

Pursuant to the Law on Endowments and Foundations (Official Gazette of the Republic of Serbia, no. 88/2010) and the Agreement on the Founding of the Serbian National Register of Internet Domain Names Fund of 18th December 2006, no. I/1 certified 502/2007, the Conference of Co-founders of the Foundation, at its session held 28th May 2011 in Belgrade, adopts the following

STATUTE

of the Foundation "Register of National Internet Domain Names of Serbia"

I. GENERAL PROVISIONS

Article 1

NAME AND REGISTERED OFFICE

The name of the foundation is: Fondacija "Registar nacionalnog internet domena Srbije", abbreviated to RNIDS (hereinafter: RNIDS).

The name of RNIDS in the English language is: Foundation "Register of National Internet Domain Names of Serbia".

The registered office of RNIDS is in Belgrade.

Article 2

DEFINITION AND OBJECTIVE

RNIDS is a professional, nonpartisan, non-governmental, not-for-profit organisation established as a foundation.

The primary objective of RNIDS is to organise the management of the Country Code Top-Level Domain (hereinafter: ccTLD) in a way that serves the general interests of all Serbian citizens, whilst adhering to the principles of quality, efficiency, independence and transparency.

Additional objectives of RNIDS are:

- 1) Increasing the number of RNIDS co-founders and involving the wider community in its work;
- 2) Promoting the Internet as a public resource available to all citizens;
- 3) Increasing Internet content in Serbian and the languages of national minorities.

Article 3

ACTIVITIES

In order to pursue its objectives, RNIDS engages in the following primary activities:

- 1) Technical and administrative management of the Central Domain Registry within the framework of the national top-level domain delegated by ICANN to the state of Serbia;
- 2) Maintaining the main DNS server for the ccTLD;
- 3) Managing the publicly accessible WHOIS server for the country code top-level domains;
- 4) Establishing principles and procedures for the operation of accredited registrars;
- 5) Collecting and publishing information on the growth of the national sphere of the Internet (within its purview and in accordance with RNIDS objectives);

- 6) Developing and promoting rules for working with accredited registrars in line with best practice, while calling on the experiences of other national registers;
- 7) Assisting in the resolution of disputes concerning the assigning of domain names;
- 8) Cooperating with similar regional and international organisations;
- 9) Promoting the national domain names.

RNIDS is additionally engaged in the following activities:

- 1) Organising professional consultations, public debates and other conferences;
- 2) Providing support to accredited registrars within the country code top-level domain;
- 3) Cooperating with other local and international organisations in accordance with the objectives and purview of RNIDS;
- 4) Other activities in accordance with RNIDS objectives.

Article 4 JOINING RNIDS

RNIDS can be joined by all interested parties that are registered in the relevant registers of legal entities and sole traders of the Republic of Serbia. Those parties joining RNIDS comprise the Co-founders of the Foundation.

The decision on membership of RNIDS by interested parties in the capacity of Co-founders is taken by the Board of Governors. The Membership Agreement is signed by the Director, based on the decision, with rationale, of the Board of Governors, and by the party joining RNIDS in the capacity of co-founder. Signatures to the Membership Agreement must be notarised in accordance with the law.

The Membership Agreement is submitted to the body in charge of entry into and maintenance of the register in order for the details of the party joining in the capacity of co-founder to be entered into the register.

Besides signing the Membership Agreement, in order for parties as per paragraph 1 of this article to gain the status of co-founder, they must make payment of enrollment charges and annual fees to the amount specified by decision of the RNIDS Board of Governors. Annual fees may be paid for a period of one to ten years.

The annual fee is payable for a minimum of one and a maximum of ten years in advance and is valid for one or more years from the day of payment, or from the day of the expiry of the previous annual fee in the event that the new annual fee is paid prior to expiry of the old.

Each RNIDS co-founder must appoint a person (hereinafter: authorised representative) who will participate in the work of the RNIDS Conference of Co-founders on their behalf. RNIDS co-founders do not in their first year of membership have the right to vote on amendments and additions to the RNIDS Statute or on the election or dismissal of members of the RNIDS Board of Governors.

The status of RNIDS co-founder may only be annulled on the grounds of:

- 1) a written statement submitted by the co-founder of his or her withdrawal from RNIDS;
- 2) a violation of the Membership Agreement;
- 3) failure to comply with the provisions of this Statute;
- 4) the decision of the Conference of Co-founders;
- 5) failure to renew annual membership fees within the permitted timeframe.

The Conference of Co-founders approves revocation of the status of co-founder on grounds 1 to 4 at its first subsequent session, except in the event that cessation of membership has come about by decision of the Conference of Co-founders, in which case membership shall

be deemed to have ceased at the moment of the taking of the decision by the Conference of Co-founders. Revocation of status of co-founder as per point 5 is approved by the Board of Governors pursuant to this statute.

In the event that the RNIDS co-founder renews their annual fees within one month of the expiry of the previous year's annual fees, a loss of continuity shall not be deemed to have taken place, but the co-founder will not have the right to vote on amendments and additions to the RNIDS Statute or the election and dismissal of members of the RNIDS Board of Governors if they have not renewed their annual fee prior to the day that the list of co-founders is finalised pursuant to Article 7 of this Statute.

