

Pursuant to Article 22 of the Law on Edifices, Foundations and Funds (“Official Gazette of the Republic of Serbia” no. 59/89) and the Contract on Establishing the “Serbian National Register of Internet Domain Names” Fund, and in accordance with a provision of Article 26 of the Law on Edifices, Foundations and Funds (“Official Gazette of the Republic of Serbia” no. 59/89), at the 20th June 2009 session held in Belgrade, the Assembly of the Fund ratified, and at 5th September 2009, 29th May 2010 and 18th December 2010 sessions adopted Amendments and Additions to

FUND RULES
of Serbian National Register of Internet Domain Names
-Revised Text-

I GENERAL PROVISIONS

Article 1

NAME AND REGISTERED ADDRESS

The name of the Fund is “the Serbian National Register of Internet Domain Names” and its abbreviated form is RNIDS (hereinafter: RNIDS).

The registered address of RNIDS is at 73 Boulevard Kralj Aleksandar, in Belgrade.

Article 2

DEFINITION AND AIM

RNIDS is an expert, non-party, non-governmental and non-profit organisation established as a Fund. The basic aim of RNIDS is to organise the management of the country code Top-Level Domain (hereinafter: ccTLD), so as to fulfill the general interest of all citizens of Serbia, complying with the principles of quality, efficiency, independence and transparency.

Additional aims of RNIDS are as follows:

- 1) Increasing the number of RNIDS members and including the broadest social community in its operation;
- 2) Promoting the Internet as a publicly available resource available to all citizens;
- 3) Boosting the Internet content both in the Serbian language and languages of national minorities.

Article 3

ACTIVITIES

In order to fulfil its aims, RNIDS performs the following activities:

- 1) Technical and administrative management of the Central Domain Register within the ccTLD allocated to Serbia by ICANN;
- 2) Maintaining root DNS server for ccTLD;
- 3) Maintaining publicly available WHOIS server for ccTLD space;
- 4) Establishing principles and procedures for operation of registrars;
- 5) Collecting and publishing information on development of the national part of the Internet (within its activities and in accordance with aims of RNIDS);
- 6) Developing and promoting rules for dealing with registrars in accordance with best practices and based on experiences of other registers;
- 7) Providing help for dispute resolution related to assigning domain names;
- 8) Cooperating with similar regional and international organisations;
- 9) Promoting .rs domain.

RNIDS also performs the following additional activities:

- 1) Organising expert consultations, public debates and other conventions;
- 2) Providing support to registrars within ccTLD;
- 3) Cooperating with other local and international organisations in accordance with aims and activities of RNIDS;
- 4) Other activities in accordance with aims of RNIDS.

Article 4 MEMBERSHIP

All interested legal entities registered with authorised registers of legal entities and entrepreneurs of the Republic of Serbia can become RNIDS members.

Entities specified in Paragraph 1 of this Article acquire the status of a member if they meet the following two requirements:

- 1) Sign the Accession Agreement with RNIDS;
- 2) Pay the membership fee whose amount is determined by a decision of the Managing Board of RNIDS.

The annual membership fee is paid in advance and is valid 12 months from the payment date, i.e. the previous membership expiration date provided that the next membership fee is paid before the previous one expires.

Each RNIDS member is obliged to delegate a person (hereinafter: the authorised representative) who will participate, on their behalf, in activities of the RNIDS Assembly.

During the first year of their membership, RNIDS members are not eligible to vote when adopting Amendments and Additions to the Fund Rules of RNIDS or appointing and dismissing members of the Managing Board of RNIDS.

The Fund membership can be terminated only if:

- 1) a member submits a written statement about terminating their membership;
- 2) a member does not renew the membership fee within the defined deadline;
- 3) a member breaches the Accession Agreement;
- 4) a member does not comply with provisions of these Rules;
- 5) Assembly of RNIDS brings such a decision.

The Assembly of RNIDS verifies the membership termination according to all the above stated conditions at the first subsequent session, unless the membership is terminated by a decision of the Assembly of RNIDS, when the membership is deemed terminated as of the moment the Assembly of RNIDS brings such a decision.

