

**Minutes of the general meeting of CZ.NIC, z.s.p.o., interest association of legal entities  
held in the Thákurova Congress Centre conference room at Thákurova 3, Praha 6  
on 12 December 2005 at 9.30**

**1. Roll call**

The meeting started at 9.30; the attendance list of the association members and guests is attached hereto (appendix No. 1 and 2).

**2. Opening**

The general meeting was opened at 10.00 a.m. by ing. Tomáš Maršálek, chairman of the board of directors of CZ.NIC, z. s. p. o. Ing. Maršálek stated that 29 out of 41 members of the association were present (24 present members with voting rights) represented by their authorized representatives or upon powers of attorneys, and therefore the general meeting had a quorum.

**3. Election of the general meeting bodies**

Chairman of the board of directors ing. Maršálek proposed that the following persons took the functions of the general meeting: chairman of the general meeting – Mgr. Petr Hostaš; verifier of the minutes – ing. Michael Macek; scrutators – Bc. Jiří Kubíček and Mgr. Jan Redl; recorder – Ms Zuzana Durajová. Approval of more than half of the chambers was required in order to adopt the motion in accordance with the Statutes. 29 members of the association were present at the commencement of the voting (24 with voting rights); 24 members voted in the affirmative, no member voted in the negative and no member abstained from voting. As a result of the voting the general meeting bodies were approved in accordance with the presented motion. Chairman of the general meeting Mgr. Hostaš took control over the agenda of the general meeting.

Mgr. Hostaš explained to the present members of the association how to operate the electronic voting equipment to be used together with the show of hands. A protocol on electronic voting would be made and used to check the minutes. Mgr. Hostaš however pointed out that the show of hands would be decisive in accordance with the rules of procedure. He further pointed out that the negotiations of the general meeting were audio-recorded. Mgr. Hostaš also noted that pursuant to the Statutes of the association the members were divided into three chambers; the voting was to take place in turns by each chamber separately.

10.14 a.m. - a member of the Czech Publishers Association arrived (30 members present, 25 with voting rights)

The presence of guests at the general meeting was approved unanimously.

**4. Speech of a representative of the Ministry of Informatics of the CR**

Mgr. Hostaš announced that because the invited representative could not come upon serious grounds this point would be removed from the agenda of the general meeting.

**5. Information on membership changes**

Mgr. Hostaš gave the floor to the executive manager of the association, Mgr. Filip.

Mgr. Filip stated that since the previous general meeting that had taken place on 20 June 2005, the following companies became new members of the association:

01.09.2005 Internet Mall, a. s., SuppleJack, s. r. o., and Webarium, s. r. o. (chamber of domain name holders)

01.10.2005 CASABLANCA INT, s. r. o. (ISP chamber), SuperNetwork, s. r. o. (chamber of domain name holders)

01.11.2005 Internet CZ, a. s. (chamber of registrars), Trustica, s. r. o., and VIZUS.CZ, s. r. o. (chamber of domain name holders)

Pursuant to the Statutes, none of the new members is entitled to vote at the general meetings within one year since the creation of their membership. This provision applies also to Com-Sys TRADE, spol. s r. o., and Unisys, s. r. o., namely until 31.12.2005.

Mgr. Filip announced that EuroWeb Czech Republic, spol. s r. o., terminated its existence in a merger with ETEL, s. r. o. Therefore, ETEL, s. r. o., is now a member of the association.

The general meeting acknowledges the information on the membership changes.

**6. Report on activities of the board of directors**

Mgr. Hostaš gave the floor to the vice chairman of the board of directors, Mgr. Taft.

Mgr. Taft briefly summarized the activities of the board of directors and pointed out that a detailed report on the activities of the board of directors was enclosed to the invitation. The board of directors held five regular meetings and one off-site meeting (focused on the strategy for implementing ENUM and the future organization of the register

operation). A workshop was organized with registrars: the workshop was attended also by representatives from the Office For Personal Data Protection.

At its meetings, the board of directors focused among others on the following issues.

