

Articles of Association
of
NIX.CZ
Professional Association of Legal Entities

AS APPROVED BY THE GENERAL MEETING ON 30 JUNE 2011

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I. BASIC PROVISIONS

Article 1 Foundation of Professional Association of Legal Entities

1. NIX.CZ, a professional association of legal entities (hereinafter the "Association"), was established by its Memorandum of Association on August 30, 1996.
2. The Association is entered in the Register of Professional Legal Entities kept by the Department of Civil Affairs of the City District Office in Prague under reg. no. ZS 25/5/96.
3. The Association's identification number is 65990471.

Article 2 Name and Registered Address

- a) The Association acts under the name NIX.CZ, z.s.p.o.
- b) The registered address of the Association is in Prague.

Article 3 Duration

1. The Association is established for an indefinite period of time.

Article 4 Subject of Activities

1. The subject of the Association's activities consists of:
 - a) Protection of ISPs' common interests;
 - b) Operation of Neutral Internet Exchange nodes in the Czech Republic
 - c) Provision of services (both free of charge and paid) to the Association members (hereinafter the "main activities").
2. In addition to the activities for which the Association was founded, it may also provide other services connected with Internet operation (hereinafter the "economic activities") – profit from the economic activities is meant to be used for financing the main activities.

II. FINANCIAL FUNDING OF ASSOCIATION

Article 5 Association's Revenues

1. The association's activities are financed from:
 - a) Admission membership fees;
 - b) Annual membership fees;
 - c) Fees paid by the Association's members and customers for services provided by the Association.

Article 6 Admission Membership Fees

1. The admission fee amounts to 20,000 CZK for the founding members of the Association and is due to be paid by the day of signature of the Memorandum of Association. All such membership fees have been fully paid up.
2. The admission fee for a new member is set out in the Pricelist approved by the General Meeting; this fee is due to be paid before a decision is made on the member's admission. Payment of a new member's admission fee can, under the conditions stipulated in the Pricelist, be substituted with a payment of the customer fee.

Article 7 Annual Membership Fees

1. The annual membership fee amounts are determined by the General Meeting on the basis of the Association's budget.
2. The annual membership fee of a member joining the Association in the course of a calendar year is determined as a proportional part of the annual membership fee corresponding to the duration of membership in that year.
3. The annual membership fee is due to be paid in four instalments, each of them by the last day of the calendar quarter for which the fee instalment is paid; if a new member is admitted within a calendar year, they shall pay a proportional amount of the quarterly instalment together with the admission fee.

Article 8 Service Fees

1. The amount of fees to be paid for services provided to the Association's members or customers are governed by the Pricelist, which is approved by the General Meeting.

Article 9 Delayed Payments

1. Penalties for delayed payment of the annual membership fee or a service fee are governed by the Pricelist, which is approved by the General Meeting.
2. If there is a delay longer than one month, the General Meeting is entitled to expel the member in such default.

III. GENERAL MEETING

Article 10 Role and Powers of General Meeting

1. The General Meeting is the highest body of the Association.
2. Each member of the Association has the right to attend the General Meeting, in person by its statutory body, or member(s) of the statutory body, who is/are, in compliance with the Commercial Register extract, authorised to act on the member's behalf, or by an attorney of such person(s) on the basis of a Power of Attorney.
3. Each member has one vote at the General Meeting.
4. The powers of the General Meeting include:
 - a) election, removal and remuneration of the Executive Committee and Supervisory Board members;
 - b) approval of amendments to the Articles of Association;
 - c) expulsion of members from the Association;
 - d) dissolution of the Association;
 - e) approval of the annual financial statements and of the annual report;
 - f) approval of the budget for a calendar year and determination of the annual membership fee amount;
 - g) approval of the pricelist for services provided to the Association members or customers;
 - h) decisions concerning the creation, modification or cancellation of new Neutral Internet Exchange nodes;
 - i) approval of model contracts to be concluded between the Association and members of the Executive committee and/or Supervisory Board
 - j) further matters entrusted to the powers of the General Meeting elsewhere herein.

