisory Board undertakes to personally perform the office, 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 adhering 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 of the Companies Act and pursuant to the Articles of Association of the Company.

2.2 The Member of the Supervisory Board submitted a list of companies (Annex 1 to this Agreement) in which he is 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 in accordance with Section 451 of the Companies Act. The Company acknowledges this declaration and declares, that it does not consider the declared participation in companies listed in the Annex does as competitive activity in accordance with 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 meet the criteria of non-competition vis-à-vis the Company, even if it were to occur by the change of the way [he/she] participates in 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 confidential within the Company or by 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 other 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. The Member of the Supervisory Board is not entitled to disclose or use the information stipulated in Article 3.1 above in any manner or to allow the disclosure or use of this information.

4. REMUNERATION AND OTHER BENEFITS

4.1 The basic remuneration of the Member of the Supervisory Board for performance of the office is CZK 100,000 per month / CZK 280.000 for the Chairman of the Supervisory Board and is due monthly 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 and should be paid by bank transfer to the bank account provided by the Member of the Supervisory Board. In addition to the basic remuneration the Member of the Supervisory Board is entitled to a yearly bonus under the conditions set out by the General Meeting, where the determining criterion for granting an annual bonus is the participation of a member of the Supervisory Board in a meeting of the Supervisory Board. The amount of this remuneration corresponds to up to twelve times the amount of the basic monthly remuneration of the Chairman of the Supervisory Board / six times the amount of the basic monthly remuneration of a member of the Supervisory Board. The annual evaluation of the remuneration will be carried out once a year, no later than 30 June of the following year, by the General Meeting of the Company. The annual remuneration is due monthly in the month following the month in which the annual bonus was approved by the General Meeting, together with the basic remuneration paid under the conditions of this Article 4.1. The extra bonus up to twelve times the amount of the basic monthly remuneration may also be granted to a member of the Supervisory Board by the General Meeting.

4.2 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;

4.3 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 to be understood to be the registered office of the Company.

4.4 The Company with the consent of the Member of the Supervisory Board will provide to [him/her]:

- (a) liability insurance for damage caused in connection with 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.

If the Company provides insurance to a Member of the Supervisory Board, the Company also undertakes to provide this member with compensatory remuneration, which is equal to the amount of the mandatory payments (e.g., taxes, public health insurance premiums, etc.), which a member of the Supervisory Board is obliged to pay or bear due to the fact that the Company pays insurance premiums.

- 4.5 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 Company's General Meeting.
- 4.6 The entitlement to the payment of the annual bonus and the extra bonus awarded by the General Meeting is terminated if:
 - (a) a member of the Supervisory Board resigns before the due date of the awarded annual bonus or extra bonus; or
 - (b) a member of the Supervisory Board materially breaches this Agreement before the date of payment of the awarded annual bonus or extra bonus or if [he/she] has grossly breached other obligations under applicable law or the contract.

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 recalling the Member of the Supervisory Board from [his/her] office by the General Meeting;
 - (b) upon termination of the office of the Member of the Supervisory Board due to [his/her] resignation 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] monthly remuneration under Article 4.1 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. The Member of the Supervisory Board is required in particular to:
 - (a) inform the Supervisory Board of the Company of all steps necessary in relation to terminating [his/her] obligations as a member of the Supervisory Board of the Company;
 - (b) return without 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 After being recalled, the Member of the Supervisory Board is entitled to remuneration in the amount of six basic remuneration (in accordance with Article 4.1), payable on the last pay date for the remuneration for performance of the office.

6. FINAL PROVISIONS

- 6.1 This Agreement was approved by the General Meeting of the Company and comes into force and effect on [●].
- 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 remaining provisions will remain valid and enforceable. The Parties undertake to replace any such invalid, unlawful or unenforceable provision with valid or enforceable provisions that have a similar legal interpretation.
- 6.5 This Agreement is deemed as the full agreement of the Parties concerning the rights under this Agreement and the obligations arising therefrom, and after coming into effect, it replaces any previous agreements or arrangements, whether verbal or written.
- 6.6 Any amendments, adjustments 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 and the interpretation thereof are governed by the laws of the Czech Republic.
- 6.9 This Agreement was drawn up in two (2) originals in English, each of which is valid as an original. Each Party will receive one (1) original.

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

CZG – Česká zbrojovka Group SE

Place: Prague

Date: _____

Place: Prague

Date: _____