- risk analysis (completed in a final report; recommendations are gradually implemented)
- process analysis (over 20 recommendations of the final report have already been implemented)
- analysis of the register operation made by own employees
- preparation of the register operation by own employees from 2007
- ENUM project (implementation strategy was prepared)
- solving secondary NS
- competitive bidding for a PR agency (a contract was entered into with VIRKLIS, a. s.)
- approval of personnel decisions of the association manager (hiring new employees)
- proceeds analysis and pricelist changes (registration fee per domain will be cancelled from 01.01.2006)
- conflict of interests analysis (two legal analysis made by independent offices did not identify any conflict of interests)
- change of the registered seat of the association
- The association also sent its representatives to the meeting of organizations ICANN, RIPE, CENTr, IETF, WSIS and ENUM summit.

The general meeting acknowledges the report on the activities of the board of directors.

10.20 a.m. - a member of the SuppleJackm s. r. o., arrived (31 members present, 25 with voting rights)

10.25 a.m. - a member of Web4U, s. r. o., arrived (32 members present, 26 with voting rights)

## **7. Report of the advisory board**

Mgr. Hostaš gave the floor to the chairman of the advisory board, ing. Macek.

The advisory board held meetings four times since the last general meeting; in the meantime it was dealing with current problems. It comprised ing. Michal Macek (chairman), Mgr. Jan Redl and RNDr. Jiří Peterka. At its meetings, the advisory board focused among others on the following issues:

- alteration of the Statutes of the association (its own suggested alterations are presented at this general meeting – see point 8 of the agenda)
- changeover to insourcing (although the decision to change over to the system operated by own employees is fully in the competence of the board of directors, the advisory board believes that such serious decision should be commented on by the general meeting or the collegium)
- management of the association for 2Q - 3Q 2005 (use of funds is in accordance with the approved budget)
- budget structure (the existing budget structure is deemed inappropriate by the advisory board; the managers of the association sent their own motion)
- conflict of interests resulting from membership in the bodies of CZ.NIC, z. s. p. o., and EURid vzw (there is no conflict of interests for ing. Maršálek because in EURid he is the representative of CZ.NIC which is a member of EURid upon a decision of the general meeting from 25.11.2003)

The advisory board discussed the contract with VERKLIS, a. s., and Ernst & Young ČR, s. r. o. – no problematic issues were identified. The advisory board also dealt with the information of the board of directors on the preparation of a contract with the Ministry of Informatics of the CR and pointed out that pursuant to the Statutes the contract should be approved by the collegium.

The general meeting acknowledges the report on the activities of the advisory board.

## **8. Alterations to the Statutes**

Mgr. Hostaš gave the floor to ing. Macek as the chairman of the advisory board that presents the motion.

Ing. Macek stated that the purpose of the proposed alterations is to correct minor imperfections of the existing Statutes, and explained the nature of each motion. Mgr. Hostaš then opened a discussion.

*Mr Hřebíček (AliaWeb) – thanked the advisory board for considering the Statutes in this manner. He believes that the Statutes do not clearly state that each member of the association is a member of just one chamber. He also deems the rules of procedure and the voting rules impracticable for electing the members of the collegium as he deems it in conflict with the Statutes. He believes that considering the increasing number of members it is not appropriate to require affirmative vote of 3/5 of all members to alter the Statutes; he believes that 3/5 of the members present at the general meeting would be more appropriate.*

*Ing. Macek (DR CZ.NIC) – the advisory board did not pay attention to that; he however believes that it is not appropriate to adopt any alterations to the Statutes which were not consulted beforehand*

*Mgr. Hostaš – there could be partial imperfections in the new Statutes introducing a new manner of decision-making. He suggests that any potential imperfections in the rules of procedure and the voting rules be postponed for the time being because they require thorough solution. He believes there is no problem emphasizing in the Statutes that each member may be a member of only one chamber because this was the purpose of*

*the relevant provision. As for the quorum required to alter the Statutes – the reason for this number of affirmative votes is to keep the Statutes as stable as practicable. He points out that 3/5 of all members includes also members without voting rights. The quorum is therefore very rigid.*

Mr Hřebíček (AliaWeb) – those without voting rights are not included in the quorum  
Mgr. Hostaš - disagrees

Ing. Frys (Internet Mall) – supported Mr Hřebíček, saying that it should be possible to alter the Statutes by 3/5 of members present; from experience he knows that alteration of Statutes, in case of broad membership, could be a problem even regarding such simple issues as e.g. change of the registered seat.

