



Articles of Association

CESNET, zájmové sdružení právnických osob

I. GENERAL PROVISIONS

1. Foundation of association

- 1.1. CESNET, zájmové sdružení právnických osob (*association of legal entities*, hereinafter the "Association") was founded by the Foundation agreement of 6 March 1996.
- 1.2. The Association is registered in the Register of Associations kept by the Municipal Court in Prague under file no L 58848.
- 1.3. The Association's identification number is 63839172.
- 1.4. The Association is established for an indefinite period of time.

2. Name and registered office of the Association

- 2.1. The Association operates under the name CESNET, zájmové sdružení právnických osob.
- 2.2. The registered office of the Association is Prague. The address of the registered office is to be determined by the Board of Directors.

3. Bodies of the Association

- 3.1. The bodies of the Association are as follows:
 - a) General Assembly;
 - b) Board of Directors;
 - c) Supervisory Board;
 - d) Director of the Association.

4. Objectives of the Association

- 4.1. The Association pursues the following objectives:
 - a) to independently conduct basic, industrial research and experimental development in the field of information and communication technologies and their applications and to disseminate the results of these activities in all available forms, including technology transfer;
 - b) to build, develop and operate the Association's research infrastructure on a long-term basis and to promote the development, adoption and use of cutting-edge communication and information technologies;
 - c) to support, for coverage of related costs, the dissemination of education, culture and knowledge, the collaboration of its members with the practice, the expansion of the application of state-of-the-art information technologies and the improvement of CESNET's research infrastructure by acquiring new participants, information resources and services.

5. Primary activity of the Association

- 5.1. The primary activity of the Association is to conduct the following activities for the benefit of its members, the organisations established by them, as well as for the benefit of other entities:
 - a) the development and operation of national communication and information infrastructure, enabling interconnection of their infrastructures, the access to CESNET infrastructure and connection to similar external infrastructures (including access to the Internet);
 - b) the creation of shared technical, communication and software instruments and information services;
 - c) the verification of new applications, the collaboration and complementarity of members' activities at a level comparable to leading foreign academic and research infrastructures.
- 5.2. The primary activities of the Association further include, in particular, the following:
 - a) carrying out independent research and development activities in the field of information and communication technologies and providing research services in this field;
 - b) promoting ICT education;
 - c) putting the results of its own research and development into practice in the form of internal technology transfer, ensuring the reinvestment of all profits from technology transfer into other primary activities specified in Article 5.
- 5.3. The Association conducts and provides its activities to the extent of the obtained grants and partial coverage of costs related to these activities. The Association does not conduct these activities for profit.

6. Secondary activities of the Association

- 6.1. In addition to its primary activities in accordance with Article 5, the Association also conducts secondary activities, but solely for the purpose of more efficiently using its property and in such a way as not to jeopardise the achieving of objectives in accordance with Article 4.
- 6.2. The Association conducts secondary activities supporting the transfer of research results into practice, especially in the following fields:
 - a) other voice services;
 - b) rental of circuits;
 - c) data transmission services;
 - d) Internet access services;
 - e) consultancy, advisory and training activities in the field of telecommunications and information technology;
 - f) purchase of goods for resale and sale.
- 6.3. Any loss incurred by the secondary activities will be offset by the end of the accounting period or the relevant secondary activity will be discontinued before the start of the next accounting period.

II. PARTICIPATION IN THE ASSOCIATION

7. Members of the Association

- 7.1. The members of the Association are divided into regular and associate members.
- 7.2. A regular member of the Association may be exclusively:
 - a) a public or State higher education institution in accordance with the Act No. 111/1998 Coll., on higher education institutions, as amended, represented by a rector;
 - b) Czech Academy of Sciences represented by its President.
- 7.3. Private higher education institutions, legal persons active in the field of research, development and innovation and education, or other legal persons from the public administration and non-profit sector that permanently meet the conditions for connection to the CESNET e-infrastructure may become an associate member of the Association.
- 7.4. The Board of Directors maintains a list of regular and associate members, which is available on the Association's website.
- 7.5. Participation in the Association cannot be transferred to another person.
- 7.6. Members of the Association have the right to use the services of the CESNET e-infrastructure. Services of the CESNET e-infrastructure are divided into standard services, provided upon payment of the membership fee (or a fee paid in accordance with Article 14.7), and above-standard services, provided above or beyond the standard scope. The scope of standard services and the scope and rules for the use of above-standard services shall be approved by the General Assembly.