Article 5

RNIDS CORPORATE STRUCTURE

The corporate structure of RNIDS is comprised of the Conference of Co-founders, the Board of Governors and the Director.

The Conference of Co-founders and the Board of Governors can, as required, form working groups and departments.

II CONFERENCE OF CO-FOUNDERS

Article 6

CONFERENCE OF CO-FOUNDERS

The Conference of Co-founders is a body of RNIDS comprised of authorised representatives of all the co-founders. The co-founders participate in the work of RNIDS, provide inspection and supervision and pursue other rights in accordance with the Statute through the Conference of Co-founders.

The Conference of Co-founders elects a Chair and a Deputy Chair of the Conference of Co-founders from among its own number for a period of two years. These positions cannot be held simultaneously with those of member of the Board of Governors or Director.

The Chair and the Deputy Chair of the Conference of Co-founders may be elected no more than twice consecutively.

Sessions of the Conference of Co-founders are convened and presided over by the Chair, or in the event of his inability to do so the role of Chair is conducted by the Deputy Chair of the Conference of Co-founders.

A regular session of the Conference of Co-Founders is convened twice annually, the first no later than three months after submission of final accounts to the relevant authority, the second in the last quarter of the year.

Extraordinary sessions of the Conference of Co-founders may be convened at the request of the Board of Governors or at the written request of more than 25% of the total number of co-founders, and this request must be accompanied by a proposed agenda. An extraordinary session must be convened by the Chair of the Conference of Co-founders no earlier than 10 and no later than 14 days from the day of receipt of the decision of the Board of Governors or the request by the authorised representatives of the co-founders.

At the session of the Conference of Co-founders, only those matters shall be debated regarding which it is necessary for the Conference of Co-founders to take a decision.

At the extraordinary session of the Conference of Co-founders, only those matters shall be debated for which the extraordinary session was called.

The Conference of Co-founders adopts Rules of Procedure for the Conference of Co-founders, which govern its operation in more detail.

Article 7

LIST OF CO-FOUNDERS AND DATE OF SCHEDULING OF THE CONFERENCE OF CO-FOUNDERS

The Board of Governors takes the decision on the finalising of the list of RNIDS co-founders, which comprises: the date for finalising the list of co-founders who are authorised to receive written notification of a session of the Conference of Co-founders and to request the convocation of an extraordinary session of the Conference of Co-founders, to vote on amendments and additions to the RNIDS Statute and on the election of members to the Board of Governors and to vote on other matters.

The day of finalisation of the list of co-founders may not be a day preceding the day of a regular session of the Conference of Co-founders by more than 60 days or less than 30 days before the day of the convocation of a regular session of the Conference of Co-founders. Should the Board of Governors omit to decide on a day of finalisation of the list of RNIDS co-founders, that day shall, in the case of a regular session of the Conference of Co-founders, be the day on which first notification of the convocation of a session of the Conference of Co-founders was given.

In the event of an extraordinary session of the Conference of Co-founders, the day of finalisation of the list of co-founders shall be the day on which the first request was signed and dated by the co-founders who submitted it, or the date of the decision of the Board of Governors on the convocation of an extraordinary session of the Conference of Co-founders.

The list of RNIDS co-founders must be delivered to the email list of the Conference of Co-founders at the latest three days from the day of its finalisation in order for the right of inspection to be exercised and the opportunity for any irregularities in the list to be disputed.

The Board of Governors must, within seven days of a dispute being lodged regarding the list of RNIDS co-founders, supply a written response to the dispute to the email list of the Conference of Co-founders.

Article 8

PROCEDURE FOR CALLING A REGULAR SESSION OF THE CONFERENCE OF CO-FOUNDERS

Written notification of the convocation of a regular session of the Conference of Co-founders shall be sent to the RNIDS co-founders by post and to authorised representatives via the email list of the Conference of Co-founders at the latest 30 days before the day of the scheduled regular session of the Conference of Co-founders.

RNIDS shall publish information on the convocation of a regular session of the Conference of Co-founders on its web site.

The notification of the convocation of a session of the Conference of Co-founders shall comprise: the date, time and location of the session; a proposed agenda; all materials of significance for decision-making according to the points on the proposed agenda.

Delivery of notification is organised by the Chair of the Conference of Co-founders through the RNIDS office.

Members of the Conference of Co-founders may, within a time-span of 15 days from the day of publication of notification, supply the following to the Conference of Co-founders Chair:

- 1) additional materials of significance for decision-making according to the

points on the proposed agenda;

2) a proposal, with rationale, for an addition to the agenda, with all accompanying materials.

The Chair of the Conference of Co-founders must, seven days before the date of the scheduled session of the Conference of Co-founders, deliver to all authorised representatives via the email list of the Conference of Co-founders all additional materials and/or proposals for additions to the agenda as per the preceding paragraph in this article.

Members of the Conference of Co-founders may, four days before the scheduled session of the Conference of Co-founders at the latest, deliver to the Chair of the Conference of Co-founders additional materials of significance for decision-making according to the additional points on the agenda.