10.46 a.m. - a member of Qnet arrived (33 members present, 27 with voting rights)

Mgr. Hostaš then closed the discussion and pointed out that the proposed alterations to the Statutes presented by the advisory board were enclosed to the invitation – the alteration involves art. 8.4, 40.1, 40.2, 25.1 and 57.2. Voting on each motion will be made separately. Adoption of any motion is subject to approval of all chambers and at the same time at least 3/5 of all members. He then invited to the voting on individual motions:

Voting on the motion submitted by the advisory board - alteration to art. 8.4: The presented motion was supported by 9 members of the chamber of domain name holders (1 was against and 1 abstained from voting), 7 members of the ISP chamber (none was against and none abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mgr. Hostaš announced that the motion to alter art. 8.4 submitted by the advisory board was adopted. New wording of art. 8.4 is as follows:

*8.4. If a member of the association ceases or starts to meet any special terms and conditions of membership in a chamber of the general meeting and as a consequence of this the member should become a member of another chamber, then such member is obliged to notify the board of directors to this end with the identification of the chamber whose member it should become not later than within 1 month. The board of directors is obliged to incorporate such member in the respective chamber and to notify the member to this end within 2 months from the delivery of the notice. The membership in the chamber is established on the date of incorporation by the board of directors. If such member fails to meet the terms and conditions of the membership in the chamber stated in the notice, the board of directors will decide on the incorporation of such member in the corresponding chamber. Within 30 days after the delivery of notice from the board of directors that the member was incorporated in another chamber than that specified in the notice, the member is entitled to request that he decision is reviewed by the collegium. The collegium is obliged to discuss this request at its next meeting.*

Voting on the motion submitted by the advisory board - alteration to art. 40.1 and 40.2: The presented motion was supported by 11 members of the chamber of domain name holders (none was against and none abstained from voting), 7 members of the ISP chamber (none was against and none abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mr Hostaš announced that the motion to alter art. 40.1 and 40.2 submitted by the advisory board was adopted. New wording of art. 40.1 and 40.2 is as follows:

40. 1. *The association will introduce a secured system for electronic voting by the members of the association bodies. The rules of such electronic voting will be determined by the collegium. Electronic voting of any association body is deemed an action of such body within the meaning of the provisions hereof regulating the action of the association body*
40. 2. *The meeting of the association body with personal participation of its members should however take place whenever it is required by*
- a) *a simple majority of the members of one of the chambers or at least one third of all members of the association, in case of general meeting;*
  - b) *at least one third of the members of the collegium, in case of meetings of the collegium;*
  - c) *at least 2 members of the board of directors in case of meetings of the board of directors; and*
  - d) *at least 1 member of the advisory board in case of meetings of the advisory board. .*

Voting on the motion submitted by the advisory board - alteration to art. 25.1: The presented motion was supported by 11 members of the chamber of domain name holders (none was against and none abstained from voting), 7 members of the ISP chamber (none was against and none abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mgr. Hostaš announced that the motion to alter art. 25.1 submitted by the advisory board was adopted. New wording of art. 25.1 is as follows:

*25. 1. The term of office of a member of the collegium is 3 years provided each year 1/3 of the collegium members elected by the general meeting are elected in each chamber.*

Voting on the motion submitted by the advisory board - alteration to art. 57.2: The presented motion was supported by 11 members of the chamber of domain name holders (none was against and none abstained from voting), 7 members of the ISP chamber (none was against and none abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mgr. Hostaš announced that the motion to alter art. 57.2 submitted by the advisory board was adopted. New wording of art. 57.2 is as follows:

*57.2. The following rules apply to the election of the first members of the collegium.*

11.28 a.m. - a member of SuperNetwork arrived (34 members present, 27 with voting rights)

After a short break Mgr. Hostaš announced that a member of AliaWeb presented another three motions to alter the Statutes of the association – art. 18.2 (to adopt it, at least 3/5 of votes of the members present at the general meeting should be affirmative), to alter art. 14.1, 14.2 and 14.3 (each member may be a member of just one chamber;

membership in the chamber of domain name holders; terms and conditions of the ISP chamber), to amend art. 18.3 (elections to the collegium).