If a RNIDS member renews the membership within one month from the termination of the previous one, the membership will not be deemed terminated. However, the member will not be eligible to vote when adopting Amendments and Additions to the Fund Rules of RNIDS or appointing and dismissing members of the Managing Board of RNIDS if they have not renewed their membership before the date when a list of members is determined as described in Article 7 of these Rules.

Article 5
BODIES OF RNIDS

The bodies of RNIDS are: the Assembly, the Managing Board and the Director.

The Assembly and the Managing Board can establish working bodies and departments, if necessary.

II ASSEMBLY

Article 6
ASSEMBLY

The Assembly is the highest body within RNIDS made of authorised representatives of RNIDS members.

The Assembly elects one of its members a Chairman and one a Vice Chairman of the Assembly for a two-year period. Neither a member of the Managing board nor the Director can perform these roles.

The Chairman and Vice Chairman of the Assembly can be elected no more than two times in a row.

Sessions of the Assembly are scheduled and presided either by the Chairman or Vice Chairman of the Assembly.

A Regular Assembly Session is held twice a year. The first Assembly Session is held no later than three months from submitting the balance sheet to the authorities, whilst the second one is held in the last quarter.

A Special Assembly Session can be scheduled at a request of the Managing Board or a written request of more than 25% of the total number of the Assembly members. An agenda proposal must be submitted. The Chairman or Vice Chairman of the Assembly schedules a Special Session no earlier than 10 and no later than 14 days from the day the Managing Board has received the decision or Assembly members requested it.

The only thing being discussed on Assembly Sessions is the issues about which the Assembly is to bring decisions.

The only thing being discussed on Special Assembly Sessions is the issues because of which Special Sessions have been scheduled in the first place.

The Assembly adopts the Rules of Procedure on Activities of the Assembly which regulate its activities more closely.

Article 7

LIST OF MEMBERS AND SESSION SCHEDULE

The Managing Board brings a decision about determining a list of RNIDS members which contains: a date for determining a list of members authorised to receive a notice about the Assembly Session in writing and require a Special Assembly Session to be scheduled, and vote for or against Amendments and Additions to the Rules of RNIDS, election of members of the Managing Board and other issues.

The day when the list of members is determined cannot precede the day when a Regular Session is held more than 60 days, i.e. it has to be less than 30 days before the day when a Regular Assembly Session takes place.

If the Managing Board fails to bring a decision on the day of determining the list of RNIDS members, that day will, in case of the Regular Annual Assembly Session, be the one when the first notice about scheduling the Assembly Session was proposed.

The day when the list of members is determined, in case of a Special Assembly Session, is the day when the first request is signed by members submitting it, i.e. the date when the Managing Board brings a decision about scheduling the Special Assembly Session.

The list of RNIDS members has to be submitted to the Assembly Mailing List no later than three days from the date when it is determined, thus maintaining the right to check it, as well as the possibility of raising objections to any irregularities in the list.

The Managing Board is obliged to submit a written reply to the Assembly Mailing List with regard to the objection within seven days from the day when the objection about the list of RNIDS members was raised.

Article 8

PROCEDURE FOR SCHEDULING REGULAR ASSEMBLY SESSION

A written notice of the Regular Assembly Session is sent to RNIDS members by mail, as well as to authorised representatives through the Assembly Mailing List 30 days before the day of the Regular Assembly Session at the latest.

RNIDS will also announce the information on scheduling the Assembly Session on its website.

The announcement of the Assembly Session contains: session date, time and venue, agenda proposal and all the materials essential for reaching decisions in accordance with the agenda.

Submitting announcements will be organised by the Chairman or Vice Chairman of the Assembly through RNIDS.

Within 15 days of the day of announcing announcements, Assembly members may submit the following to the Chairman or Vice Chairman of the Assembly:

- 1) additional materials essential for reaching decisions in accordance with a daily agenda;
- 2) clarified proposal on a daily agenda, with all additional materials.

The Chairman or Vice Chairman of the Assembly is obliged to submit all additional materials, i.e. a proposal of additions to the daily agenda from the previous Paragraph, to all authorised representatives through the Assembly Mailing List within seven days of the date of the Assembly Session at the latest.