8. Establishment of participation of a regular member of the Association

- 8.1. The participation of a regular member of the Association was established for the founding members upon signing the Foundation agreement with effect from the date of registration of the Association in the Register of Associations kept by the district authority competent according to the then registered office of the Association.
- 8.2. An entity can join the Association as a regular member by a unilateral legal act in writing. The accession document must state that the acceding regular member accedes to the Foundation agreement and the Articles of Association.
- 8.3. The approval of the General Assembly is required for accession to the Association in accordance with Article 8.2. The General Assembly decides on the accession of a new regular member by a 2/3 majority of votes of all existing regular members of the Association. The General Assembly shall also determine the amount of the new regular member's initial and annual membership fee.
- 8.4. Participation in the Association in accordance with Article 8.2 shall always commence for a new regular member on the first day of the calendar month following the month in which the General Assembly has agreed to its accession to the Association in accordance with Article 8.3.

9. Termination of participation of a regular member of the Association

- 9.1. The participation of a regular member of the Association terminates:
 - a) by the dissolution of a legal person that is a regular member of the Association;

- b) by withdrawal from the Association;
 - c) by expulsion;
 - d) by dissolution of the Association.
- 9.2. Withdrawal from the Association is possible on the basis of a written notice of withdrawal of a regular member of the Association addressed to the Board of Directors. In such a case, the participation of the regular member of the Association shall end after the expiry of the notice period, which is 12 months. This period shall begin to run on the first day of the month following the demonstrable delivery of the withdrawal notice to the Board of Directors.
- 9.3. The General Assembly shall decide on the expulsion of a regular member of the Association by a 4/5 majority of all votes of the regular members of the Association; the votes of the regular member whose expulsion is being decided on shall not be included in the total number of votes of the regular members. The proposal for the expulsion of a regular member of the Association shall be submitted to the General Assembly by the Board of Directors. The General Assembly may decide to expel a regular member of the Association if:
- a) a regular member of the Association has failed to pay the initial or annual membership fee even after a request of the Board of Directors delivered within a subsequently set time limit;
 - b) a member of the Association violates its membership obligations in a particularly gross manner or damages the reputation of the Association, even though it has been warned in writing by the Board of Directors of the violation of its obligations and the possibility of expulsion from the Association.
- 9.4. For the duration of the Association and even in the event of its dissolution, a regular member of the Association shall not be entitled to claim a refund of its initial and annual membership fees.
- 9.5. The expelled member of the Association is not entitled to a settlement share.
- 9.6. In the event of termination of a member's participation in the Association in accordance with Article 9.1(a) and (b), a regular member shall be entitled to a settlement share. The settlement share shall be calculated from the net assets of the Association, which shall be determined on the basis of the financial statements for the last completed accounting period before the termination of its participation in the Association. The settlement share shall be calculated as the ratio of the annual membership fee of the regular member whose participation in the Association has terminated to the sum of the annual membership fees of all regular members. The amount of the annual membership fee of the regular member for the year in which his participation terminated shall be deducted from the amount so calculated. Net assets are assets less liabilities.
- 9.7. The settlement share shall be paid in monetary form within 30 days of the approval of the annual financial statement. The member whose participation in the Association has been terminated shall be obliged to pay any loss within the same period.
- 9.8. After the dissolution of the Association with liquidation, a regular member of the Association shall be entitled to a share of the liquidation balance. This share shall be determined according to the proportion of the annual membership fees of the regular members in the year preceding the year in which the Association is dissolved.

10. Rights and obligations of regular members of the Association

- 10.1. All regular members of the Association have the right to participate in the decision-making of the Association.
- 10.2. A regular member of the Association has the right to attend the General Assembly, to vote at it, to ask for explanations and to make proposals.
- 10.3. A regular member of the Association has the right to be informed of the agenda of the General Assembly and the right to receive from the Board of Directors a copy of the minutes of the General Assembly within 30 days from the meeting.
- 10.4. A group of at least three regular members of the Association who in aggregate hold at least 10 % of the votes may request the Board of Directors to convene a General Assembly to discuss matters proposed by them within the meaning of Article 17.5.
- 10.5. Any regular member of the Association has the right to request the Board of Directors to put its proposal on the agenda of the General Assembly.
- 10.6. Any regular member of the Association has the right to request the Supervisory Board to review the activities of the Board of Directors on the matters specified in its request.

- 10.7. Every regular member of the Association is obliged to pay the initial membership fee and annual membership fees in accordance with Article 14.
- 10.8. Regular members of the Association have no preferential rights in or claims to the results achieved by the Association's activities.

11. Establishment of participation of an associate member of the Association

- 11.1. A legal person that meets the conditions set out in Article 7.3 joins the Association as an associate member by a unilateral legal act made in writing. The accession document must state that the acceding member joins the Association as an associate member and undertakes to abide by these Articles of Association.
- 11.2. Joining the Association as an associate member is subject to the approval of the Board of Directors.
- 11.3. Participation in the Association commences for a new associate member on the first day of the calendar month following the month in which the Board of Directors has agreed to that member joining the Association.
- 11.4. The Board of Directors shall decide on the amount of the associate member's initial fee and annual membership fee, taking into account the budget and economic results of the associate member, the one-off connection costs and the range of services used.