The Chair of the Conference of Co-founders must deliver all supplementary materials relating to additional points on the agenda to all members via the email list of the Conference of Co-founders at the latest three days before the scheduled date of the Conference of Co-founders.

At the session of the Conference of Co-founders, only those points on the agenda may be decided on which have been properly published and included in the agenda in accordance with this article.

Article 9

PROCEDURE FOR CALLING AN EXTRAORDINARY SESSION OF THE CONFERENCE OF CO-FOUNDERS

Written notification of the scheduling of an extraordinary session of the Conference of Co-founders shall be sent to the RNIDS co-founders by post and to authorised representatives via the email list of the Conference of Co-founders within three days of the decision of the Board of Governors, or within three days of submission of a written request by more than 25% of the total membership of the co-founders.

RNIDS shall also publish information on the calling of an extraordinary session of the Conference of Co-founders on its web site.

Notification regarding an extraordinary session of the Conference of Co-founders shall comprise: the date, time and location of the session; a proposed agenda for the session; all materials of significance for decision-making according to the points on the proposed agenda.

Delivery of notification is organised by the Chair of the Conference of Co-founders through the RNIDS office.

Members of the Conference of Co-founders may, three days before the scheduled date of the extraordinary session of the Conference of Co-founders at the latest, deliver to the Chair of the Conference of Co-founders supplementary materials of significance for decision-making according to the points on the agenda.

Members of the Conference of Co-founders, when supplying supplementary materials of significance for decision-making according to the points on the agenda as per the preceding paragraph, must also deliver them to the email list of the Conference of Co-founders.

Urgent matters of significance for the work of RNIDS can be decided on by the Conference of Co-founders in online session too, excluding amendments and additions to the RNIDS Statute, the election and dismissal of members of the RNIDS Board of Governors and the election and dismissal of the Chair and Deputy Chair of the Conference of Co-founders. Online sessions are convened according to the procedure for extraordinary sessions of the Conference of Co-founders.

Article 10
QUORUM AND VOTING SYSTEM

A quorum for a session of the Conference of Co-founders is met by a simple majority of the total number of authorised representatives of the RNIDS co-founders with the right to vote on the issue at hand.

Should the session of the Conference of Co-founders be postponed due to lack of quorum, it may be re-convened with the same agenda at the latest 15 days from the day of its postponement, as a repeated session of the Conference of Co-founders. A quorum for a session of the Conference of Co-founders is met by a one third of the total number of authorised representatives of the co-founders with the right to vote on the issue at hand.

If at the repeated session of the Conference of Co-founders the quorum is not met or it is not held in the required timeframe, a new session of the Conference of Co-founders is convened and held.

If a session of the Conference of Co-founders is interrupted for any reason, the Chair of the Conference of Co-founders convenes a continuation of the interrupted session for the remaining points of the established agenda within a timeframe he or she shall determine, according to the rules applicable to a regular session of the Conference of Co-founders.

Voting at a session of the Conference of Co-founders is public, by raised hand or raised voting paddle, except for voting for the position of Chair and Deputy Chair of the Conference of Co-founders and member of the Board of Governors, which is done by secret ballot, using voting slips.

By majority vote of members present, the Conference of Co-founders:

- 1) approves the RNIDS Strategy, Plan and Programme of Operations;
- 2) approves the Report on the work of the Board of Governors;
- 3) approves the Report on the work of the Director;
- 4) approves the Financial Plan and the Final Accounts;
- 5) approves the Independent Auditor's report;
- 6) decides on the membership of RNIDS in local and international organisations;
- 7) approves, amends and revokes regulatory enactments governing the registration of the national domains, as well as disputes concerning the national domains;
- 8) decides on the formation of working groups and departments;
- 9) decides on the dismissal of members of the Board of Governors;
- 10) decides on the election and dismissal of the Chair and Deputy Chair of the Conference of Co-founders.

By vote of more than two thirds of members present, the Conference of Co-founders:

- 1) approves, amends and supplements the provisions of this Statute;
- 2) decides on the revocation of status of RNIDS co-founder.

Multiple connected parties who are RNIDS co-founders are for the purposes of voting considered one single RNIDS co-founder and when voting have only one vote.

Connected parties in this sense are considered to be:

- 1) a co-founder of RNIDS in whom another co-founder of RNIDS has direct or indirect share capital exceeding 10%;
- 2) a co-founder of RNIDS in whom another co-founder of RNIDS has the right to appoint the majority of members of the governing or supervisory board, whether directly, or on the basis of a contract concluded with one or more other owners of the connected co-founder of RNIDS who, together with his or her voting rights, provides him or her with the necessary majority to appoint a majority of members

of the governing or supervisory board of the connected co-founder of RNIDS;
3) a co-founder of RNIDS who is connected to another co-founder of RNIDS such that there is the possibility, in the event of a worsening or improvement of the financial position of the RNIDS co-founder, that there will be a worsening or improvement in the financial position of the connected RNIDS co-founder, or vice-versa, or there is the possibility of transfer of losses, profits or creditworthiness from the RNIDS co-founder to the connected RNIDS co-founder or vice-versa.