Article 11 Convening of General Meeting

1. The General Meeting is held at least once a year, no later than by December 31 of each calendar year. This does not apply to cases when an electronic voting has taken place (Article 15 hereof).
2. The General Meeting must be convened to be held in the Czech Republic on a working day.
3. The General Meeting is convened by the Executive Committee no later than 30 days before the date of the General Meeting, by an invitation card sent by registered letter to all members, or by personal delivery to members, who sign for receipt of the invitation card.
4. An invitation to the General Meeting shall include:
 - a) the name and registered address of the Association;
 - b) the place, date and hour of the General Meeting;
 - c) an agenda with texts of proposed resolutions;
 - d) a list of source information materials for individual items on the agenda, if such materials exist.
5. If required by the Supervisory Board or Association members holding at least 20% of all the votes, the Executive Committee shall be obliged to include their written proposals into the agenda. Each such proposal must contain the name of the proposed item to the agenda, source materials (if any), and the text of the proposed resolution. If a proposal has been submitted to the Executive Committee after the invitation was sent, the Executive Committee shall announce the addition to the General Meeting agenda no later than 15 days before the General Meeting date, according to the method stipulated for the convening of the General Meeting (Article 11, Clause 3 hereof). If such an announcement is impossible, the matter can only be added to the agenda according to the procedure for the introduction of a matter not shown on the invitation to the General Meeting (Article 12, Clause 1 hereof).
6. Source materials to agenda items shall be sent by the Executive Committee to the members as a whole, in writing or electronic form, no later than by the time limit stipulated in Clause 5. Each member is entitled to request from the Association secretariat to be sent one copy of all source materials to all agenda items, at that member's own expense. The secretariat shall send materials so requested to the member without undue delay.

Article 12 General Meeting Procedures

1. The General Meeting proceeds according to the announced agenda in the invitation card or announced later according to Article 11, Clause 5 hereof. Any matters that are not stated on the agenda in the invitation card can only be decided if all members of the Association are present and approve of it.
2. The General Meeting has a quorum if the attending members cumulatively hold more than one half of the total number of votes.
3. The General Meeting decides by a simple majority of the attending members' votes, except for decisions for which the present Articles of Association require a different majority.
 - a) The General Meeting decides by at least a two-thirds majority of the attending members' votes in the following instances – Article 10, Clause 4 letters b) and d)
 - b) Elections of the Association body's members follow the election rules approved by the General Meeting.
4. Minutes of the General Meeting are recorded. The Executive Committee procures that the minutes are written within 30 days of the end of the General Meeting. The minutes

are signed by the Chairman and the minutes clerk. Each member shall receive a copy of the General Meeting minutes. The original of the minutes is archived by the Association, together with the invitation cards and the attendance sheets, for the entire duration of the Association. Each member is entitled to request that the Executive Committee provide him with a copy of the minutes, or part thereof, from a General Meeting held at any time during the Association's existence. Such copies are made at the expense of the requesting party. The General Meeting minutes include the following information:

- a) the name and registered address of the Association;
- b) the venue and time of the General Meeting;
- c) the name of the Chairman of the General Meeting, the minutes clerk and the vote teller;
- d) a description of the discussions on agenda items;
- e) the resolutions of the General Meeting and the results of its voting;
- f) any protests put forth by a member of the Association, Executive Committee or Supervisory Board against the General Meeting's decision, if the protesting member requires so.