*Mr Komárek (ZONER Software) - considering the fact that the motions were formed at the general meeting and therefore they were not available in advance, Mr Komárek asks Mr Hostaš whether the motions are legally correct*

*Mgr. Hostaš - yes, the articles are legally correct, they fit in the conception of the Statutes of the association*

Mgr. Hostaš then invited to vote on the motions of a member of AliaWeb – the voting on the motions will take place in turns in the order in which they were proposed. To adopt the motions all chambers should agree and at least 3/5 of votes of all members of the association should be affirmative.

Voting on the motion submitted by a member of AliaWeb - alteration to art. 18.2: The presented motion was supported by 9 members of the chamber of domain name holders (none was against and 2 abstained from voting), 5 members of the ISP chamber (none was against and 2 abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mgr. Hostaš announced that the motion was not supported by the required number of 25 members of the association and therefore the motion was not adopted.

*Mr Hřebíček (AliaWeb) – considering the interpretation of the Statutes by Mgr. Hostaš, also members without voting rights should be invited to vote. He proposes to repeat the voting including votes of persons without voting rights who are however members of the association.*

Counter-motion submitted by a member of Internet Info - disagrees with interpretation of Mgr. Hostaš; members without voting rights should not be included in the quorum. He proposes to alter art. 18.2 as follows: "... and at the same time at least 3/5 of the votes of the members".

Mr Hřebíček withdraws his motions and joins the counter-motion submitted by a member of Internet Info. Mgr. Hostaš then invited to vote on the motion of a member of Internet Info. To adopt the motion all chambers should agree and at least 3/5 of votes of all members of the association should be affirmative.

Voting on the motion submitted by a member of Internet Info - alteration to art. 18.2: The presented motion was supported by 10 members of the chamber of domain name holders (none was against and 1 abstained from voting), 7 members of the ISP chamber (none was against and none abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mgr. Hostaš announced that the motion a member of Internet Info was adopted. New wording of art. 18.2 is as follows:

*18.2. The decisions in accordance with article 15.1(b) require that the decisions be taken by all the chambers and, at the same time, by at least 3/5 of the votes of the members.*

*Mr Hřebíček (AliaWeb) – requires new voting on his motion to alter art. 18.2 because he deems the original voting erroneous, and then he requires voting on other motions (alteration to art. 14.1, 14.2 and 14.3 and art. 18.3)*

Counter-motion submitted by a member of VIZUS.CZ - he believes that the alteration to art. 18.2 requires alteration to art. 18.4 stipulating adoption by the respective chamber (there could be a situation when a chamber does not have a quorum but the general meeting has a quorum). He proposes to alter art. 18.4 as follows: "... requires that the decisions be taken by at least two thirds of the members of each chamber."

*Mgr. Hostaš - this would involve alteration of the voting on termination of the association; he does not deem it necessary and believes that voting on the termination of the association should be subject to the high quorum.*

*JUDr. Antoš (Internet Info) - observers should not be counted in case of a quorum required to terminate the association - 2/3 of members of each chamber*

Mgr. Hostaš then closed the discussion and in connection to the requirement of a member of AliaWeb invited to vote on separate counter-motions presented by this member. To adopt the motions all chambers should agree and at least 3/5 of votes of all members of the association should be affirmative:

Voting on the motion submitted by a member of AliaWeb – alteration to art. 18.2: The presented motion was supported by 5 members of the chamber of domain name holders (none was against and 6 abstained from voting), 2 members of the ISP chamber (none was against and 5 abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mgr. Hostaš announced that the motion of a member of AliaWeb was not adopted because it was not supported by the chamber of domain name holders and the ISP chamber.