III BOARD OF GOVERNORS

Article 11

COMPOSITION, MODE OF ELECTION AND CESSATION OF FUNCTION

The Board of Governors is the highest level of management of RNIDS, whose task it is to implement the objectives of RNIDS as established by this Statute and the decisions of the Conference of Co-Founders.

The RNIDS Board of Governors has a total of seven members, elected by the Conference of Co-founders.

The Board of Governors is elected and formed according to the strategic objective laid down for the forthcoming business period and of members who will act in the best interests of ensuring the development and successful operations of RNIDS.

The members of the Board of Governors must possess knowledge, abilities, expertise and experience and have high moral and ethical standards. When nominating candidates as members of the Board of Governors, the following should be taken into consideration: professional qualifications, experience and the tasks in which the proposed candidate is currently engaged, as well as whether the proposed candidate is an expert in areas closely related to the activities of RNIDS.

Those persons may be elected to the Board of Governors who in the last two years: have not been employed by RNIDS; have not paid to RNIDS or received from RNIDS an amount greater than the dinar equivalent of 10,000 Euros; does not own more than 10% of shares or capital, directly or indirectly in a party that has paid to or received from RNIDS an amount greater than the dinar equivalent of 10,000 Euros.

The limitation in the preceding paragraph also applies to close family members of the nominee for election to the Board of Governors. Close family members, in the definition of this article, refers to children, spouse, parents, brothers, sisters, adopted children or adopted parents of the nominee for election to the Board of Governors.

The limitations as per the preceding two paragraphs do not apply to payments relating to registration of domains.

A member of the Board of Governors may not apply for vacancies in RNIDS.

Members of the Board of Governors are elected by a cumulative vote. Cumulative voting means voting in which each authorised representative of a RNIDS co-founder with the right to vote has a number of ballot papers equal to the number of nominees for election to the Board of Governors. The authorised representatives may give all of those votes (ballot papers) to one candidate or distribute them without limitation to multiple candidates.

Those candidates shall be elected as members of the Board of Governors who receive the greatest number of votes at the session of the Conference of Co-founders.

If the two chosen candidates from the end of the list should receive the same number of votes, voting shall be repeated just for those two candidates.

A position on the Board of Governors may cease on the following grounds:

- 1) expiry of the term of office;
- 2) tender of written resignation to the Chair of the Conference of Co-founders;
- 3) dismissal by the Conference of Co-founders;
- 4) loss of ability to perform duties;
- 5) death.

Article 12

PROCEDURE FOR CANDIDACY AS A MEMBER OF THE BOARD OF GOVERNORS

The process of election of members of the Board of Governors begins on the day of scheduling of the session of the Conference of Co-founders at which the members of the Board of Governors are to be elected.

Candidates for membership of the Board of Governors are proposed by authorised proposers: the existing Board of Governors, representatives of the co-founders or an Appointment Committee appointed by the Conference of Co-founders.

Candidacy for membership of the Board of Governors is open to all adults with citizenship of the Republic of Serbia who fulfil the conditions in Article 11 of this Statute and who are prepared to contribute to the pursuance of the objectives of RNIDS.

A candidate for membership of the Board of Governors may not be an authorised representative of the co-founder in the Conference of Co-founders.

The authorised proposer shall submit a candidacy, with rationale, to the Chair of the Conference of Co-founders. The candidacy must comprise:

- a. A written rationale by the proposer,
- b. A short biography of the candidate,
- c. A written statement of acceptance of the candidacy by the candidate,
- d. A written statement by the candidate that he/she will respect the Statute of RNIDS, that in the position of member of the Board of Governors he/she will work exclusively in the interest of RNIDS and that he/she will refrain from voting where there is a real or potential conflict of interest;
- h. A completed statement of the existence of a potential conflict of interest, the form of which shall be approved by the Conference of Co-founders (Attachment 1).

The Chair of the Conference of Co-founders finalises the list of candidates for membership of the Board of Governors at the latest seven days before the scheduled session of the Conference of Co-founders at which the members of the Board of Governors are to be elected. The order of candidates in the list corresponds to the order of the submission of their candidacy.

In the event that a candidacy is incomplete or incorrect, the Chair of the Conference of Co-founders shall inform the proposers of the shortcomings of the candidacy and supply instructions according to which the candidacy should be put in order. The deadline for putting in order and resubmitting a candidacy is three days from the day of the finalisation of the list of candidates, and in the event that the candidacy is not submitted or the proposer does not take steps according to the instructions of the Chair of the Conference of Co-founders, the candidacy will by decision of the Conference of Co-founders be rejected.

Immediately after conclusion of the list of candidates, the Chair of the Conference of Co-founders shall deliver the list and all candidacies to the Conference of Co-founders in electronic form, via the email list of the Conference of Co-founders.

Article 13

PROCEDURE FOR ELECTION OF MEMBERS OF THE BOARD OF GOVERNORS

The process of election of members of the Board of Governors at the session of the Conference of Co-founders begins by each candidate from the finalised list who is present being given up to five minutes to present him- or herself to the Conference of Co-founders.