Within four days of the date of the Assembly Session at the latest, Assembly members may submit additional materials essential for reaching decisions in accordance with a modified daily agenda to the Chairman or Vice Chairman of the Assembly.

The Chairman or Vice Chairman of the Assembly is obliged to submit all additional materials in terms of additions to the daily agenda to all authorised representatives through the Assembly Mailing List within three days of the date of the Assembly Session at the latest.

The Assembly Session will be dealing solely with the agenda which has been properly announced and incorporated in the daily agenda in accordance with this Article.

In terms of urgent issues essential for the operation of the Fund, the Assembly might also reach decisions on an e-Session. The e-Session is scheduled in accordance with the procedure for the Special Assembly Session.

Article 9

PROCEDURE FOR SCHEDULING SPECIAL ASSEMBLY SESSION

A written notice of the Special Assembly Session is sent to RNIDS members by mail, as well as to authorised representatives through the Assembly Mailing List within three days of reaching the decision on the part of the Managing Board, that is within three days of the day of submitting a written request by over 25% of the total number of Assembly members.

RNIDS will also announce the information on scheduling the Assembly Session on its website.

The announcement of the Special Assembly Session contains: session date, time and venue, agenda proposal and all the materials essential for reaching decisions in accordance with the agenda.

Submitting announcements will be organised by the Chairman or Vice Chairman of the Assembly through RNIDS.

Assembly members may submit additional materials essential for reaching decisions in accordance with the agenda to the Chairman or Vice Chairman of the Assembly within three days of the date of the Special Assembly Session at the latest.

Assembly members are also obliged to submit all additional materials essential for reaching decisions in accordance with the agenda and described in the previous Paragraph through the Assembly Mailing List.

Article 10

QUORUM AND MANNER OF VOTING

The simple majority of the total number of authorised representatives of RNIDS members eligible to vote for a particular issue makes the quorum for the Assembly Session.

If the Assembly Session is postponed due to a lack of quorum, it may be rescheduled with the same agenda no later than 15 days from the day of postponement (the Repeated Assembly Session). One third of the total number of members eligible to vote for a particular issue makes the quorum for the Repeated Assembly Session.

When quorum is not met at the Repeated Assembly Session or when it is not held within the envisaged deadline, a new Assembly Session will be scheduled and held.

If the Assembly Session is terminated due to any reason whatsoever, the Chairman or the Vice Chairman of the Assembly schedules a continuation of the interrupted session where the remaining topics of the existing agenda will be discussed, within the deadline specified in their decision and in accordance with rules applicable to the Regular Annual Assembly Session.

The voting at the Assembly Session is transparent, i.e. conducted by raising one's hand, as opposed to voting for the election of Chairman and Vice Chairman of the Assembly, as well as the members of the Managing Board, which is done secretly, by casting ballots.

Based on the votes of the majority of attendant members, the Assembly:

- 1) ratifies its strategy and the agenda of RNIDS;
- 2) ratifies a report on activities of the Managing Board;
- 3) ratifies a report on activities of the Director;
- 4) ratifies the Financial Plan and report of RNIDS;
- 5) makes decisions on the membership of RNIDS in local and international organisations;
- 6) ratifies, modifies and abolishes legal acts regulating the .rs domain registrations, as well as .rs domain-related disputes;
- 7) makes decisions on establishing working groups and departments;
- 8) makes decisions on dismissing members of the Managing Board;
- 9) makes decisions on appointing and dismissing the Chairman and Vice Chairman of the Assembly.

Based on the votes of more than two thirds of attendant members, the Assembly:

- 1) ratifies and modifies provisions of these Rules.
- 2) makes decisions on terminating the membership of RNIDS members.

Several joined legal entities, which are RNIDS members, are considered to be a single RNIDS member for voting purposes.