12. Termination of participation of an associate member of the Association

- 12.1. The participation of an associate member of the Association terminates as follows:
 - a) by the dissolution of a legal person that is an associate member of the Association;
 - b) by withdrawal from the Association;
 - c) by expulsion;
 - d) by dissolution of the Association.
- 12.2. Withdrawal from the Association is possible on the basis of a written notice of withdrawal of an associate member of the Association addressed to the Board of Directors. In such a case, the member's participation in the Association shall end after the expiry of the notice period, which is 12 months. This period shall begin to run on the first day of the month following the demonstrable delivery of the withdrawal notice to the Board of Directors.
- 12.3. The Board of Directors shall decide on the expulsion of an associate member of the Association by a 4/5 majority of all members of the Board of Directors. A proposal for expulsion of a member of the Association is submitted to the Board of Directors by any member of the Board of Directors or by any regular member of the Association. The Board of Directors may decide to expel an associate member of the Association if:
 - a) a member of the Association has failed to pay the initial or annual membership fee even after a request of the Board of Directors delivered within a subsequently set time limit;
 - b) a member of the Association violates its membership obligations in a particularly gross manner or damages the reputation of the Association, even though it has been warned in writing by the Board of Directors of the violation of its obligations and the possibility of expulsion from the Association.
- 12.4. In the event of termination of an associate member's participation in the Association, the associate member shall not be entitled to a settlement share or to a refund of the initial fee or any part thereof.

13. Rights and obligations of associate members

- 13.1. An associate member has the right to participate in the General Assembly of the Association with an advisory vote and has the right to be informed of the agenda and to receive a copy of the minutes of the General Assembly in the same manner as a regular member of the Association as specified in Article 10.3.
- 13.2. An associate member does not have the right to participate in decision-making of the Association and does not have the right to vote.
- 13.3. An associate member is obliged to provide the Association with basic data on its budget and economic results for the purpose of determining its initial and annual membership fee.
- 13.4. An associate member is obliged to pay the initial membership fee and annual membership fees in accordance with Article 14.

14. Members' contributions to the Association

- 14.1. Members' contributions to the Association are divided into annual and initial membership fees.
- 14.2. Members are required to pay the annual membership fee in quarterly instalments, always by the last day of the first month of the relevant quarter.
- 14.3. A joining member is obliged to pay the initial fee within 30 days from the date the member's participation in the Association is established.
- 14.4. A new member that is created by de-merger, merger by acquisition, merger by the formation of a new person or spin-off from an existing member shall be exempt from the initial fee.
- 14.5. A member who was already a member of the Association, left the Association and is joining the Association again is obliged to pay the full amount of the initial fee.
- 14.6. A member of the Association who fails to pay the initial fee or annual membership fee within the time limits specified above shall be obliged to pay default interest in accordance with Section 1970 of the Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter the "Civil Code") in the amount specified by the relevant implementing regulation. If a member of the Association is in default with the payment of a fee, the Board of Directors shall call upon the member to comply with the obligation within an additional thirty-day period that begins to run upon receipt of the written request from the Board of Directors. If a member of the Association fails to pay the outstanding fee even within the additional period, it may be expelled from the Association.
- 14.7. A member of the Association does not have to pay the annual membership fee or any part thereof if the member has arranged for the Association to be reimbursed for the services received by the member, or the corresponding part of such services, in some other manner in accordance with the rules laid down by the Association.

III. GENERAL ASSEMBLY

15. Status and powers of the General Assembly

- 15.1. The General Assembly is the highest body of the Association. Every regular member of the Association is a member of the General Assembly. The General Assembly is not open to the public. Members of the Board of Directors, members of the Supervisory Board and the Director of the Association have the right to attend the General Assembly.
- 15.2. The powers of the General Assembly include:
 - a) election, dismissal and remuneration of members of the Board of Directors and the Supervisory Board;
 - b) approving amendments to the Articles of Association and the Rules of Procedure and Elections of the General Assembly;
 - c) approving the accession of a regular member to the Association;
 - d) discussing issues related to the withdrawal of a regular member from the Association;
 - e) deciding on the expulsion of a regular member of the Association;
 - f) deciding on the dissolution of the Association;
 - g) approving the annual financial statements and annual reports;
 - h) approving the budget for the calendar year;
 - i) approving the Association's concept of activities;
 - j) approving the report on the primary and secondary activities of the Association and on its assets;
 - k) approving the distribution of profits;
 - l) approving the annual allocation to the reserve fund;
 - m) approving the amount of annual membership fee and the initial fee for regular members;
 - n) deciding on the payment of an extraordinary supplement to the annual membership fee to cover any loss of economic activity and deciding the amount thereof;
 - o) approving the CESNET Development Fund Management Rules and amendments thereto;
 - p) election, removal and remuneration of members of the Development Fund Council;
 - q) other matters which are otherwise delegated to the General Assembly by these Articles of Association.

