

**APPROVED:**

by resolution of the Founders meeting (Minutes dated July 12, 2001)

**AMENDED:**

by resolution of the Center Council (Minutes No. 6 dated October 7, 2004);

by resolution of the Center Council (Minutes No. 2 dated July 17, 2006);

by resolution of the Center Council (Minutes No.8 dated September 25, 2008);

by resolution No. 2012-03/08 of the Center Council of February 29, 2012 (Minutes No. 2012-03 dated March 13, 2012);

by resolution of the Center Council No. 2013-02/09 of March 28, 2013 (Minutes No. 2013-02 dated April 8, 2013);

by resolution of the General Founders Meeting (Minutes dated May 25, 2015);

by resolution of the General Founders Meeting (Minutes No. 9 dated November 19, 2015);

by resolution of the General Founders Meeting (Minutes No. 12 dated September 4, 2017);

by resolution of the General Founders Meeting (Minutes No. 16 dated February 4, 2019)

# **ARTICLES OF ASSOCIATION**

**of Coordination Center for TLD .RU / .PФ  
Autonomous Non-Profit Organization**

Russian Federation, Moscow  
2019

## 1. General provisions

1.1. Coordination Center for TLD .RU / .РФ Autonomous Non-Profit Organization (hereinafter referred to as the “Center”) is a unitary non-profit non-membership organization established with asset contributions made by legal entities (Founders) with the view of providing services related to using the domain name system and other national-level addressing and numbering systems, as well as offering services related to the safe use of the internet.

1.2. The name of the Center in the Russian language:

- full name: **Автономная некоммерческая организация «Координационный центр национального домена сети Интернет»;**
- abbreviated name: **АНО «Координационный центр национального домена сети Интернет»** or **Координационный центр доменов .RU / .РФ** or **КЦ доменов .RU / .РФ.**

The name of the Center in the English language:

- full name: **Coordination Center for TLD .RU / .РФ;**
- abbreviated name: **CC for TLD .RU / .РФ.**

1.3. A Founder may at his/her own discretion withdraw from the ranks of the Center Founders.

At the decision of the Founders, adopted unanimously, new persons or entities may be accepted as the Center Founders.

1.4. The Center is established for an indefinite duration.

1.5. The Center shall be located in Moscow.

The location of the Center shall be the place of activity of the Center’s single-member executive body and where the Center’s records are maintained.

The Center’s exact address within the indicated location shall be set forth in the single state registry of legal entities.

1.6. The provisions of these Articles of Association shall be binding for the Founders, members of the Council, the Director and other employees of the Center.

## 2. Legal status of the Center

2.1. The Center is a legal entity and owns special assets, which it shall make use of to meet its liabilities; it may acquire and exercise civil rights and obligations, and act as a claimant and defendant in court.

2.2. The Center has its own balance sheet and a seal bearing its full name in the Russian language.

2.3. The Center may open bank accounts within and beyond the borders of the Russian Federation subject to normal due process, except for cases stipulated by federal laws.

The Center may have stamps and letterheads bearing its name.

2.4. The Center shall be the owner of the assets that have been assigned to it by its Founders. The Center can possess, use and manage assets of which it is the owner in accordance with applicable laws. The Founders forgo any rights to the assets they have transferred to the Center's ownership.

The Founders shall not be held liable for the Center's obligations, and the Center shall not be held liable for the obligations of its Founders. The Founders may use the Center's services only on equal terms with other persons.

2.5. The Center may create branches and open representative offices on the territory of the Russian Federation as per Russian law. Whenever a branch or representative office is created, these Articles of Association shall be amended accordingly.

2.6. The Center may voluntarily join unions and associations in a manner provided for by law.

2.7. The Center may take part in and otherwise cooperate with international, public and other organizations.

2.8. The Center shall plan its activities independently, engage requisite professionals, and independently determine the form, system, size and type of their remuneration.

2.9. The Center may perform other actions as set forth by applicable laws.

### **3. Center's objectives, core activity and profile**

3.1. The Center shall pursue the following objectives:

- to expand the use of the internet in the Russian Federation in the interests of internet users, businesses and the state;
- to provide for the design, maintenance and development of the domain name system for country-code top-level domains;
- to enhance internet security;
- to provide services related to the use of domain names, other national-level addressing and numeration systems, as well as services related to the safe use of the internet.