Bearing this in mind, the following Assembly members are considered to be joined legal entities:

- 1) The Assembly member with whom another Assembly member has a direct or indirect capital share above 10%.
- 2) The Assembly member with whom another Assembly member has the right to appoint the majority of members of the Managing Board or the Supervisory Board, either directly or based on a contract entered into with one or more other owners of the joined member of the Assembly which, apart from its voting rights, ensures it the majority required for appointing the majority of members of the Managing Board or the Supervisory Board of the joined member of the Assembly.

- 3) The Assembly member joined with another Assembly member so that there is a possibility of deterioration or enhancement of the financial status of a joined member of the Assembly due to deterioration or enhancement of the financial status of the Assembly member or vice versa, or the possibility of transferring losses, profit or creditworthiness from the Assembly member to a joined member of the Assembly or vice versa.

III MANAGING BOARD

Article 11

ASSEMBLY COMPOSITION, MANNER OF ELECTION AND FUNCTION TERMINATION

The Managing Board is the highest management body of RNIDS which handles the implementation of the aims determined in these Rules, as well as decisions of the Assembly.

The Managing Board has seven members in total, elected by the Assembly.

The Managing Board is appointed and formed in accordance with the strategic goal for the oncoming business period, and is composed to best ensure the development and successful operation of RNIDS.

Members of the Managing Board have to possess adequate knowledge, skills, expertise and relevant experience, along with moral and ethic standards. What needs to be taken into account during application for members of the Managing Board is: professional qualifications, experience, present engagements of the candidate, and whether they are experts in the fields closely related to those of RNIDS.

A potential candidate for a member of the Managing Board is anyone who has not in the past two years been employed by RNIDS, who has not paid to or received from RNIDS an amount exceeding 10,000 EUR in RSD counter value, who does not own more than 10% of stocks or is a shareholder, be it directly or indirectly, in the stock ownership of the legal entity which has paid to or received from RNIDS an amount exceeding 10,000 EUR in RSD counter value.

Limitations of the previous paragraph also apply to close family members of the suggested member of the Managing Board. In terms of this Article, 'close family members' are children, parents, siblings, foster parents and children of the suggested member of the Managing Board.

Limitations of the previous two Paragraphs are not applicable to turnovers based on domain registration.

The member of the Managing Board cannot apply for job vacancies within RNIDS. Members of the Managing Board are elected by cumulative voting. Cumulative voting is where every authorised representative of the RNIDS member eligible to vote is in possession of as many ballots as the number of members of the Managing Board to be elected. The member may choose to vote for a single candidate or a few of them without any limitations.

Candidates elected for members of the Managing Board are the ones who obtain the largest number of votes at the Assembly Session. In case two candidates acquire the same number of votes, the voting procedure is reconducted solely for them.

The function within the Managing Board may be terminated upon:

- 1) mandate termination;
- 2) notice given in writing to the Chairman of the Assembly;
- 3) notice of dismissal given by the Assembly;
- 4) death.

Article 12

APPLICATION PROCEDURE FOR MEMBERS OF THE MANAGING BOARD

The application procedure for members of the Managing Board commences on the day of scheduling the Assembly Session where members of the Managing Board are to be elected.

Candidates for members of the Managing Board are suggested by authorised proposers: the current Managing Board, Assembly members or the Appointment Board denominated by the Assembly.

Whoever has come of age, is the citizen of the Republic of Serbia, meets the demands from Article 11 of these Rules and is ready to contribute to the implementation of RNIDS aims is eligible to become the candidate for the member of the Managing Board.

The candidate for the member of the Managing Board does not have to be the Assembly member.

The authorised proposer submits an explanation for the candidacy to the Chairman or Vice Chairman of the Assembly. The candidacy consists of:

- a. An explanation of the proposer in writing;
- b. A short CV of the candidate;
- c. A written announcement of the candidate accepting the candidacy;
- d. A written announcement of the candidate stating to comply with the Rules of RNIDS, to work in the best interest on RNIDS as the member of the Managing Board, and to refrain from voting in conditions of an ongoing or potential conflict of interest;
- e. A written announcement of the candidate stating and explaining a potential conflict of interest.

The Chairman or Vice Chairman of the Assembly finalises the list of candidates for members of the Managing Board within seven days before the day of the Assembly Session at the latest, where members of the Managing Board are to be elected. The order of candidates on the list is in accordance with the order of candidacy applications.