16. Decision-making of the General Assembly

- 16.1. The General Assembly has a quorum if the members present have a total of at least 2/3 of all votes.

- 16.2. The number of votes of a regular member of the Association for a given year is calculated from the amount of its annual membership fee; a member has one vote for every commenced CZK 100 000 of the fee.
- 16.3. The General Assembly decides on all matters by a 2/3 majority of all votes of the regular members, with the following exceptions:
- a) expulsion of a regular member from the Association in accordance with Article 9.3 and dissolution of the Association in accordance with Article 35;
 - b) election of members of the Board of Directors and members of the Supervisory Board – these decisions require a majority of all votes of the regular members of the Association;
 - c) election of members of the Development Fund Council – these decisions are taken in accordance with the rules laid down in the Rules of Procedure and Elections.

17. Convocation of the General Assembly

- 17.1. The General Assembly is held at least twice a year. The General Assembly must be convened so as to take place within nine months of the previous General Assembly at the latest. The General Assembly is convened by the Board of Directors. If the Board of Directors fails to convene the General Assembly within the time limits set out in the Articles of Association, or if the Board of Directors is incapable, the General Assembly shall be convened by the Supervisory Board.
- 17.2. In the case of elections to the bodies of the Association or the Development Fund Council, the Board of Directors is obliged to invite, at least 60 days in advance, the regular members of the Association to submit nominations for candidates at the latest 30 days before the General Assembly. The nomination of candidates shall be submitted by the governing body of the regular member of the Association.
- 17.3. The General Assembly shall be convened by a written invitation, which must be sent to all members of the Association via data box and at least 15 days before the General Assembly. If it is not possible to send the invitation by data box, the invitation may be sent by registered mail via the postal service provider.
- 17.4. The invitation to the General Assembly must include the following:
- a) name and registered office of the Association;
 - b) place, date and time of the General Assembly;
 - c) information on the possibility of participating in the General Assembly by means of remote communication;
 - d) agenda of the General Assembly;
 - e) supporting materials for those items on the agenda on which resolutions will be adopted and supporting materials for the election of members of the Association's bodies and the Development Fund Council.
- 17.5. The Board of Directors is obliged to convene a General Assembly if at least three regular members of the Association who together hold at least 10 % of the votes request it. The Board of Directors shall convene the General Assembly so that it is held no later than 30 days after receiving the relevant request to convene it. If the request to convene a General Assembly regards elections to the bodies of the Association or the Development Fund Council, the Board of Directors shall convene the General Assembly no later than 60 days after receiving the relevant request to convene it. If the Board of Directors fails to convene the General Assembly within the time limits specified above, the request for convening the meeting may be forwarded to the Supervisory Board. In the event that the General Assembly is not convened by the Supervisory Board within the time limits mentioned above, the group of regular members of the Association who initially have requested it shall have the right to convene the General Assembly themselves.

18. Meetings of the General Assembly

- 18.1. The meetings of the General Assembly are governed by the Rules of Procedure and Elections. The General Assembly shall act in accordance with the predetermined agenda and discuss only the matters specified in the invitation. A matter that has not been included in the proposed agenda of the General Assembly may be included only with the participation and consent of all members of the Association.
- 18.2. Minutes of the General Assembly shall be drawn up and they shall contain the following information:

- a) name and registered office of the Association;
 - b) place and time of the General Assembly meeting;
 - c) name of the Chairman of the General Assembly, the secretary, the verifiers of the minutes and the persons responsible for counting the votes;
 - d) description of the discussion of the individual items on the General Assembly agenda;
 - e) decision of the General Assembly, indicating the voting result;
 - f) indication of a disagreement of a member of the Association with a resolution of the General Assembly.
- 18.3. The Board of Directors shall ensure the preparation of the minutes of the General Assembly. The minutes shall be signed by the secretary, Chairman of the General Assembly, and two elected verifiers. The minutes, together with the invitations and the list of members present, shall be kept in the archives of the Association for the duration thereof.
- 18.4. Members of the Association may attend the General Assembly in person or by using any means of remote communication.
- 18.5. The General Assembly may also be held exclusively by means of remote communication if it is not possible for serious reasons to allow the members of the Association to attend the General Assembly in person.
- 18.6. In the event that a member of the Association participates in the General Assembly by means of remote communication in accordance with Article 18.4 or 18.5, the quorum of the General Assembly shall be assessed in the same way as if that member participated in person. Members of the Association participating in the General Assembly by means of remote communication shall be deemed to be present for these purposes.
- 19. Substitute General Assembly**
- 19.1. If the General Assembly does not have a quorum, the Board of Directors is obliged to convene a substitute General Assembly within 14 days, which shall follow the same agenda. This General Assembly has a quorum if regular members with a majority of the total number of votes are present. This General Assembly shall decide by a 2/3 majority of votes of the regular members present.