Article 12a Voting by Mail at General Meeting

1. Each member of the Association is entitled to vote by mail at the General Meeting.
2. The process of mail voting shall be as follows: a member of the Association shall deliver to the Association, by the moment of the General Meeting opening at the latest, a notice stating member's vote on each individual proposed resolution whose text has been specified in the invitation to the General Meeting or member's vote on individual proposals or counterproposals that were introduced to the members by the Executive Committee (Article 28 Clause 2 Letter a) hereof).
3. The member shall clearly state in the notice whether s/he votes "for", "against" or whether s/he abstains from voting. In case the member does not provide his decision for some of the proposed resolutions, proposals or counterproposals s/he is deemed to have abstained from voting.
4. The notice must clearly state that it is a notice concerning mail voting at the General Meeting held on the day for which the General Meeting has been convened. The notice must be made in writing (not electronic), must clearly identify the member concerned and must be signed by a person authorised to act on behalf of the member.
5. The notice shall be delivered to the registered office of the Association; if it is being delivered on the date of the relevant General Meeting it shall be sent to the venue of the General Meeting for the attention of the Executive Committee.
6. The members who delivered their mail voting notices shall be, for the purposes of the General Meeting quorum consideration (Article 12, Clause 2 hereof), deemed present in person and vote on the resolutions whose text has been specified in the invitation to the General Meeting or member's vote on individual proposals or counterproposals that were introduced to the members by the Executive Committee (Article 28 Clause 2 Letter a) hereof). Concerning voting on all the other resolutions, proposals or counterproposals such members shall be deemed absent.

Article 13 Extraordinary General Meeting

1. The Supervisory Board or a group of Association members holding more than one third of all votes may request in writing that the Executive Committee should convene

an Extraordinary General Meeting. Such a request shall contain names of items on the agenda, source materials and texts of proposed resolutions.

2. The Executive Committee shall convene the Extraordinary General Meeting so that it is held no later than within 45 days from the date on which the request was served on the Executive Committee. The Extraordinary General Meeting is convened according to the procedure stipulated for the convening of the regular General Meeting in Article 11, Clause 3 hereof.
3. The Executive Committee is entitled to add items to the proposed agenda of the Extraordinary General Meeting, but is not entitled to modify the names or contents of items put forth by the parties requesting that the Extraordinary General Meeting should be convened.
4. If the Executive Committee has not fulfilled its obligation to convene the Extraordinary General Meeting within the stipulated time limit (Article 13, Clause 2 hereof), the parties requesting that the Extraordinary General Meeting should be convened in the sense of Clause 1 of the present Article are entitled to convene the Extraordinary General Meeting themselves according to the procedure stipulated for the convening of the regular General Meeting in Article 11, Clause 3 hereof, and to include in the agenda all items they put forth in their request. The provision about addition to items on the agenda (Article 11, Clause 5 hereof) shall not be applicable in such an instance.

Article 14 Substitute General Meeting

1. If the General Meeting does not have a quorum at the time for which it is convened and does not acquire such a quorum within 30 minutes, the Executive Committee shall convene a Substitute General Meeting.
2. The Executive Committee shall convene a Substitute General Meeting according to the procedure stipulated for the convening of the regular General Meeting in Article 11, Clause 3 hereof, but the time limit is reduced by one half. The invitation must be sent no later than within 15 days from the date of the original General Meeting, and the Substitute General Meeting shall be held within 30 days from the date of the original General Meeting.
3. The Substitute General Meeting must not alter the agenda of the original General Meeting and has a quorum regardless of the number of attending members.

Article 15 Electronic Voting

1. Decisions entrusted to the General Meeting by the Articles of Association may be made from outside of a meeting by means of electronic voting; decisions made by electronic voting are deemed decisions of the General Meeting.
2. The Executive Committee invites members to vote on proposed resolutions by electronic means (the Association intranet or E-mail). The voting period lasts 21 days from the publication date of such an invitation.
3. Members' will expressed by the voting is assessed in compliance with the rules for communication between the Association and its members (Article 39, Clause 3 hereof).
4. The quorum is governed by the same rules as that of the General Meeting (Article 12, Clause 2 hereof). Voting members are deemed attending ones.
5. The result of the voting is assessed as in case of the General Meeting (Article 12, Clause 3 hereof).
6. Any decision adopted this way shall be included in the relevant protocol on electronic voting. The provisions on minutes of the General Meeting (Article 12 Clause 4 hereof)

shall apply accordingly to the protocol, whereas the protocol shall include a name list of Association members and their votes (for, against, abstained).

7. When voting is carried out electronically it is not possible to use mail voting at the relevant General Meeting (Article 12a hereof).

Article 16 Rules of Election and Procedure

1. The General Meeting shall issue the Rules of Procedure, which will provide for the attendance of members at the General Meeting, the discussions of the General Meeting, the exercise of members' rights, and voting at the General Meeting.
2. The General Meeting shall issue the Rules of Election, which will provide for the election of the Executive Committee and the Supervisory Board of the Association.