In case of incomplete or irregular applications, the Chairman or Vice Chairman of the Assembly notifies proposers of application faults and submits proper application directions. The deadline for rearranging and resubmitting the application is three days from the day of

finalising the candidate list. Unless the application is submitted in a timely manner or the proposer adheres to the directions of the Chairman or Vice Chairman of the Assembly, the candidacy will be rejected altogether.

Upon finalising the candidate list, the Chairman or Vice Chairman of the Assembly submits the candidate list and all applications to Assembly members via email, i.e. through the Assembly Mailing List.

Article 13

ELECTION PROCEDURE FOR MEMBERS OF THE MANAGING BOARD

The election procedure for members of the Managing Board commences when all short- listed candidates who are present at the moment get the chance to shortly present themselves to Assembly members. This presentation is supposed to last up to five minutes.

Then, the Chairman or Vice Chairman of the Assembly starts a debate on choosing members for the three-member Appointment Board which is to handle the voting process itself, vote counting and finalising the candidate list.

Appointment Board members are elected by Assembly members among themselves. Appointment Board members cannot be members of the Managing Board, candidate proposers for members of the Managing Board and candidates themselves.

Upon appointing Appointment Board members, the Chairman or Vice Chairman of the Assembly announces the commencement of voting in accordance with Article 11 of these Rules.

Upon voting of all Assembly members, the Chairman or Vice Chairman of the Assembly sets a break, during which the Appointment Board counts the ballots.

Based on counted votes, the Appointment Board finalises the candidate list, starting with the candidate who obtained the largest number of votes to the one with the lowest number of votes.

The voting report is to be submitted to the Chairman or Vice Chairman of the Assembly.

Upon receipt of the candidate list and the voting report, the Chairman or Vice Chairman of the Assembly resumes the Assembly Session by presenting the voting report and candidate list to Assembly members.

If needed, the Chairman or Vice Chairman of the Assembly reorganises the voting procedure for candidates who acquired the same number of votes.

Article 14

MANDATE OF MEMBERS OF THE MANAGING BOARD

The mandate of each member of the Managing Board lasts two years.

Members of the Managing Board may be elected no more than two times in a row.

In case of mandate termination of any member of the Managing Board before the end of the mandate itself due to resignation or death, remaining members resume their work until the end of their mandate.

If three out of seven members of the Managing Board cease to do their duty due to resignation or death, it is considered that the mandate of all remaining members of the Managing Board has automatically come to an end, while the Chairman or Vice Chairman of the Assembly reach a decision on scheduling a Special Assembly Session in accordance with these Rules. Remaining members of the Managing Board continue to perform their duties until appointing new members.

Members of the Managing Board receive a refund for their work, which is determined by the Assembly based on the Managing Board proposal.

The refund for work to members of the Managing Board cannot exceed the average monthly salary in the Republic of Serbia.

Article 15

ACTIVITIES OF THE MANAGING BOARD

The Chairman and Vice Chairman of the Managing Board are elected by the Managing Board, among its members.

Candidates for the Chairman and Vice Chairman of the Managing Board do not vote when choosing people for the job title they have applied for.

The Managing Board can dismiss and elect a new Chairman and Vice Chairman at any time.

Upon electing two or more new members of the Managing Board, the Managing Board reelects the Chairman and Vice Chairman at the next session.

The Chairman and Vice Chairman of the Managing Board are not eligible to vote for or against their own dismissal.

The Chairman and Vice Chairman of the Managing Board schedules and presides Managing Board Sessions and is responsible for taking session minutes.

The Managing Board reaches valid decisions in the presence of more than half the total number of its members.

At least four members have to vote for a certain decision of the Managing Board in order for the decision to be valid.

The member of the Managing Board is obliged to perform their function in the Managing Board so as not to subordinate the interest of RNIDS to their private interest and cause a conflict of interest.

A conflict of interest exists when a private interest of the member of the Managing Board affects or could affect their impartiality when making decisions during their mandate in the Managing Board.