IV. BOARD OF DIRECTORS

20. Status and powers of the Board of Directors

- 20.1. The Board of Directors is the statutory body of the Association, which ensures its management and acts on its behalf. The members of the Board of Directors are accountable for the performance of their duties solely to the General Assembly.
- 20.2. The Board of Directors is guided in its activities by the principles and guidelines approved by the General Assembly.
- 20.3. The powers of the Board of Directors include, in particular, the following:
- a) convening a General Assembly;
 - b) ensuring strategic management of the Association;
 - c) discussing matters and submitting them to the General Assembly;
 - proposing amendments to the Articles of Association;
 - preparing the annual financial statements and annual reports;
 - proposing the Association's concept of activities;
 - proposing the budget for the calendar year;
 - preparing the report on the primary and secondary activities of the Association and on its assets;
 - providing information on the establishment of funds or allocations to the retained earnings account;
 - proposing a motion to dissolve the Association;
 - proposing the amount of the annual contribution to the reserve fund;
 - proposing the remuneration of members of the Development Fund Council;
 - handling a proposal by a regular member of the Association to include its matters on the agenda of the General Assembly;
 - d) implementing resolutions of the General Assembly;

- e) approving the accession of an associate member to the Association and determining the amount of its initial and annual membership fee;
- f) discussing issues related to the withdrawal of an associate member from the Association;
- g) deciding on the expulsion of an associate member of the Association;
- h) keeping a list of the members of the Association and informing the General Assembly of the newly admitted associate members (since the last General Assembly) and the amount of their membership fee;
- i) deciding on the use of the reserve fund;
- j) establishing expert advisory bodies to the Board of Directors;
- k) approving the establishment of for-profit or non-profit entities;
- l) appointing and dismissing the Director of the Association and determining his or her remuneration;
- m) discussing the Organisational Rules, Work Rules and the Staff and Wage Regulations;
- n) other matters which are otherwise delegated to the Board of Directors by these Articles of Association.

21. Composition and term of office of the Board of Directors

- 21.1. The Board of Directors of the Association has seven members. The Board of Directors shall elect from among its members a Chairman and two Vice-Chairmen.
- 21.2. The Board of Directors with above half elected members, may co-opt a new member in place of a member whose membership has expired or who has resigned, for the remainder of the Board of Directors' term. The co-option of a member shall be decided by the Board of Directors by a majority vote of all remaining members.
- 21.3. If the number of elected members of the Board of Directors falls below half or if the Board of Directors decides not to use the procedure specified in Article 21.2, the Board of Directors is obliged to convene a General Assembly within 30 days of the occurrence of this legal fact to elect the missing member of the Board of Directors for the remainder of the Board of Directors' term. In the event of inactivity or incapacity of the Board of Directors to convene the General Assembly, the procedure in accordance with Article 17.1 shall be followed.
- 21.4. The term of office of the Board of Directors shall be two years, but it shall not expire until a new Board of Directors is elected. Re-election as a member of the Board of Directors is possible.
- 21.5. The Board of Directors is obliged to convene a General Assembly no later than 60 days before the end of its term of office in accordance with Article 21.4, following the procedure set out in Article 17.
- 21.6. A member of the Board of Directors may not simultaneously be a member of the Supervisory Board.
- 21.7. A member of the Board of Directors may resign by a written declaration delivered to the Board of Directors; his or her position shall terminate on the date on which his or her resignation was discussed or should have been discussed by the Board of Directors. The Board of Directors is obliged to discuss the resignation of a member at its next meeting after becoming aware of the resignation.

22. Meeting of the Board of Directors

- 22.1. The Board of Directors shall meet based on the needs of the Association, but at least once in a calendar month. The Chairman (or, in the event of his or her inactivity, any of the Vice-Chairmen) is obliged to convene a meeting of the Board of Directors whenever a member of the Board of Directors or the Supervisory Board requests it.
- 22.2. Members of the Supervisory Board and the Director of the Association may attend the meetings of the Board of Directors. Furthermore, invited guests, in particular senior employees of the Association, experts and other persons agreed by all members of the Board of Directors present, may attend such meetings.
- 22.3. Persons attending meetings of the Board of Directors may also participate by remote access, e.g. via videoconference.
- 22.4. Meetings of the Board of Directors are directed by the Chairman or one of the Vice-Chairmen. Minutes of the Board of Directors' meetings and its decisions shall be taken and signed by the Chairman or the Vice-Chairman of the Board of Directors who directed the meeting and the

secretary. Each member of the Board of Directors has the right to have his or her opinion recorded in the minutes at his or her request.