Voting on the motion submitted by a member of AliaWeb - alteration to art. 14.1., 14.2. a 14.3: The presented motion was supported by 9 members of the chamber of domain name holders (none was against and 2 abstained from voting), 6 members of the ISP chamber (none was against and 1 abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mgr. Hostaš announced that the motion a member of AliaWeb to alter art. 14.1, 14.2 and 14.3 was adopted. New wording of art. 14.1, 14.2 and 14.3 is as follows:

- 14.1. *The general meeting is divided into individual chambers and additional chambers may be established based on the decision of the general meeting. The respective chambers are not independent bodies of the association. Each member of the association should be a member of one chamber.*
- 14.2. *The chamber of domain name holders:  
Members of this chamber are members of the association who meet the general terms and conditions of membership in the association in accordance with article 7 of the Statutes, and who do not meet any special terms and conditions of membership in other chambers of the association in accordance with article 14.3 and 14.4 of the Statutes.*
- 14.3. *ISP chamber:  
Members of this chamber are members of the association who  
a) meet the general terms and conditions of membership in the association in accordance with article 7 of the Statutes,  
b) are holders of LIR and members of RIPE NCC or a corresponding regional organization  
c) provide Internet connection services in the territory of the Czech Republic, and  
d) are holders of licence or another permission authorizing such provision of services in the territory of the Czech Republic and do not meet the special conditions of membership in the chamber of registrars in accordance with article 14.4 of the Statutes.*

Voting on the motion submitted by a member of AliaWeb - alteration to art. 18.3: The presented motion was supported by 9 members of the chamber of domain name holders (none was against and 2 abstained from voting), 5 members of the ISP chamber (1 was against and 1 abstained from voting) and 8 members of the chamber of registrars (none was against and 1 abstained from voting). Mgr. Hostaš announced that the motion of a member of AliaWeb to alter art. 18.3 was adopted. New wording of art. 18.3 is as follows:

- 18.3. *Decisions on the election or removal of members of the collegium in accordance with article 15.1(c) are taken separately by the individual chambers (articles 24.2 and 42.2 of the Statutes). The candidates who win the most votes are elected. In the case of equality of votes the winner is chosen by lot. At least 2/3 of votes of the members of the respective chamber present at the meeting of the chamber are necessary for the removal of a member of the collegium.*

Voting on the motion submitted by a member of VIZUS.CZ - alteration to art. 18.4: The presented motion was supported by 7 members of the chamber of domain name holders (3 were against and 1 abstained from voting), 2 members of the ISP chamber (2 were against and 3 abstained from voting) and 8 members of the chamber of registrars (none was against and 1 abstained from voting). Mgr. Hostaš announced that the motion of a member of VIZUS.CZ was not adopted because its adoption was subject to approval of all chambers.

## **9. Changeover to insourcing**

Mgr. Hostaš stated that the opinion of the board of directors regarding change of technical administration of the .cz domain and the analysis of costs related to the changeover to internal operation of Ernst & Young were enclosed to the invitation. Mgr. Hostaš then gave the floor to ing. Maršálek, chairman of the board of directors.

Ing. Maršálek pointed out that the general meeting held on 20 June 2005 approved the strategy and conception of the association activities for 2005 – 2009 including a decision whether to operate the .cz domain registration within own system. The board of directors had a study and a cost analysis prepared by Ernst & Young; concurrently it examined how similar systems work abroad. In June this year, ing. Maršálek showed presentation at the meeting of the CENTR organization which comprises approx. 95 % of TLD registers and uses none of the registers for outsourcing. The board of directors received several offers for help from abroad (e.g. Austria, New Zealand, United Kingdom, Slovenia). The board of directors also discussed the reproach of the advisory board according to which the changeover should be consulted with the general meeting or the collegium; the board did not find any provision in the Statutes in support of such recommendation and the members of the board of directors take responsibility for this action.

Mgr. Hostaš then opened a discussion.