If the member of the Managing Board participates in a debate and decision making related to the issue where they or a joined legal entity have a private interest, they are obliged to make a statement, before their participation in the debate, on the existence of a private interest to other participants and refrain from decision making with regard to the subject matter.

Decisions of the Managing Board come into effect on the day of ratifying them.

Decisions of the Managing Board are immediately incorporated into the Book of Decisions which is available to the public.

Article 16

MINUTES FROM THE MANAGING BOARD SESSION

Minutes taken during Managing Board Sessions are adopted by the Managing Board at the next session or earlier, in accordance with the procedure specified in the Rules of Procedure on Activities of the Managing Board.

Minutes are signed by both the person presiding the Managing Board Session and the one taking minutes, who is designated at the beginning of each Managing Board Session and is not necessarily a member of the Managing Board. Minutes may also be electronically signed. They are created within five days from the day of the Managing Board Session at the latest, upon being adopted and made available to the public.

Minutes from the Managing Board Session contain: time and venue of the session; information on both attending and absent members; session agenda; topics discussed and voted for; results of all votes and decisions reached.

Besides minutes, audio recordings of Managing Board Sessions are also created. On demand of at least two members of the Managing Board, a session transcript is made based on the audio recording. The transcript can be created either for internal needs of the Managing Board or public announcements, as decided by the Managing Board.

Members of the Managing Board perform a certain scope of duties, determined by the Rules of Procedure on Activities of the Managing Board. A person responsible to fully control RNIDS finances is designated upon the decision of the Managing Board.

The Chairman or Vice Chairman is obliged to schedule the Managing Board Session upon a detailed written request of at least two members.

Members of the Managing Board can also vote electronically (by phone, an Internet service or otherwise) provided that not a single member of the Managing Board objects to it.

Article 17

SCOPE OF ACTIVITIES OF THE MANAGING BOARD

The Managing Board:

- 1) manages activities of RNIDS between two Assembly Sessions and brings decisions so as to fulfil aims of RNIDS;
- 2) ratifies legal acts on the operation of RNIDS over which the Assembly has no jurisdiction;;
- 3) controls the accuracy of financial reports and information;
- 4) ratifies the Financial Report for the previous business year which is to be submitted to the state authorities within the defined legal deadlines;
- 5) proposes the Financial Plan and submits the Financial Report, as well as the Auditor's Report to the Assembly;

- 6) gives its approval for procurements whose estimated value exceeds the amount determined in special legal acts of RNIDS;
- 7) determines the date when the list of Assembly members eligible to participate in the Assembly Session is finalised;
- 8) makes proposals to the Assembly for modifications of legal acts on the manner of operation of RNIDS which are under its jurisdiction;
- 9) appoints, supervises and dismisses the Director;
- 10) makes decisions on prices of services provided by RNIDS;
- 11) makes proposals to the Assembly for the strategy and agenda of RNIDS;
- 12) makes proposals to the Assembly for the membership or the membership termination of RNIDS in local and international organisations;
- 13) makes decisions on the participation of representatives of RNIDS at expert conventions;
- 14) makes decisions on other issues in accordance with regulations and legal acts of RNIDS.

IV DIRECTOR

Article 18 **DIRECTOR**

The Director is the executive body of RNIDS.

The Director is elected among several candidates by the Managing Board, upon terminating a public procedure.

The Director is dismissed by the Managing Board.

The Director is employed at RNIDS, on a full-time basis. Professional engagement of the Director is linked to the mandate and ceases after the termination of their mandate or the dismissal or resignation of the Director.

The mandate of the Director lasts 4 years.

The Director cannot be an authorised representative, employee or owner of more than 10% of the share in a legal entity that is a member of either RNIDS or a registrar; a member of the Managing Board; or the direct or indirect owner of more than 10% of shares in the legal entity that paid to or received from RNIDS an amount exceeding 10,000 EUR in RSD counter value over the last two years.

Limitations of the previous paragraph also apply to close family members of the Director. In terms of this Article, 'close family members' are children, parents, siblings, foster parents and children of the Director.