After the candidates' presentations, the Chair of the Conference of Co-founders opens a debate regarding the election of members of the three-member Electoral Committee which will take care of matters relating specifically to the implementation of voting, the counting of votes and the determination of the final rankings of the candidates.

Members of the Ballot Committee are chosen by the authorised representatives of the co-founders from among their own number. Members of the Ballot Committee may not be members of the Board of Governors, proposers of candidates for membership of the Board of Governors or candidates themselves.

After election of the members of the Ballot Committee, the Chair of the Conference of Co-founders opens voting in accordance with Article 11 of this Statute.

After the voting, the Chair of the Conference of Co-founders calls a recess, during which the Ballot Committee totals the number of votes received by each candidate.

Based on the number of totalled votes, the Ballot Committee determines the list of candidate rankings in descending order, beginning with the candidate who received the most votes, down to the candidate who received the least number of votes.

A Ballot Report is submitted to the Chair of the Conference of Co-founders.

Upon receipt of the list of candidate rankings and the Ballot Report, the Chair of the Conference of Co-founders reconvenes the session and presents the Ballot Report and the list of candidate rankings to the Conference of Co-founders.

Should it be necessary, the Chair of the Conference of Co-founders shall organise a rebalot for candidates who received the same number of votes and are at the bottom of the list of candidates elected to the Board of Governors.

Article 14

TERM OF OFFICE OF MEMBERS OF THE BOARD OF GOVERNORS

The term of office of each member of the Board of Governors is two years in duration.

Members of the Board of Governors may not be elected more than twice consecutively.

In the event that the office of a member of the Board of Governors ceases before expiry of his or her mandate as a result of their resignation, loss of ability to perform their duties or death, the remaining members continue in their work until the expiry of their mandate.

In the event that three of the seven members of the Board of Governors cease to conduct their duties due to resignation, loss of ability to perform their duties or death, the term of office of all the other members of the Board of Governors shall be deemed to have ceased and the Chair of the Conference of Co-founders shall convene an extraordinary session of the Conference of Co-founders in accordance with this Statute, with the remaining members of the Board of Governors continuing to conduct their duties until the election of the new members.

Members of the Board of Governors are remunerated for their work, to an amount determined by the Conference of Co-founders at the proposal of the Board of Governors.

Remuneration for members of the Board of Governors may not exceed the average wage in the Republic of Serbia as published by the relevant authority.

Article 15

MODE OF OPERATION OF THE BOARD OF GOVERNORS

The Chair and Deputy Chair of the Board of Governors are elected by the Board of Governors from among its own number.

Candidates for Chair and Deputy Chair of the Board of Governors do not vote in elections for the post for which they have been proposed.

The Board of Governors may dismiss and elect a new Chair and Deputy Chair at any time.

After election of new members to the Board of Governors, at its first subsequent session, the Board of Governors carries out reelection of its Chair and Deputy Chair.

The Chair and Deputy Chair of the Board of Governors do not vote in decision-making for their own dismissal.

The Chair or Deputy Chair of the Board of Governors calls and presides over sessions of the Board of Governors and is responsible for keeping the minutes of sessions.

The Board of Governors takes binding decisions with a quorum of more than half of its total members.

For a decision of the Board of Governors to be binding it must have votes from a minimum of four members.

The Chair or Deputy Chair must convene a session of the Board of Governors on the written request, with rationale, of at least two members.

Members of the Board of Governors may also vote by electronic means (by telephone, an Internet service or some other means) as long as no member of the Board of Governors objects to this.

Decisions of the Board of Governors come into effect on the day they are passed.

Decisions of the Board of Governors are entered without delay into the Book of Decisions, which is publicly available.

Article 16

MINUTES FROM THE SESSION OF THE BOARD OF GOVERNORS

At sessions of the Board of Governors, minutes are kept which the Board of Governors approves at the first subsequent session, or before, in accordance with the procedure from the Rules of Procedure of the Board of Governors.

The minutes are signed by the person that chaired the session of the Board of Governors and the keeper of the minutes, who is appointed at the beginning of each session of the Board of Governors and who need not be a member of the Board of Governors. The minutes may also be signed by electronic signature. The minutes are compiled at the latest within five days after the session of the Board of Governors, and once approved are made public.

The minutes from the session of the Board of Governors comprise: the time and place the session was held; information on members attending the session and absent members; the agenda of the session; the matters which were considered and voted on, the result of each vote and the decisions which were taken.

Besides the minutes, audio recordings of sessions of the Board of Governors are also made. At the request of at least two members of the Board of Governors, a transcript of the session may be produced from the audio recording. A transcript can be produced for the internal use of the Board of Governors or to be made public, as the Board of Governors may decide.