IV. EXECUTIVE COMMITTEE

Article 17 Role and Powers of Executive Committee

1. The Executive Committee is the Association's statutory body; it directs the Association's activities and acts on the Association's behalf.
2. The Executive Committee decides in all matters that the Articles of Association do not reserve for the General Meeting or Supervisory Board. In its steps it follows the Articles of Association and the principles and instructions approved by the General Meeting.
3. The powers of the Executive Committee specifically include:
 - a) convening the General Meeting;
 - b) preparation and presentation at the General Meeting of:
 - ba) draft amendments to the Articles of Association;
 - bb) annual financial statements and the annual report;
 - bc) draft budget for the financial year;
 - bd) proposal of the annual membership fee amount;
 - be) draft pricelist of services;
 - bf) proposals to dissolve the Association.
 - c) putting into effect the resolutions of the General Meeting;
 - d) keeping a list of the Association's members;
 - e) keeping and/or procuring the keeping of prescribed accounting records, evidence, statistics and other legal obligations the Association has;
 - f) appointing and recalling Association Director and determining the extent of his/her rights and obligation including the remunerations and bonuses;
 - g) acting on the Association's behalf towards the public, specifically, making public statements on the Association's behalf;
 - h) providing the Association's members with information placed on the website www.nix.cz;
 - i) accepting new Association members;
 - j) approving of the Operating Rules of the Association.

Article 18 Members of Executive Committee and Term in Office

1. The Executive Committee has 3 members. A member of the Executive Committee may only be an individual who is at least 18 years old, is fully capable of legal acts and is irrefragable in the sense of the Trade Licensing Act.
2. The Executive Committee members' term in office is three years. Exercise of the Executive Committee member's powers shall terminate on the day upon which the new member is elected, but no later than three months after the date on which the term in office expires. The General Meeting may recall the Executive Committee members at any time. Members of the Executive Committee may be re-elected.
3. A member of the Executive Committee may resign by serving written notice upon the Executive Committee. The resigning member's exercise of powers is terminated on the date on which his/her resignation is discussed or should have been discussed by the Executive Committee. The Executive Committee is obliged to discuss the resignation of its member at the first meeting held after the Executive Committee learned of the member's resignation, but no later than 30 days after the resignation notice was served. If the Executive Committee member announces the resignation at a meeting of the Executive Committee, the exercise of powers is terminated upon expiration of two months from such announcement, unless the Executive Committee has approved another termination date on the resigning member's request.
4. If the number of the Executive Committee members elected by the General Meeting has not fallen below one half, the Executive Committee may co-opt substitute members until the next General Meeting is held, which will elect the new members of the Executive Committee.
5. The General Meeting elects and withdraws Executive Committee members. The Executive Committee elects its Chairman and Deputy Chairman from among its members.
6. The members of the Executive Committee are obliged to exercise their powers with due professional care and not to disclose any confidential information or facts, disclosure of which to third parties might injure the Association or its members.
7. A non-competition clause applies to Executive Committee members. The Board of Directors members shall not:
 - a) on their own name or their own account, enter into transactions whose subject would be identical with or similar to the subject of the Association's activities in the sense of Article 4, Clause 2, letter or mediate such transactions on their own name or account or on the account of an affiliated person;
 - b) be a partner, shareholder, ownership interest holder or member in a person (including subjects without a legal entity status); or participate in activities of such a person as an advisor, consultant or on any similar grounds, if the scope of activities of such a person in the Czech Republic is identical with or similar to the subject of the Association's activities in the sense of Article 4, Clause 2, letter;
 - c) be a member of a statutory or controlling body of a person described under letter b) above.

If a member of the Board of Directors breaches the competition clause, the Association is entitled to claim and the member of the Board of Directors is obliged to pay to the Association his/her enrichment received from transactions at which he breached the competition clause. This will not affect any claims for damages.

8. Executive Committee members are remunerated for their efforts. The General Meeting decides about the amount and terms of payment of such remuneration. Executive Committee members are entitled to be reimbursed by the Association for expenses incurred in connection with exercise of the Executive Committee member's powers.