The Director:

1. Brings decisions on current business policy of RNIDS;
2. Determines business organisation and systematisation of work positions in RNIDS;
3. Conducts a procedure for new staff employment, by announcing vacancies publicly for each position;
4. Determines incomes of employees within the income fund defined in the Financial Plan ratified by the Assembly;

5. Brings plans for vocational qualifications and advancement of staff;
6. Takes care of maintaining solvency and liquidity of RNIDS and undertakes measures to ensure them;
7. Prepares the Financial Report and Plan for the Managing Board, as well as proposals of other decisions for the Managing Board;
8. Executes decisions of the Assembly and the Managing Board;
9. Performs activities from the scope of activities of and entrusted by the Managing Board;
10. Represents and acts on behalf of RNIDS in the employer;
11. Actively works on increasing the number of RNIDS members;
12. Organises promotional and other activities related to legal turnover, and thus has rights and obligations of a financial public relations, for the sake of achieving and maintaining a good reputation of RNIDS;
13. Brings decisions on other issues in accordance with regulations and legal acts of RNIDS.

The Director is responsible to the Managing Board, to which they submit a report on their activities, including the Financial Report once in three months.

The Director submits a report on their activities at the Regular Assembly Session.

The Director attends sessions of the Managing Board but is not eligible to vote.

V FINANCES

Article 19

FUND ASSETS AND FINANCING

Regular financing of operations of RNIDS carried out on assets from renting the ccTLD domain, membership fees of RNIDS members and other services provided by RNIDS.

RNIDS can obtain financial assets through contributions of its members, donations, presents, public and designated donations or from other sources in accordance with the law.

RNIDS can be financed by loans of RNIDS members.

Any profit RNIDS earns is used for enhancing activities of RNIDS and cannot be distributed to its founders and members.

Article 20

FINANCIAL REPORTING AND MONITORING

RNIDS is obliged to keep a ledger in accordance with the current regulations of the Republic of Serbia. RNIDS creates and presents financial reports for each calendar year enclosed by 31st December of the current year, while periodic reports are created when needed and at requests of the Assembly or the Managing Board. RNIDS creates financial reports in accordance with

the law which regulates accountancy and auditing, as well as international accounting standards.

An audit of financial statements is performed in the way defined by the law which regulates a financial audit and international auditing standards. The audit is carried out by an independent, authorised auditing company, which has a work permit issued by the authorities of the Republic of Serbia.

The Managing Board chooses an auditing company on the basis of previously conducted procedures for collecting offers from companies which fulfil the criteria from the previous Paragraph. When choosing an auditing company, the Managing Board will consider, inter alia, the following criteria: periods of time required for accomplishing tasks, additional consultancy services, charges, qualifications of team members and so on.

For the sake of international cooperation with similar organisations and international associations, the Managing Board can request financial reports or the Auditing Report to be submitted in the English language, as well.

The Managing Board submits financial reports to the Assembly of RNIDS for verification and publishes them on the website of RNIDS.

VI OTHER PROVISIONS

Article 21

COOPERATION WITH OTHER ORGANISATIONS

For the sake of fulfilling its aims, RNIDS can establish cooperation with other organisations.

At a proposal of the Managing Board, the Assembly makes decisions on enclosing the Cooperation Agreement, as well as decisions on joining and withdrawal from the membership in local and international organisations.

The Managing Board brings decisions about people who will represent RNIDS in cooperation processes with other organisations.

Article 22

TRANSPARENCY OF WORK

In accordance with the Law and these Rules, traditional manners of operation of similar organisations in the world, as well as recommendations of the current Internet standards and relevant international institutions, assuring transparency of work and participation of the local Internet community in the development process is a permanent obligation of RNIDS.

Transparency of work is enabled through publishing working and final documents on the website of RNIDS and holding public meetings in accordance with the Law.