Article 17
PURVIEW OF THE BOARD OF GOVERNORS

The Board of Governors:

- 1) manages the operation of RNIDS between two sessions of the Conference of Co-founders and takes decisions aimed at pursuing the objectives of RNIDS;
- 2) decides on other parties' membership of RNIDS in the capacity of co-founder and the revocation of status of co-founder in the event of non-renewal of annual fees;
- 3) makes enactments relating to the functioning of RNIDS which are not in the purview of the Conference of Co-founders;
- 4) approves the Financial Plan and Final Accounts for the preceding business year for the purposes of their submission to the relevant state authorities within the legally-prescribed deadlines;
- 5) inspects financial reports and information for accuracy;
- 6) submits for approval the Financial Plan and Financial Report, as well as the independent auditor's report to the Conference of Co-founders;
- 7) gives approval for procurements the estimated value of which exceeds the amount established by specific RNIDS enactments;
- 8) determines the date on which the list of Co-Founders with the right to participate in the Conference of Co-Founders is finalised;
- 9) proposes to the Conference of Co-founders changes to enactments that come under its purview concerning the way RNIDS operates;
- 10) appoints, supervises and dismisses the director;
- 11) concerns itself with the public transparency of operations;
- 12) takes decisions on the pricing of RNIDS services;
- 13) proposes the RNIDS Strategy, Plan and Programme of Operations to the Conference of Co-founders;
- 14) proposes to the Conference of Co-founders membership or cessation of membership of RNIDS in local or international organisations;;
- 15) decides on the participation of RNIDS representatives in professional gatherings;
- 16) takes decisions on other matters in accordance with law and the enactments of RNIDS.

IV DIRECTOR

Article 18
DIRECTOR

The director is the executive officer of RNIDS.

The director is appointed by the Board of Governors, from among multiple candidates, after a public application process.

Candidates for the post of director must supply a completed statement of the existence of a potential conflict of interest, the form of which shall be approved by the Conference of Co-founders (Attachment 1).

The director is dismissed by the Board of Governors.

The director is employed by RNIDS on a full-time basis The employment of the director is tied to his or her term of office and ceases upon expiry of the term of office, dismissal or

resignation.

The term of office of the director lasts four years.

The director may not be an authorised representative of a co-founder, an employee, or owner of a stake exceeding 10% in a party that is a co-founder of RNIDS or an accredited registrar; a member of the Board of Governors; the owner of more than 10% of shares or capital, directly or indirectly in a party that has paid to or received from RNIDS an amount greater than the dinar equivalent of 10,000 Euros in the last two years.

The limitation in the preceding paragraph also applies to close family members of the director. Close family members, in the definition of this article, refers to children, spouse, parents, brothers, sisters, adopted children or adopted parents of the director.

The director:

1. Takes ongoing RNIDS business policy decisions;
2. Manages the RNIDS office and establishes business and employee structure in the RNIDS office, which is comprised of all employees in RNIDS;
3. Conducts the procedure for hiring employees, based on a public application process for each position;
4. Determines employee salary levels within the budget determined by the Financial Plan adopted by the Board of Governors and approved by the Conference of Co-founders;
5. Makes plans for staff training and development;
6. Works to maintain the solvency and liquidity of RNIDS and takes measures to protect them;
7. Prepares the Financial Report and Financial Plan for the Board of Governors and prepares proposals for other decisions for the Board of Governors;
8. Carries out the decisions of the Conference of Co-founders and Board of Governors;
9. Carries out tasks entrusted to him/her from its purview by the Board of Governors;
10. Represents RNIDS in legal matters and has the rights and duties of financial manager;
11. Works actively on increasing the number of RNIDS co-founders;
12. Organises promotional and other public relations activities aimed at raising and maintaining the public reputation of RNIDS;
13. takes decisions on other matters in accordance with law and the enactments of RNIDS.

The director is accountable to the Board of Governors, to which he or she submits a report on his or her work, which includes a financial report, every three months.

The director submits a report on his or her work for the preceding year at the regular Conference of Co-founders.

The director attends sessions of the Board of Governors without the right of vote.

V PROHIBITION OF CONFLICT OF INTEREST

Article 19

MEMBER OF THE BOARD OF GOVERNORS

A member of the Board of Governors may not decide on property-related matters in which he/she, his/her spouse or partner or blood relation in the direct line, and in the collateral line up to the third degree, or in-law relations up to the second degree regardless of whether the

marriage has ceased or not, appears as an interested party, nor on property-related matters relating to a legal entity in which he/she has a controlling influence or economic interest.

Members of the Board of Governors update information in the statement of the existence of a potential conflict of interest once annually.

Article 20
DIRECTOR

The director may not take decisions, nor enter legal arrangements on property-related matters in which he/she, his/her spouse or partner or blood relation in the direct line, and in the collateral line up to the third degree, or in-law relations up to the second degree regardless of whether the marriage has ceased or not, appears as an interested party, nor on property-related matters relating to a legal entity in which he/she has a controlling influence or economic interest.

The director updates information in the statement of the existence of a potential conflict of interest once annually.

VI RESPONSIBILITY FOR DAMAGES

Article 21

Members of the Board of Governors and the director collectively are answerable with the entirety of their personal assets for damages their decisions may cause RNIDS, if that decision has been taken with gross negligence or with the intention of causing damage, except if, in the decision-making process, they have noted their differing opinion in the minutes or did not participate in the taking of the decision.