22.5. The Board of Directors has a quorum if a majority of its members is present; a member connected by videoconference shall also be considered present. The Board of Directors shall decide by majority vote of the members present; each member has one vote. In the event of a tie vote, the motion for which the Chairman votes shall be deemed to have been approved.

22.6. In urgent case, the Chairman of the Board of Directors is authorised to adopt measures that otherwise belong to the Board of Directors. The Chairman shall submit these measures to the Board of Directors for approval at its next meeting.

23. Obligations of the members of the Board of Directors and the Board of Directors acting on behalf of the Association

23.1. The members of the Board of Directors are obliged to exercise their powers with due professional care and not disclose confidential information and facts, the disclosure of which to third parties could cause harm to the Association.

23.2. The Chairman of the Board of Directors and one of the Vice-Chairmen of the Board of Directors together, or two Vice-Chairmen of the Board of Directors together, represent the Board externally in the affairs of the Association.

23.3. Prior approval of all members of the Board of Directors is required for the matters listed below:

- a) granting or accepting loans or credits over CZK 5 million CZK;
- b) establishing for-profit and non-profit entities.

23.4. Members of the Board of Directors are prohibited from competing with the Association. A member of the Board of Directors may not:

- a) enter in his or her own name or on his or her own account into transactions which are related to the activities of the Association;
- b) intermediate the business of the Association to other persons;
- c) participate in the business as a partner with unlimited liability;
- d) act as a statutory body or member of a statutory or another body of another legal person with the same or similar objects of business, unless it is a legal person that is a member of the Association. The provision of Section 432 of the Civil Code shall apply *mutatis mutandis* to a member of the Board of Directors who violates the ban on competition.

24. Decision-making by the Board of Directors per rollam (voting by roll)

24.1. The Board of Directors may also take decisions on urgent matters by electronic mail ("per rollam") outside its ordinary meetings.

24.2. The Chairman of the Board of Directors (or one of the Vice-Chairmen) is authorised to initiate a per rollam vote of the Board of Directors by informing all members of the Board of Directors in the form of an electronic mail about the announcement of such vote. He or she shall invite them to express their agreement or disagreement on the matter. The email must state the time limit for the reply, which must not be less than 48 hours.

24.3. The person who initiated the per rollam decision shall count the votes after the expiry of the time limit for replies. The vote of a member of the Board of Directors who has not expressed his or her opinion in the per rollam vote shall be understood as an abstention.

24.4. The per rollam decision-making by the Board of Directors shall follow the same rules as decision-making by the Board of Directors at a meeting. This decision must be entered in the minutes of the next Board meeting.

25. Remuneration of members of the Board of Directors

25.1. Members of the Board of Directors are entitled to financial remuneration for the performance of their duties.

V. SUPERVISORY BOARD

26. Status and powers of the Supervisory Board

26.1. The Supervisory Board is the controlling body of the Association, which oversees the performance of the Board of Directors and the implementation of the Association's activities. The members of

the Supervisory Board are accountable for the performance of their duties solely to the General Assembly.

- 26.2. Members of the Supervisory Board may:
- a) inspect all documents and records relating to the activities of the Association;
 - b) oversee whether the accounting records are kept in accordance with the facts;
 - c) oversee whether the activities of the Association are carried out in accordance with the law, the Articles of Association, and the instructions of the General Assembly;
 - d) review the annual financial statements of the Association;
 - e) participate in the General Assembly and inform the General Assembly of the results of its control activities;
 - f) convene a General Assembly if the interests of the Association so require.
- 26.3. The Supervisory Board is obliged to review the activities of the Board of Directors upon the request of a regular member of the Association, focusing on the matters specified in such request.