3.2. The Center's core activity is to achieve its statutory objectives.

3.3. In order to achieve its statutory objectives in a manner as set forth in applicable laws, the Center shall:

- 1) ensure on a continuous basis that country-code domains comply with international standards;
- 2) provide quality and accessible domain name registration services;
- 3) provide for the reliable operation of domain name registration and support system;
- 4) provide for the introduction of alternative procedures and development of effective methods for settling domain name registration disputes;
- 5) facilitate the development of the internet as a self-regulated sector;
- 6) devise measures to enhance internet security and prevent it and the domain name registration system from being utilized for illegal purposes;
- 7) provide for the design, operation and development of software and hardware for top-level domain systems and provide corresponding services;
- 8) provide for the design, operation and development of software and hardware for national-level addressing and numeration systems, as well as internet security, and provide the corresponding services;
- 9) provide for the drafting of mandatory documentation for the governance of country-code domain zones.

3.4. In order to achieve its objectives, the Center shall:

- 1) develop a technological scheme for domain name registration and support in country-code domains;
- 2) devise methods for detecting the illegal use of domain names, and mechanisms for preventing the use of country-code domain names for illegal purposes;
- 3) set domain name registration rules for country-code domains;
- 4) enter into contracts with organizations for the execution of works, provision of services or the supply of software and hardware for ensuring the operation of country-code top-level domains, as well as for designing, operating and developing software and hardware related to country-code top-level domain systems, national-level addressing and numeration systems, enhancing internet security and preventing domain names from being used for illegal purposes;
- 5) order research papers, expert opinions and designs necessary for achieving its objectives;
- 6) contribute to the enhancement of the legal framework as well as to the development and drafting of legislation for improving internet-related laws;
- 7) take part in organizations pursuing objectives that are consistent with the Center's objectives;

- 8) undertake publishing activities, organize conferences and other events in the interests of advancing the Center's objectives;
- 9) contribute to creating and running self-regulating bodies within the Russian and international internet communities;
- 10) take part in the work of specialized international non-governmental organizations.

3.5. The Center also may provide methodological, consulting and other services, and carry out research and development related to its core activity.

3.6. The Center's activities shall not result in offering unjustified advantages to specific market players.

#### **4. Center's income-bearing activity and sources of asset formation**

4.1. The Center may perform income-bearing activity only to the extent that it contributes to achieving its statutory objectives, and if consistent therewith.

The Center must have in its possession sufficient assets for performing income-bearing activity with a market value equal or higher than the minimum registered capital required for limited liability companies.

The Center may engage in entrepreneurial activity for achieving those statutory objectives for which it was founded, and if consistent therewith; it may engage in entrepreneurial activity by establishing or taking part in business entities.

4.2. The sources of formation of the Center's assets are:

- 1) cash and other assets assigned to the Center by its Founders;
- 2) funds received by the Center under contracts concluded with the view to furthering the Center's objectives;
- 3) voluntary asset contributions and donations;
- 4) revenue from the sale of goods (works, services);
- 5) dividends (income, interest) on shares, bonds, other securities and deposits;
- 6) income from the Center's assets;
- 7) other sources that are not prohibited by law or these Articles of Association.

4.3. The Center's profits (income less expenses) shall not be subject to distribution among its Founders or employees and shall go towards furthering the Center's objectives.

#### **5. Accounting and reporting. Audit. Audit commission**

5.1. The Center shall maintain accounting records, and file accounting (financial) and statistical reports as and when required.

5.2. The financial year of the Center shall coincide with the calendar year.

5.3. The accuracy of the Center's annual accounting (financial) reports must be audited.

5.4. The Center shall on an annual basis submit to its Founders and the Council, and also publish the main highlights from its accounting (financial) results and the conclusions from the auditor's report.

5.5. In order to oversee the Center's financial and economic activity, the General Founders Meeting elects, at the recommendation of the Council, an Audit Commission and appoints its chair, or appoints an internal auditor. Members of the Audit Commission (internal auditor) cannot be employed by the Center in another capacity at the same time, and must have a higher education degree.