*Bc. Kubiček (KRAXNET) - was pleased that the board of directors based its decisions on expert analyses and agreed with the findings of the report according to which operating the system by own means is an appropriate and logical provision of the system of services. He however does not agree that the proposed purchase from a small IT supplier is the right choice – he believes that a small business is not able to supply such system and meet conditions applicable to its development. He expressed the same negative opinion on the takeover of the system from the existing operator – he believes that the association should be able to implement and extend such system on a self-help basis. He asks whether it has already been decided how the system is to be acquired.*

*Mgr. Filip (CZ.NIC) - there are two practicable options: to cooperate in the development with a foreign company or to provide for the development by own means. Foreign consultations have not yet been completed, he considers such cooperation meaningful since it may help to reduce costs.*

*Mr Komárek (ZONER Software) - what is the time horizon of the changeover?*

*Ing. Maršálek (CZ.NIC) - considering the term of the contract with the existing service provider we have time of approx. 2 years. A time schedule has been prepared including a reserve and a crisis scenario*

*Mr Hřebíček (AliaWeb) - Ernst & Young did not consider the impact on the cash flow; cost items however include also depreciations. Did the board of directors take those impacts into account? Operating the system on a self-help basis presents different requirements on equity capital and reserves. He asks for information what is the equity capital and reserves of the association at present and what will be needed to operate insourcing.*

*Mgr. Filip (CZ.NIC) - cash flow was not analysed particularly because it is better than good (exceeding CZK 100 mil). Vast majority of domain names is renewed by the end of year (September, October) and the proceeds are credited to the following year; there are also domains which are registered and paid for several years in advance. As for the reserves – this year gains profit because the steps leading to reducing prices required prudence. He deems the reserves sufficiently high.*

*Mr Hřebíček (AliaWeb) - asks for precise amounts so that it is clear how much domain prices can be reduced*

*Mgr. Taft (CZ.NIC) - financial assets was approx. CZK 93.371 mil at the end of last year; positive P&L and positive cash flow. Positive P&L and neutral cash flow is planned also for 2006.*

*Mr Hřebíček (AliaWeb) - clarifies his question regarding equity assets and reserves. According to the presented facts the equity assets are CZK 6 mil, there are no reserves. He believes this is not sufficient.*

*Mgr. Taft (CZ.NIC) - generally agrees with Mr Hřebíček - so far plans were prepared always for a year time. The board of directors now projects a plan for a longer period of time; the plan will include not only accounts but it will state standard statements which will provide explanations to similar questions.*

The general meeting acknowledges the information discussed within this point of the agenda.

#### **10. Information on the ENUM project**

Mgr. Hostaš gave the floor to the executive manager of the association.

Mgr. Filip briefly summarized the presentation which was enclosed to the invitation. He emphasized that the project is not a preferred one but it will show whether the association is able to take over the technical administration of the .cz domain. He also stated that the development of the interest in the ENUM domains was not clear yet; CZ.NIC, however, is not a standard commercial organization so it does not only get involved in purely profitable projects.

The present members had no questions or comments on the issue; the general meeting acknowledges the information on the ENUM project.

#### **11. Budget for 2006**

Presented by Mgr. Filip, executive manager of the association:

Mgr. Filip pointed out that this is one of the most important documents to be discussed at the general meeting. He called attention to the change of its format (reporting for the board of directors), decrease in outsourcing (except for DNS), higher costs for DSD (related to the increase of the number of domains; the limit price per domain was however reached and further reduction of unit price while increasing the number of domains is not expected) and higher costs for HW and wages related to the preparation of insourcing. The planned budget is a budget of profit; a reserve is added in relation to changing over to insourcing and the projected contract with MI CR for which the reserve will be informative (MI intends to include the system of domain registration and DNS operation in the critical state infrastructure).