Article 19 Executive Committee Meetings

1. Executive Committee meetings are held as required by the Association, at least once every three months. The Chairman convenes a meeting of the Executive Committee in writing, by fax or in electronic form.
2. The chairman of the Executive Committee shall convene a meeting of the Executive Committee no later than within 30 days from the date on which such convening is requested by a member of the Executive Committee, by the Supervisory Board, or by members of the Association holding more than one third of the total amount of votes.
3. The Executive Committee has a quorum if a simple majority of its members are attending.
4. The Executive Committee makes decisions by a simple majority of the attending members' votes. Each member has one vote. If there is a tie, the Chairman's vote prevails.
5. Minutes of the Executive Committee meetings are recorded; the minutes are signed by the chairman.
6. The Executive Committee may accept resolutions even outside its meeting, by fax or an agreed-upon electronic form. If this is the case, the voting members are deemed present. Such decisions must be recorded in the minutes of the next meeting of the Executive Committee.
7. The Executive Committee can adopt Rules of Procedure which will further specify the conditions of Executive Committee's meeting, acting and decision-taking.

Article 20 Executive Committee Chairman

1. The Chairman of the Executive Committee conducts the Association's everyday matters when the Association Director position is vacant.

Article 21 Acting on Executive Committee's Behalf

1. The Executive Committee acts and signs on behalf of the Association; namely. At least two members of the Executive Committee act and sign jointly on behalf of the Executive Committee, whereas one of these members must be the Executive Committee Chairman or Deputy Chairman.
2. The persons specified in Clause 1 of the present Article sign on the Association's behalf by attaching their names and signatures to the name of the Association.

V. SUPERVISORY BOARD

Article 22 Role and Powers of Supervisory Board

1. The Supervisory Board is the Association's supervisory body; it supervises the Executive Committee's exercise of powers and the activities of the Association.
2. The Supervisory Board's powers specifically include:
 - a) the inspection of all documents and records concerning the Association's activities;
 - b) verifying whether accounting records are kept faithfully, reflect reality and are in compliance with applicable laws and regulations;
 - c) verifying whether the Association's activities are being carried out in compliance with applicable laws and regulations, the Articles of Association and the instructions of the General Meeting;
 - d) auditing the Association's financial statements;

- e) attending the General Meeting and explaining to the General Meeting the results of the supervision activities;
 - f) convening the General Meeting and proposing necessary measures if the Association's justified interest so requires.
3. The Supervisory Board submits to the General Meeting, and at the Supervisory Board's discretion to the Executive Committee, written reports of its activities and results of inspections.

Article 23 Members of Supervisory Board and Term in Office

1. The Supervisory Board has 3 members. A member of the Supervisory Board may only be an individual who is at least 18 years old, is fully capable of legal acts and is irreproachable in the sense of the Trade Licensing Act. No members of the Supervisory Board may at the same time be a member of the Executive Committee.
2. The Supervisory Board members' term in office is three years. Exercise of the Supervisory Board member's powers shall terminate on the day on which the new member is elected, but no later than three months after the date on which the term in office expires. The General Meeting may recall the Supervisory Board members at any time. Members of the Supervisory Board may be re-elected.
3. A member of the Supervisory Board may resign by serving written notice upon the Supervisory Board. The resigning member's exercise of powers is terminated on the date upon which his/her resignation is discussed or should have been discussed by the Supervisory Board. The Supervisory Board is obliged to discuss the resignation of its member at the first meeting held after the Supervisory Board learned of the member's resignation, but no later than 30 days after the resignation notice was served. If the Supervisory Board member announces the resignation at a meeting of the Supervisory Board, the exercise of powers is terminated on expiration of two months from such an announcement, unless the Supervisory Board has approved another termination date on the resigning member's request.
4. The General Meeting elects and recalls the Supervisory Board members. The Supervisory Board elects its Chairman from among its members.
5. The members of the Supervisory Board are obliged to exercise their powers with due professional care and not to disclose any confidential information or facts, disclosure of which to third parties might injure the Association or its members.
6. Members of the Supervisory Board are subject to the non-competition clause; the provisions of Article 18, Clause 7 shall be applied *mutatis mutandis*.
7. Supervisory Board members are remunerated for their efforts. The General Meeting decides about the amount and terms of payment of such remuneration. Supervisory Board members are entitled to be reimbursed by the Association for expenses incurred in connection with exercise of the Supervisory Board member's powers.