5.6. The audit (revision) of the Center's financial and economic activity shall be carried out in order to sum up the performance over the course of a financial year, and also at any time as the General Founders Meeting or the Council may deem fit. At the request of the Audit Commission (internal auditor), the Director shall produce documents on the Center's financial and economic activity.

5.7. The Center's Audit Commission (internal auditor) shall draw up an opinion following the inspection and submit it to the General Founders Meeting and the Council.

5.8. The General Founders Meeting may resolve, at the recommendation of the Council, to compensate for expenses incurred by members of the Audit Commission (internal auditor) related to the performance of their duties.

## **6. Governance**

6.1. The Center's operations are managed by its Founders in a manner stipulated in these Articles of Association.

6.2. The governing bodies are as follows:

- 1) The Center's highest governing body shall be the General Founders Meeting;
- 2) The Center's permanent collegiate body shall be the Council;
- 3) The Center's single-member executive body shall be the Director.

## **7. General Founders Meeting**

7.1. The following matters fall within the scope of authority of the General Founders Meeting:

- 1) to set priority areas of activity for the Center, as well as methods of forming and using its assets;
- 2) to amend these Articles of Association;
- 3) to accept new persons or entities as Founders;
- 4) to appoint the initial composition of the Council and bring its appointment to an early termination;
- 5) to appoint the Director, set the terms of the Director's employment contract, including remuneration size, and terminate the Director's appointment, as well as to decide on withdrawing from (terminating) the employment contract with the Director or amending the said contract;
- 6) to approve the annual report and accounting (financial) reports of the Center, as well as the Center's annual performance reports, including reports on the performance of the Center's budget (financial plan);
- 7) to pass resolutions on behalf of the Center to establish other legal entities, participate in other legal entities, or open branches and representative offices of the Center;
- 8) to pass resolutions on the reorganization or liquidation of the Center, on the appointment of a liquidation commission (liquidator), approval of interim and/or final liquidation balance sheet;
- 9) to approve the auditing organization or the individual auditor of the Center;
- 10) to elect an Audit Commission and appoint its chair, or to appoint an internal auditor;
- 11) to approve the terms for convening a General Meeting and setting its agenda, to approve the Council Regulation, Formation Terms for the Council and the Audit Commission Regulation, as well as approve amendments to these documents;
- 12) to approve matters submitted by the Director and falling within the scope of Director's authority;
- 13) to address any other matter within the authority of the General Founders Meeting under these Articles of Association and/or the applicable law.

7.2. Resolutions on matters listed in subparagraphs 1 through 9 in Clause 7.1 hereof fall within the exclusive competence of the General Founders Meeting and cannot be delegated to other bodies of the Center.

7.3. Resolutions of the General Founders Meeting are executed as minutes and published on the Center's website, except for cases as per applicable law and/or when otherwise required by resolutions of the General Founders Meeting.

7.4. Ordinary General Founders Meeting shall be held at least once every six (6) months.

7.5. Extraordinary General Founders Meeting shall be held as required.

The Extraordinary General Founders Meeting can be convened by any of the Founders, the Council or the Director.

7.6. Extraordinary General Founders Meeting, at the Council's recommendation, approves the procedures for convening the General Founders Meeting and setting its agenda.

7.7. The General Founders Meeting is qualified to pass resolutions (a quorum is present), if attended by all Founders.

7.8. A resolution of the General Founders Meeting shall be adopted when all Founders unanimously cast their votes in favor. The General Founders Meeting shall pass resolutions by a show of hands with one voice per Founder.

7.9. Any Founder may request the Director, and the Director will be under obligation to provide any information on the Center and any of its documents to a Founder (its authorized representative).

## **8. Council**

8.1. The Council is the Center's permanent collegiate body. It consists of a maximum of seventeen (17) members.

8.2. The initial Council members are appointed by the General Founders Meeting, and after that its composition is renewed as per the Formation Terms for the Council, proceeding from the principle whereby the term for serving as a Council member – internet expert cannot exceed three (3) years. A Council member – internet expert can once again join the Council not earlier than one (1) year after the expiration of the current term in office. The General Founders Meeting may decide on early terminating the appointment of Council members. In this case, the General Founders Meeting appoints a new Council. Council members may be granted or deprived of additional authority in the manner and on the premises as set forth in the Formation Terms for the Council.