In doing so, it is particularly envisioned that:

- 1) All documents relevant for the operation of RNIDS, along with rules of the operation of RNIDS (including Rules of RNIDS, rule books of RNIDS, a list of domain registrars, a list of booked domains and so on) are made public;
- 2) Information on registered domain names is published through a public WHOIS service, in accordance with the Rule Book on Assigning Domain Names;
- 3) The basic data of all Assembly members, members of the Managing Board and employees of RNIDS is made public;
- 4) Decisions from all sessions of the Assembly and the Managing Board are made public;
- 5) Discussion lists for all Assembly members are maintained (with publicly available archives);
- 6) The Financial Plan, financial reports, text of contracts and so on are made public;
- 7) All disputes related to domain name and decisions are made public, in accordance with a common practice for preparing and publishing court decisions;
- 8) Results of monitoring the development of the local Internet (within responsibilities of RNIDS) are made public.

In its operation, RNIDS is obliged to comply with provisions of the Law on Personal Data Protection and Personal Records Protection.

Article 23

STAMP

RNIDS has a round stamp with the inscription: "Serbian National Register of Internet Domain Names" in both Serbian and English.

The abbreviation of the organisation, RNIDS, is placed at the central part of the stamp and the registered address in its bottom part.

Article 24

TERMINATION OF ACTIVITIES

The decision on terminating activities of RNIDS is brought by the Assembly, based on the votes of at least two thirds of the total number of members.

In case of terminating its activities, RNIDS is obliged to first enable conditions necessary for the continuation of the stable and reliable operation of the basic Internet services in the territory of Serbia, so that the termination of activities of RNIDS has no negative effects on the operation of the local part of the Internet.

In case RNIDS terminates its activities, the Assembly will select a charity organisation to which remaining property of RNIDS will be transferred.

Article 25

RULES COMING INTO EFFECT

These Rules become effective on the day when the Assembly of RNIDS ratifies them.

Article 26

SEVERABILITY AND INTERPRETATION

If any provision of these Rules comes into collision with laws or secondary legislation acts, is declared inapplicable or void, other provisions and the Entire Rules remain in effect. The Assembly of RNIDS is solely in charge of interpreting these Rules.

Article 27

TRANSITIONAL PROVISIONS

Members of the Managing Board who hold their mandate at the moment when these Rules are ratified will continue to perform their function until the mandate termination.

The Rule Book on Electing Members of the Managing Board dated 7th December 2008 is abolished.

At the moment these Rules come into effect, Fund Rules of RNIDS ratified on 8th July 2006, as well as all Amendments and Additions to these Rules enclosed by 7th December 2008, become invalid.

Article 28

DEFINITION OF TERMS

Certain terms used in this document have the following meaning:

"The Internet" is a global communication system made up of a large number of connected autonomous systems (networks) which exchange data using a common collection of communication protocols (TCP/IP).

"An IP number" is a numerical identification, defined within an IP protocol which, being unique, enables addressing devices connected to the Internet.

"The Internet domain" is a textual label which connects a number of computers, devices and services on the Internet into a unique administrative and technical entity. Each domain on the Internet has a globally unique name. A domain name is made up of a series of alphanumerical segments, separated from each other by dots (for instance, www.icann.org).

"Domain Name System or DNS" is the basic Internet service which enables translating Internet domain names into IP numbers and vice versa.

"A DNS server" is a device permanently connected to the Internet which, at user request, translates domain names into IP numbers and vice versa.

"The Internet Corporation for Assigned Names and Numbers, ICANN" is the organisation which regulates and manages the DNS system development and allocation of the IP address space at a global level.

"The country code Top-Level Domain, ccTLD" is the domain name linked to the international two-letter label of a country, determined by ICANN in accordance with ISO-3166-2 list.

"The country code Top-Level Domain Registry, ccTLD Registry" is a database of domain names registered within the ccTLD.

"The ccTLD Registry Operator" is the organisation, appointed by ICANN, which manages the country code Top-Level Domain Registry.

"The Registrar" is a legal entity or entrepreneur that, on the basis of a contract with the ccTLD Registry Operator, is responsible for performing activities related to the registration of domain names at request of end users.

"The WHOIS base" is a publicly available database of users of domain names registered within the ccTLD Registry.

"The local Internet community" is made up of all legal entities and physical persons operating in the field of the Internet or using Internet services in the territory of Serbia.

In Belgrade,
18th December 2010

Chairman of the Assembly
Snežana Božić