VII FINANCES

Article 22

FINANCES AND FINANCING OF THE FOUNDATION

Regular financing of the work of RNIDS take place through finances accrued from ccTLD registration fees, annual RNIDS membership fees and other business in which RNIDS engages.

RNIDS may secure financing through contributions from co-founders, voluntary donations, gifts, public and project-specific donations or from other sources in accordance with law.

RNIDS may be financed through loans from RNIDS co-founders. Profits made by RNIDS are used to advance the activities of RNIDS and may not be distributed to co-founders.

Article 23

FINANCIAL REPORTING AND MONITORING

RNIDS has the obligation to maintain business books in accordance with the applicable regulations of the Republic of Serbia. RNIDS compiles and presents financial reports for each calendar year with the balance for 31st December of the current year, with periodic reports compiled as needed at the request of the Conference of Co-founders or Board of Governors.

RNIDS compiles its financial reports pursuant to the law governing accounting and auditing and international accounting standards.

Auditing of financial reports is conducted in the manner prescribed by the law governing the auditing of financial reports and international auditing standards. Auditing is done by an independent, accredited auditing company with a permit for work issued by the relevant authority of the Republic of Serbia.

The choice of auditing company is made by the Board of Governors on the basis of a previously conducted call for bids fulfilling the criteria from the preceding paragraph. In selecting an auditing company, the Board of Governors shall, among other factors, take the following criteria into consideration: deadlines for completion, additional consulting services, fees, qualifications of team members etc.

For the purposes of international cooperation with similar organisations and international associations, the Board of Governors may require that financial reports or auditors' reports also be submitted in the English language.

The Board of Governors adopts the financial reports of RNIDS and the Conference of Co-founders approves them. Financial reports are also published on the RNIDS website.

VIII OTHER PROVISIONS

Article 24

COOPERATION WITH OTHER ORGANISATIONS

For the purposes of furthering its own goals, RNIDS may establish cooperation with other organisations.

The Conference of Co-founders, at the proposal of the Board of Governors, takes decisions regarding the signing of cooperation agreements and entry into and withdrawal from membership of local and international organisations.

The Board of Governors decides on those persons who will represent RNIDS in the process of cooperation with other organisations.

Article 24

PUBLIC TRANSPARENCY OF OPERATIONS

In accordance with law and this Statute, the working tradition of similar organisations in the world at large and the recommendations of current Internet standards and relevant international institutions, providing public transparency of operations and participation by the local Internet community in the process of development is an ongoing obligation of RNIDS.

The Board of Governors is responsible for public transparency of operations.

Transparency of operations is ensured through the publication of working and final versions of documents on the RNIDS website and holding public meetings in accordance with law:

Particularly, in this sense, it is envisaged that:

- 1) All documents of significance for the operation of RNIDS and the working regulations of RNIDS be made public (including the RNIDS Statute, RNIDS rules of procedure, the list of accredited domain registrars, the list of reserved domains and others);
- 2) Information be made public on registered domains via the public Whois service in accordance with current rules of procedure;
- 3) Basic information on all co-founders, members of the Board of Governors and

- employees of RNIDS be made public;
- 4) Decisions from all sessions of the Conference of Co-founders and sessions of the Board of Governors be made public;
 - 5) Discussion lists be maintained for all co-founders (with archives available);
 - 6) Financial plans, financial reports and the content of contracts be made public;
 - 7) All disputes over domain names and decisions be made public in accordance with common practice by which the preparation and publication of court decisions is made;
 - 8) Results of monitoring of the national Internet (within the purview of RNIDS) be made public.

In its operations, RNIDS must adhere to the provisions of law regarding the protection of information from private lives and the personal writings of individuals.

Article 25
RUBBER STAMP

RNIDS has a rubber stamp, round in shape, on which is written: Fondacija „Registar nacionalnog internet domena Srbije“ in the Serbian language, and Foundation “Register of National Internet Domain Names of Serbia” in the English language.

In the central portion of the stamp, the abbreviated name RNIDS is inscribed, and at the bottom of the stamp, the location of the head office, Belgrade.

Article 26
CESSATION OF OPERATIONS

A decision on the cessation of operations of RNIDS is taken by the Conference of Co-founders by a vote of at least 2/3 of the total number of authorised representatives of the co-founders.

RNIDS takes it upon itself, in the event of a cessation of operations, to make prior arrangements for the continuation of stable and reliable functioning of basic Internet services on the territory of Serbia in order that the cessation of operations of RNIDS does not negatively impact the functioning of the national sector of the Internet.

In the event of the cessation of operations of RNIDS, the Conference of Co-founders shall, in accordance with law, appoint a non-profit organisation to which the remaining property of RNIDS will be transferred.

Article 27
ENTRY INTO FORCE OF THE STATUTE

This statute enters into force on the day of its approval by the RNIDS Conference of Co-founders.

Article 28
SEPARABILITY AND INTERPRETATION

If any of the provisions of this Statute should come into conflict with law or delegated legislation they are declared inapplicable or invalid, while the other provisions and Statute as a

whole remain in force.