Article 24 Supervisory Board Meetings

1. The Supervisory Board meetings are held as required by the Association, at least once every three months. The Chairman convenes a meeting of the Supervisory Board in writing, by fax or in electronic form.
2. The Chairman of the Supervisory Board shall convene a meeting of the Supervisory Board no later than within 30 days from the date on which such convening is requested by the Executive Committee or by members of the Association holding more than one third of the total amount of votes.
3. The Supervisory Board has a quorum if a simple majority of its members are attending.

4. The Supervisory Board makes decisions by a simple majority of the attending members' votes. Each member has one vote.
5. Minutes of the Supervisory Board meetings are recorded; the minutes are signed by the Chairman.

VI. ASSOCIATION DIRECTOR

Article 25 Role and Powers of Association Director

1. The Association Director is responsible for the overall coordination, conduct and operations of the Association and employees thereof (if any).
2. The Association Director must follow the Articles of the Association, instructions of the Executive Committee and resolutions of the General Meeting.
3. The Association Director reports to the Executive Committee.

Article 26 Appointment of Association Director

1. The Association Director is appointed and recalled by the Executive Committee; the Executive Committee also determines the Director's rights and obligation, remuneration and bonuses.

VII. MEMBERSHIP IN ASSOCIATION

Article 27 Association Members

1. Any legal entity may become a member of the Association if it:
 - a) complies with the conditions stated in the Operating Rules;
 - b) agrees with the Articles of Association;
 - c) and has not been expelled from the Association (Article 31, Clause 3 hereof).
2. The new member submits an extract from the official registry the member is entered in made no earlier than 90 days before and also submit an affidavit to declare the compliance with the condition stipulated in Cause VII., Article 27, Clause 1 letter b). If the applicant is a subject that is not entered into registers, or no extracts are made of the registers in which it is entered, the extract can be substituted by an affidavit acknowledging this.
3. Documents and affidavits according to Clause 1 are submitted as originals or as officially certified copies. Signatures on affidavits and on applications for the Association membership must be officially certified.

Article 28 Association Member's Rights and Obligations

1. Each member of the Association has the right to attend the General Meeting, and to request and be provided with explanations concerning the Association, if such an explanation is necessary for the evaluation of an item on the General Meeting agenda.
2. Members of the Association have the right to put forth proposals and counterproposals and to protest against decisions made by the General Meeting.
 - a) In case the text of the proposed resolution is shown in the invitation to the General Meeting, a proposal and counterproposals to the proposed resolution can be put forth no later than 3 days before the date of the General Meeting in written or electronic form to the Executive Committee, which shall inform the

other members of the Association on the proposed text at the General Meeting at the latest together with the opinion of the Executive Committee.

- b) In case a proposal or counterproposal was put forth in accordance with letter a) of this Article it is possible to put forth other proposals or counterproposals to this proposal or counterproposal as well as to the draft resolution which this proposal or counterproposal refers to.
3. Each member of the Association has the right to be informed about the agenda of the General Meeting (Article 11, Clause 3 hereof) and to receive a copy of the General Meeting minutes (Article 12, Clause 3 hereof).
4. Members of the Association holding at least one third of the votes may ask the Executive Committee in writing to convene an Extraordinary General Meeting (Article 13 hereof).
5. Association members holding at least 20% of all the votes have the right to ask the Executive Committee in writing to include in the agenda a matter put forth by such Association members (Article 11, Clause 5 hereof).
6. Each member of the Association has the right to submit to the Executive Committee a draft public statement of the Association.
7. Each member of the Association has the right to use services provided by the Association under the terms and conditions as set forth herein, in the relevant pricelist and operating rules.
8. Each member of the Association shall refrain from making any public statements on the Association's behalf.
9. Each member of the Association shall refrain from taking any steps that do or might injure the Association's interests.
10. All members of the Association must follow the Articles of Association.
11. The members of the Association are obliged to keep confidential any information about the internal affairs of the Association including any activities of the bodies of the Association as well as all documents related to the activities of the Association.