The budget shows noticeable decrease in outsourcing - some contracts have been revoked (e.g. computer network administration) which results in increased wage costs and increased investments. Proceeds mainly come from previous year. Changes in the pricelist had positive effect on the growth of domains (for 2005 the increase was about 40 thousand domain names) and the board of directors believes that the trend will stay; it however keeps certain prudence. Proceeds/costs EURid are related to the approved agreement (outsource agreement). Vast majority of costs is mandatory - contract with service provider T-Systems PragoNet, membership in international organizations. As already state, further costs are related to preparations for insourcing - personnel costs (team establishment), taking over outsourced activities.

Mgr. Filip also informed that the present clear costs of administration per domain is approx. CZK 320/year and this price will not decline in a significant manner. The increased number of domains results in increase of costs which are expected to grow linearly. Further chances to reduce prices under the present contract are rather limited.

The planned costs comprise in particular personnel costs and costs of external services. Travel costs remain the same even with the growing number of employees; an increase of costs for general meetings, meetings of the collegium and membership in international organizations (e.g. ICANN) is likely. Depreciation with regard to investments is also expected.

Mgr. Hostaš then opened a discussion and invited to put questions.

*Ing. Umlauf (Active24) - what are the reasons to increase the costs by CZK 1 mil for personnel costs/externs compared to 2005?*

*Mgr. Filip (CZ.NIC) - the item could be used e.g. because some installations will be made externally as it would not pay to hire a new employee. It is however deemed the budget ceiling.*

*Mr Pospíchal (InWay) - the budget states an amount CZK 500 thousand for the operation of LIR - what is the basis for this amount? Costs of the RIPE operation have been declining.*

*Mgr. Filip (CZ.NIC) - the amount is from 2005. A lower amount is planned for 2006 - CZK 200 thousand.*

*Mr Hřebíček (AliaWeb) - in what way will the payments to service provider T-Systems PragoNet come off the budget?*

*Mgr. Filip (CZ.NIC) - it is expected for 2006 that the amount of CZK 83 mil will be paid to service provider T-Systems PragoNet for the main system, payments will be provided to T-Systems PragoNet until October 2007. No payment will be provided in 2008.*

Since the present members of the association had no questions or comments, Mgr. Hostaš invited to vote on the adoption of the proposed budget for 2006; voting took place in turns by each chamber; the adoption required affirmative votes of more than a half of the chambers. The presented motion was supported by 11 members of the

chamber of domain name holders (none was against and none abstained from voting), 7 members of the ISP chamber (none was against and none abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mr Hostaš announced that upon the voting the general meeting adopted the proposed budget for 2006 in the form presented by the board of directors.

Resolution proposed by a member of AliaWeb - the general meeting requires that in the budget for 2007 the board of directors produces evidence regarding the amount of the capital and reserves required for non-risk operation of the association in 2007.

There was voting on the counter-motion of a member of AliaWeb; the presented motion was supported by 11 members of the chamber of domain name holders (none was against and none abstained from voting), 7 members of the ISP chamber (none was against and none abstained from voting) and 9 members of the chamber of registrars (none was against and none abstained from voting). Mr Hostaš announced that the counter-motion of a member of AliaWeb was adopted.

## **12. Election of members of the collegium**

Mgr. Hostaš pointed out that according to the Statutes of the association adopted by the general meeting on 20.06.2005 it is necessary to elect 18 members of the collegium (6 members for each chamber). Each member of a chamber may propose two candidates who have to agree with their candidature. Considering the number of elected members, there will be no personal presentations; voting shall take place by means of ballots with the candidates stated in alphabetical order of their surnames. The number of received votes will be decisive. The ballots will be distributed among the members and collected en bloc; then the counting and evaluation will take place. Of the elected members of the collegium, two will be selected by lot for a term of office of 1 year and two for a term of office of 2 years. The term of office of the remaining members is three years.

Mgr. Hostaš then invited the members of the association to notify their candidates to the recorder in order to register them.