Exclusive competence to interpret this Statute lies with the RNIDS Conference of Co-founders.

Article 29

INTERIM AND FINAL PROVISIONS

Members of the Board of Governors who are in office at the time of the adoption of this Statute continue to perform their office until the expiry of their term.

Upon adoption of this Statute, the RNIDS Assembly will continue its operation as the Conference of Co-founders and the members of the Assembly will become co-founders.

On the entry into force of this Statute, the Rules of the Fund approved 8th July 2006 cease to have effect, as well as all amendments and supplements, up to and including 18th December 2010.

For all matters not addressed by this Statute, the provisions of the Law on Endowments and Foundations shall be applicable.

Article 30

DEFINITION OF TERMS

Individual expressions used in this documents have the following meanings:

"The Internet" is a global communications system comprised of a large number of interconnected autonomous systems (networks) that exchange information using a common set of communication protocols (TCP/IP).

An "IP address" is a numerical identifier, defined as part of the IP protocol, which allows unique addressing of devices connected to the Internet.

An "Internet domain" is a textual identifier which connects a set of computers, devices and services on the Internet in a single administrative and technical whole. Each domain on the Internet is defined by a globally unique name. The name of the domain is comprised of a series of alphanumeric segments separated by dots (e.g. www.icann.org).

The "Domain Name System" (DNS) is a basic Internet service which allows the translation of Internet domain names into IP addresses and vice-versa.

A "DNS server" is a device that is continually connected to the Internet and which, at the request of the user, translates domain names into IP addresses and vice-versa.

The "Internet Corporation for Assigned Names and Numbers" (ICANN) is an organisation that governs and manages the development of DNS systems and the distribution of IP addressing at the global level.

"Country Code Top-Level Domain" (ccTLD) is the name of a domain connected with an international two-letter country code ccTLD determined by ICANN in accordance with the ISO-3166-2 list.

The "ccTLD register" is a database of domain names registered under the ccTLD.

The "ccTLD registry operator" is an organisation delegated by ICANN to manage the national register of an Internet domain.

An "Accredited registrar" is a legal entity or sole trader who, based on a contract with the ccTLD registry operator, has the authority to conduct business relating to the registration of domain names at the request of end users.

The WhoIs database is a publicly available database of the users of domain names registered in the ccTLD registry.

The "local Internet community" are all those legal and entities and individuals

conducting business in the area of the Internet or use Internet services in the Republic of Serbia.

An “electronic mailing list” is a collection of email addresses represented by one “reflector” address which is set up on a server that is able to receive email.

An electronic discussion list is entirely or partially automated with the help of special electronic discussion list software. Incoming messages sent to the “reflector” address are processed by the software and depending on their content the software acts according to internal rules (in the case of messages containing commands intended for the software itself) or they are distributed to all the email addresses subscribed to the electronic discussion list. Depending on the software, additional addresses may be set up for the purposes of sending commands.

An “electronic discussion list archive” is a collection of email messages sent to one or more electronic discussion lists. An archive, among other things, includes functionality for indexing, searching and sorting email messages. Many archives are directly connected with the software of discussion lists, while there are also archives which independently collect, index and sort messages from multiple lists.

Belgrade
28th May 2011

Chair of the Conference of Co-founders
Snežana Božić

STATEMENT OF THE EXISTENCE OF A POTENTIAL CONFLICT OF INTEREST

Name and surname	
Office for which you are running or already hold (circle)	- member of the Board of Governors - director
Do you currently hold, or have you in the last two years held the position of authorised representative of a company or organisation that is a co-founder of RNIDS? If so, which company or organisation and for what period?	
Are you currently, or have you in the last two years been the founder of, or held a controlling stake or management rights in an accredited ccTLD registrar? If you have, which accredited registrar, for which period, what stake and what kind of management rights?	
Are you currently, or have you in the last two years been employed in or in some other way involved in an accredited ccTLD registrar? If you have, which accredited registrar, for which period, and what kind of work?	
Is your company/organisation or the company/organisation in which you are employed currently receiving or has it in the last two years received financing from RNIDS for the implementation of projects supporting the development of the Internet, or financing for sponsorship or support for the organisation of an event? If so, which company or organisation, in which period, for which projects/events and to which total amount?	
Are you currently, or have you in the last two years been employed by RNIDS in conducting work for RNIDS (participation in working groups, procurement of equipment, advertising services, maintenance, consulting etc.) whether in a personal capacity or as the owner/employee of a company or organisation employed by RNIDS? If so, in what capacity, in connection with what	

work, in what period and what was the total value of this work?	
Are you currently, or have you in the last two years, as an employed or appointed party in any public administration body, participated in taking decisions/making enactments connected with RNIDS? If so, in which body, in which capacity, in which period and what kind of decisions or documents were they?	
Are you currently, or have you in the last two years, participated in any court or out-of-court/arbitration procedure regarding the .rs domain, in any capacity (plaintiff, accused, witness, expert witness...)? If so, in what cases, in what period and in what capacity?	
Note	
Place, date	
Candidate signature	