27. Composition and term of office of the Supervisory Board

- 27.1. The Supervisory Board has five members.
- 27.2. Members of the Supervisory Board are elected by the General Assembly. The members of the Supervisory Board elect a Chairman from among its members.
- 27.3. The term of office of the Supervisory Board shall be two years, but it shall not expire until a new Supervisory Board is elected. Re-election of members of the Supervisory Board is possible.
- 27.4. A member of the Supervisory Board may resign from his or her position by a written declaration delivered to the Supervisory Board. His or her position shall terminate on the date on which his or her resignation was discussed or should have been discussed by the Supervisory Board. The Supervisory Board is obliged to discuss the resignation of a member of the Supervisory Board at the next meeting after becoming aware thereof.
- 27.5. The Supervisory Board with above half elected members, may co-opt a new member in place of a member whose membership has expired or who has resigned, for the remainder of the Supervisory Board's term. The co-option of a member shall be decided by the Supervisory Board by a majority vote of all remaining members.
- 27.6. If the number of elected members of the Supervisory Board falls below half or the Supervisory Board decides not to proceed in accordance with Article 27.5, the Board of Directors is obliged to convene a General Assembly within 30 days of the occurrence of this legal fact.
- 27.7. A member of the Supervisory Board may not simultaneously be a member of the Board of Directors of the Association or the Director of the Association.
- 27.8. Members of the Supervisory Board are prohibited from competing with the Association to the same extent and with the same consequences as members of the Board of Directors in accordance with Article 23.4.

28. Meetings of the Supervisory Board

- 28.1. Meetings of the Supervisory Board are held based on the needs of the Association, but at least twice a year. The Chairman of the Supervisory Board is obliged to convene a meeting of the Supervisory Board whenever a member of the Supervisory Board or the Board of Directors so requests.
- 28.2. Members of the Supervisory Board may also participate in meetings of the Supervisory Board by remote access, e.g. via videoconference.
- 28.3. The Supervisory Board meeting is directed by its Chairman, minutes of the meeting are made and signed by the secretary and the Chairman of the Supervisory Board.
- 28.4. The Supervisory Board has a quorum if a majority of its members is present at its meeting. A member connected by video conference during a meeting of the Supervisory Board shall be deemed to be present.
- 28.5. In order to adopt resolutions in all matters discussed by the Supervisory Board, a majority of the present members of the Supervisory Board must vote for them; each member shall have one vote. In the event of a tie vote, the motion for which the Chairman votes shall be deemed to have been approved.

29. Decision-making by the Supervisory Board per rollam (voting by roll)

- 29.1. The Supervisory Board may also take decisions on urgent matters by electronic mail (“per rollam”) outside its ordinary meetings.
- 29.2. The Chairman of the Supervisory Board shall inform all members of the Supervisory Board by electronic mail of the announcement of such vote. He or she shall invite them to express their agreement or disagreement on the matter. The email must state the time limit for the reply, which must not be less than 48 hours.
- 29.3. The Chairman of the Supervisory Board shall count the votes after the expiry of the time limit for replies. The vote of a member of the Supervisory Board who has not expressed his or her opinion in the per rollam vote shall be understood as an abstention.
- 29.4. A per rollam decision of the Supervisory Board shall be valid if a majority of all members of the Supervisory Board agrees. This decision must be entered in the minutes of the next meeting of the Supervisory Board.

30. Remuneration of members of the Supervisory Board

- 30.1. Members of the Supervisory Board are entitled to financial remuneration for the performance of their duties.

VI. DIRECTOR

31. Status and powers of the Director

- 31.1. The Director of the Association is the body of the Association that manages its day-to-day activities. In particular, the Director
 - a) ensures the implementation of primary and secondary activities of the Association;
 - b) ensures proper keeping of the prescribed records and accounts of the Association to the extent specified by generally binding legal regulations;
 - c) ensures of the operational matters of the Association;
 - d) executes the resolutions of the Board of Directors of the Association;
 - e) decides on the personnel issues of the Association and represents the Association in labour-law relationships;
 - f) issues the Organisational Rules, Work Rules and the Staff and Wage Regulations of the Association after they are discussed by the Board of Directors of the Association; issues other internal regulations for the purpose of managing the internal activities of the Association;
 - g) appoints the advisory bodies to the Director of the Association.
- 31.2. During his or her term of office, the Director shall represent the Association externally in all matters entrusted to the Director, for which he or she has been granted a written power of attorney by the Board of Directors.
- 31.3. The Director shall be accountable to the Board of Directors for the performance of his or her duties.
- 31.4. The term of office of the Director is determined by the Board of Directors. The Director may be appointed for a definite or indefinite period and his or her term of office may be extended repeatedly.
- 31.5. The Director is prohibited from competing with the Association to the same extent and with the same consequences as members of the Board of Directors in accordance with Article 23.4.

VII. ECONOMIC MANAGEMENT OF THE ASSOCIATION

32. Accounting of the Association

- 32.1. The Association shall keep accounts to the extent and in the manner stipulated by law.
- 32.2. The accounting period is the calendar year.
- 32.3. After the end of the accounting period, but no later than five months after its end, the Director shall ensure that the financial statements are drawn up and submitted to the Board of Directors and the Supervisory Board for review.
- 32.4. The Board of Directors shall submit the financial statements to the next General Assembly of the Association for approval. A copy of the financial statements must be sent together with the invitation to this General Assembly to all members of the Association no later than 15 days before the General Assembly.