Article 29 Settlement of Claims and Liabilities

1. Each member of the Association is entitled to the settlement of mutual claims and liabilities with the Association if the Association is dissolved (Article 37 hereof). No such entitlement to settlement applies if the member has transferred the membership, has left the Association or has been expelled from it.
2. If a member is expelled, that member's obligation is not affected to pay the annual membership fee for the year in which the membership terminates; the remainder of the annual membership fee, for the time in which it is no more the Association member in the respective year, is deemed a contractual penalty for a breach of the member's obligations for which the member was expelled.
3. If a member is expelled, that member's obligation is not affected to pay fees for services provided by the Association and to share the loss of the Association in the year in which the member is expelled.

Article 30 Beginning of Membership

1. The Association's founding members' membership commences upon the signing of the Memorandum of Association, effective as of the date on which the Association is entered in the Register.
2. New members may be admitted to the Association. An applicant for such membership shall put forth an application in which it must declare that it complies with the stipulated conditions (Article 27, Clause 1 hereof). The prescribed evidence of

compliance with conditions must be attached to the application (Article 27, Clause 2 and 3 hereof). The application must include a statement of the applicant about its expected contribution to the Association's activities, specifically with respect to the service provided by and knowledge and experience of the applicant or of the applicant's employees and statutory bodies or members thereof.

3. The applicant must prove that the persons who signed the membership application on its behalf are entitled to bind the applicant; such entitlement is proven by extracts from the official registers in which the applicant is entered, and by Powers of Attorney with certified signatures. If the applicant is a subject that is not entered into registers, or no extracts are made of the registers in which it is entered, or if such extract does not contain a list of persons who are entitled to bind the applicant, the entitlement of the persons to act on the applicant's behalf is proven by their affidavit with officially certified signatures.
4. The Executive Committee is entitled to request more information or documents.
5. The Executive Committee reviews the application and shall decide about the admission of the applicant if the applicant has fulfilled the prescribed conditions.
6. Membership in the Association is effective as of the first day of the calendar month immediately following the date upon which the Executive Committee 's decision is made according to Clause 5.

Article 31 Termination of Membership

1. Membership in the Association is terminated by:
 - a) termination, without a legal successor, of existence of the legal entity that is the member; the membership of a member that is ceasing to exist becomes void if that member's legal successor is another member of the Association. If there are several legal successors of a member that is ceasing to exist, membership in the Association is passed to that legal successor to which it should be passed according to a decision made by the relevant bodies of the legal entities concerned, or according to an agreement between all such legal successors;
 - b) resignation from the Association;
 - c) expulsion from the Association;
 - d) transfer of membership in the Association;
 - e) dissolution of the Association.
2. Any member of the Association may leave by a written notice addressed to the Executive Committee. In this case, the membership terminates on the last day of the calendar month in which the notice is served upon the Executive Committee.
3. The General Meeting may decide to expel any member of the Association if:
 - a) the member has breached the Articles of Association;
 - b) despite a written prompt, its delay in payments of the Association's claims is longer than 30 days;
 - c) the member prejudices the reputation of the Association;
 - d) the member no longer complies with the conditions for membership (Article 27, Clause 1 hereof);
 - e) the member has committed infringement on the Operating Rules;
 - f) the member has committed an infringement on economic competition rules towards another member or other members of the Association, or towards the Association itself;

in spite of having been notified in writing by the Executive Committee of the breach of its obligations and the possibility of expulsion. If this is the case, the membership is terminated on the date upon which the General Meeting decides about the expulsion.

4. Each member of the Association is entitled to transfer its membership to a third party that complies with the conditions for membership in the Association.
 - a) The Executive Committee must, jointly by the transferor and the transferee, be notified of the transfer of membership. The notification must be accompanied by documents proving the transferee's compliance with the conditions for membership in the Association (Article 27, Clause 2 and 3 hereof). The transferee must also declare that it accepts any and all rights and obligations of the transferor, including the transferor's financial liabilities towards the Association.
 - b) The Executive Committee shall review the notification and decide on the membership transfer.
 - c) The transferor's membership is terminated and the transferee's membership begins on the first day of the calendar month immediately following the day upon which the Executive Committee approved the transfer of membership.