### The following persons were proposed for the ISP chamber:

<u>Candidate</u>	<u>Proposed by</u>
Filip Ondřej	CAŠABLANCA INT
Fryc Ondřej	BT ČR
Krsek Michal	CESNET
Macek Michael	GTS NOVERA
Pospíchal Zbyněk	T-Systems PragoNet
Rattay Václav	IBA Chomutov

### The following persons were proposed for the domain name holders chamber:

<u>Candidate</u>	<u>Proposed by</u>
Antoš Marek	Internet Info
Brix Karel	ICZ
Cendra Zdeněk	Trustica
Hájek Jan	EXPLORER
Hřebíček Jan	AliaWeb
Maršálek Tomáš	GTS Czech
Panoch Jan	SuperNetwork
Pochman Jan	Unie vydavatelů
Švecová Markéta	AUDÍTEL

### The following persons were proposed for the chamber of registrars:

<u>Candidate</u>	<u>Proposed by</u>
Komárek Petr	Active24
Kubíček Jiří	KRAXNET
Kukačka Martin	IGNUM
Kysela Jiří	NEXTRA
Prokeš Robert	ZONER Software
Redl Jan	Web4U
Taft Karel	SkyNet
Umlauf Karel	Czech On Line

All proposed candidates approved their candidature. Then the ballots were prepared and distributed among the members who were entitled to vote in accordance with the Statutes of the association. The voting members were invited to indicate on the ballots whether they are in favour, against or whether they abstain from voting and to put the ballots in the ballot-box.

1.02 p.m. - a member of Equant Czech republic left (33 present members, 26 with voting rights)

1.03 p.m. - a member of Com-Sys TRADE left (32 present members, 26 with voting rights)

Following the elections, Mgr. Hostaš announced that 26 ballots were distributed (10 for the chamber of domain name holders, 9 for the chamber of registrars and 7 the ISP chamber); 26 ballots were collected; all ballots were valid and the voters used all their votes. Mgr. Hostaš announced the results of the election:

The following persons were elected for the ISP chamber:

**Filip Ondřej** 7 votes  
**Krsek Michal, Macek Michael, Pospíchal Zbyněk** 6 votes each  
**Fryc Ondřej, Rattay Václav** 5 votes each

Mgr. Hostaš selected the term of office for the elected candidates by lot under the supervision of the scrutators as follows:

Macek Michael, Rattay Václav 1 year  
Fryc Ondřej, Pospíchal Zbyněk 2 years  
Filip Ondřej, Krsek Michal 3 years

The following persons were elected for the chamber of domain name holders:

**Hřebíček Jan** 10 votes  
**Antoš Marek, Švecová Markéta** 9 votes each  
**Maršálek Tomáš** 8 votes  
**Hájek Jan, Pochman Jan** 7 votes each

Mgr. Hostaš selected the term of office for the elected candidates by lot under the supervision of the scrutators as follows:

Maršálek Tomáš, Hřebíček Jan 1 year  
Pochman Jan, Švecová Markéta 2 years  
Antoš Marek, Hájek Jan 3 years

The following persons were elected for the chamber of registrars:

**Komárek Petr, Kukačka Martin, Redl Jan** 7 votes each  
**Prokeš Robert** 6 votes  
**Taft Karel, Umlauf Karel** 5 votes each

Mgr. Hostaš selected the term of office for the elected candidates by lot under the supervision of the scrutators as follows:

Kukačka Martin, Taft Karel 1 year  
Komárek Petr, Prokeš Robert 2 years  
Redl Jan, Umlauf Karel 3 years

1.41 p.m. - members of T-Systems PragoNet and ICZ left (30 present members, 24 with voting rights)

Mgr. Hostaš pointed out that 3 more persons out of the total of 21 will be added by the Ministry of Informatics of the CR, the Economic Chamber of the CR and the Czech Telecommunication Office (ČTÚ). Those organisations will submit information on their candidates officially - they waited for their general meetings to elect their candidates.

Ing. Maršálek then thanked all present members of the association for their active participation in the meeting.

The negotiations conducted by the general meeting were concluded at 2 o'clock.

Mgr. Petr Hostaš  
Chairman of the general meeting

Ing. Michael Macek  
Verifier of the Minutes

Zuzana Durajová  
Recorder

Appendices:

Appendix No. 1 - attendance list of the association members  
Appendix No. 2 - attendance list of the guests  
Appendix No. 3 - protocol on electronic voting