32.5. The Association shall keep separate accounting records of economic and non-economic activities, monitor the capacity allocated to economic activities at the level of the Association and at the level of the CESNET Research Infrastructure, and monitor the reinvestment of profits from technology transfer into the primary activities specified in Article 5.

33. Method of distribution of profits

33.1. The Association shall distribute the profits in the following order:

- a) for statutory taxes and fees;
- b) for the mandatory allocation to the reserve fund;
- c) for the support of activities referred to in Articles 4 and 5.

34. Reserve fund

34.1. The Association created a reserve fund of CZK 200 000 when it was founded. This reserve fund shall be replenished annually by an amount approved by the General Assembly on the proposal of the Board of Directors. The Board of Directors decides on the use of the reserve fund and it can only be used to cover losses and adopt measures to overcome the unfavourable course of the Association's business.

VIII. DISSOLUTION AND TERMINATION OF THE ASSOCIATION

35. Dissolution of the Association

35.1. The Association shall be dissolved as follows:

- a) on the date specified in the decision of the General Assembly to dissolve the Association, otherwise on the date on which the decision is taken; or
- b) on the date specified in a decision of a court to dissolve the Association, otherwise on the date on which the decision becomes effective.

35.2. If the General Assembly decides on the dissolution of the Association, such decision requires a 4/5 majority of all votes of the regular members of the Association.

36. Termination of the Association

36.1. The existence of the Association shall terminate on the date of its deletion from the Register of Associations.

36.2. The termination of the Association is preceded by its dissolution with liquidation.

37. Liquidation of the Association

37.1. The General Assembly or a court decides on the entry of the Association into liquidation.

37.2. The liquidator is appointed by the General Assembly of the Association on the proposal of the Board of Directors. Only a natural person may be a liquidator.

37.3. If a liquidator dies or resigns or is unable to exercise his or her powers, a new liquidator shall be appointed in the same manner as the previous liquidator.

37.4. The liquidator is responsible for the exercise of his or her powers in the same way as the members of the statutory body.

37.5. The liquidator shall only perform acts on behalf of the Association that are aimed at the liquidation of the Association. In the exercise of these powers, the liquidator fulfils the obligations of the Association, asserts receivables and accepts performance, represents the Association before courts and other bodies or authorities, concludes settlements and agreements on the change and termination of rights and obligations. The liquidator may only enter into new contracts in connection with the termination of pending transactions.

37.6. If the liquidator discovers, during the course of the liquidation, that the Association is bankrupt, he or she shall file an insolvency petition without undue delay.

37.7. The liquidator shall notify all known creditors of the Association's entry into liquidation. At the same time, the liquidator must publish, at least twice and at least two weeks apart, a notice that the Association has entered into liquidation, with an invitation to the creditors and other persons and bodies affected to submit their claims or other rights within a period of not less than three months from the second publication of the notice.

37.8. The liquidator shall draw up an opening balance sheet and an inventory of the assets and liabilities of the Association as of the date of the Association's entry into liquidation and he or she shall be

- obliged to send a summary of the assets and liabilities of the Association to any member of the Association who so requests.
- 37.9. At the end of the liquidation, the liquidator shall draw up the financial statements and submit them to the regular members of the Association for approval, together with a final report on the course of the liquidation and a proposal for the distribution of the balance of the assets resulting from the liquidation (the liquidation balance) among the regular members of the Association.
- 37.10. Members of the Association are not entitled to a share of the liquidation balance before the claims of all known creditors of the Association have been satisfied.
- 37.11. Within 30 days after the end of the liquidation, the liquidator shall file a petition for the deletion of the Association from the Register of Associations.
- 37.12. In matters not covered by Article 37, the liquidator shall proceed in the liquidation in accordance with Section 187 et seq. of the Civil Code.

IX. FINAL PROVISIONS

38. Governing law

- 38.1. Legal relations arising from the Articles of Association, mutual relations between members of the Association related to their participation in the Association, as well as other legal relations within the Association are governed, in matters not regulated by the Articles of Association, by generally binding legal regulations, in particular the Civil Code.

39. Amendments to the Articles of Association

- 39.1. Amendments to the Articles of Association must be approved by the General Assembly of the Association on the proposal of the Board of Directors. The General Assembly of the Association decides on the amendment to Articles of Association in accordance with the procedure specified in Article 16.
- 39.2. The Board of Directors shall be obliged to file the new version of the Articles of Association in the collection of documents kept by the competent registry court.

40. Effect of the Articles of Association

- 40.1. The Articles of Association are valid on the date of their approval by the General Assembly of the Association.
- 40.2. Any amendments to the Articles of Association shall take effect on the date specified in the decision of the General Assembly, otherwise on the day following the date on which the decision of the General Assembly was adopted.

In Prague on 16 December 2021