VIII. FINANCIAL MANAGEMENT

Article 32 Association's Accounting

1. The Association uses the double-entry accounting system, to the extent and in the manner stipulated by law.
2. The accounting period is a calendar year and the Association's first financial year begins on the day of its incorporation in the Associations Register and ends on December 31 of the year in which such incorporation takes place.
3. After the end of the accounting period, the Executive Committee compiles the annual financial statements and, after their verification by an auditor, submits them to the Supervisory Board of the Association and subsequently to the General Meeting for approval.

Article 33 Distribution of Profit

1. The General Meeting decides whether the profit is to be left undivided or distributed among the Association's members. If the profit is to be distributed among the Association's members, the General Meeting shall put forth rules for such distribution.

Article 34 Reimbursement of Loss

1. The General Meeting decides about the method of reimbursement of loss.
2. The preferential source for loss reimbursement is from the undivided profit of previous years.
3. The General Meeting may decide that the loss is to be reimbursed from a special membership fee – the rules are specified by the General Meeting.

IX. CESSATION AND LIQUIDATION

Article 35 Dissolution of Association

1. The Association will be dissolved as of the date specified in the decision of the General Meeting to dissolve the Association, otherwise on the date when such a decision is passed.
2. After dissolution of the Association, its liquidation shall take place.

Article 36 Cessation of Association

1. The Association ceases to exist on the date upon which it is deleted from the Associations Register.
2. Cessation of the Association shall be preceded by its dissolution and liquidation.

Article 37 Liquidation of Association

1. The Association is liquidated in compliance with the provisions of the Commercial Code concerning the liquidation of business companies, applied appropriately.
2. Upon completion of the liquidation, settlement of the liquidation balance shall take place.
3. Shares of the Association members on the liquidation balance shall be calculated as the number of complete years of membership in proportion to the sum of the total number of complete years of membership of all the members.

X. FINAL PROVISIONS

Article 38 Governing Law

1. The legal relationships ensuing under these Articles of Association, the mutual relationships between the members of the Association related to their membership in the Association, and the other legal relationships within the Association are governed by Czech law.
2. In any matters not regulated by these Articles of Association, such relationships are governed by the generally applicable legal provisions, specifically, by the provisions of the Civil Code.

Article 39 Communications with Association Members

1. Written matter for a member of the Association is sent to the member's address entered in the list of the Association members published at the Intranet of the Association.
2. Each member of the Association is obliged to notify the Association of all changes in the data entered into the list of the Association members, especially the registered address, and of all contact addresses including the E-mail addresses and other details that are to be used for communication with the member according to that member's notification. Announcement of all these changes is made through the Intranet of the Association.
3. If a document is signed by a person that the member specified as its contact person, such a document shall be deemed an expression of that member's will. This shall also apply to electronic communications (in the Association's intranet or by E-mail) if the contact person is identified by the method specified in the Association's Operating Rules.

4. Written matter for the Association member, including electronic messages, shall be deemed served even if the member has not accepted them or refused to accept them at the last address specified by the member in the sense of Clause 1 and 2.

Article 40 Amendments to Articles of Association

1. Amendments to the Articles of Association are subject to the decisions of the General Meeting.
2. The Executive Committee arranges for the execution of the complete text of the Articles of Association and files new texts of the Articles of Association in the Associations Register kept by the relevant authority.

Article 41 Publication of Articles of Association

The Articles of Association are public domain; the Executive Committee shall arrange for the publication of the current text of the Articles of Association on www.nix.cz.

Article 42 Effect of Articles of Association

1. The Articles of Association become effective on the date specified in the respective decision of the General Meeting; otherwise on the date upon which that decision is passed.
2. This text of the Articles of Association was approved by the General Meeting held on 9 June 2011, followed by Electronic Voting, and became effective on 30 June 2011.