8.3. Each of the Founders is represented on the Council by two members, with one appointed from among internet industry experts. The Director is an ex-officio Council member, who can also appoint one Center employee and one internet industry expert as Council members.

8.4. Council member shall contribute to the work of the Council in person.

8.5. Employees of legal entities that are founded by the Center, as well as people without a higher education degree cannot act as Council members.

Council members perform their duties voluntarily and may not seek any remuneration for doing so.

8.6. The following matters fall within the competence of the Council:

- 1) to approve the Center's financial plan (budget), work plan, the Regulation on the Stabilization Fund, as well as to approve amendments to these documents;
- 2) to approve mandatory documents regarding the administration of country-code domain zones, including but not limited to
  - mandatory documents on domain name registration in Russia's country-code domain zones;
  - mandatory documents on the accreditation of registrars;
- 3) to present priority areas of activity for the Center to the General Founders Meeting, as well as methods principles for forming and using the Center's assets;
- 4) to present to the General Founders Meeting draft regulations for convening the General Founders Meeting and setting its agenda, the draft Council Regulation, Formation Terms for the Council and the Audit Committee Regulation, as well as draft of amendments to these documents;
- 5) to present to the General Founders Meeting for approval the audit organization or the candidacy of an individual auditor for the Center, as well as nominations for the Audit Committee and its chair, or an internal auditor;
- 6) to approve transactions that are of interest and other deals if permitted by applicable law;
- 7) to approve matters tabled by the Director and falling within the Director's scope of authority;
- 8) other matters within the competence of the Council as per a resolution of the General Founders Meeting, these Articles of Association and/or the applicable law.

8.7. The General Founders Meeting can cancel any resolution passed by the Council within fourteen (14) calendar days after all Founders receive a copy of the corresponding minutes.

8.8. Decisions of the Council are executed as minutes, and their copies shall be published on the Center's website, except in cases set forth in applicable laws and/or decisions of the Council, and shall be forwarded to Council members and Founders.

8.9. Council meetings are to be held at least every six (6) months.

Extraordinary Council meetings are convened as needed.

Extraordinary Council meetings can be convened by the General Founders Meeting, at least one third of the Council members or the Director.

8.10. Procedures for convening Council meetings, setting their agenda, holding the meetings and other matters related to the Council's operations are set out in the Council Regulation.

8.11. The activity of the Council is managed by its Chair, who is elected from among Council members.

8.12. The Chair organizes the Council meetings and oversees the implementation of the decisions adopted by the Council.

8.13. The Council is qualified to pass resolutions (a quorum is present) if more than half of its members are present.

8.14. A Council resolution is deemed to be passed, if the majority of the total number of its members votes in favor.

A Council resolution to include additional items on the meeting agenda may be passed by a qualified majority of two thirds of the Council members in attendance, and only in cases when all Council members are taking part in the meeting.

Council decisions to invite guests to attend its meeting, as well as resolutions on procedural matters are passed by a simple majority of Council members taking part in the meeting.

The Council shall pass a resolution by a show of hands with one vote per Council member at the meeting.

8.15. The Council may pass a resolution without holding a meeting by letter ballot (mail survey).

Notification that a letter ballot is to be held shall be sent to Council members according to the Council mailing list, which must contain the following items: the meeting's agenda, information (materials) on the meeting's agenda, start and end dates for the letter ballot.

Council members may suggest adding decisions and matters to the agenda of a Council meeting not later than three (3) business days before the beginning of the letter ballot. Council members must be notified about all changes to the meeting agenda before the letter ballot begins.

The Council shall be qualified to pass resolutions (a quorum is present) if more than one half of Council members take part in the letter ballot. A resolution passed by letter ballot is deemed adopted if the majority of the total number of the Council members votes in favor. Other requirements regarding the letter ballot are set forth in the Council Regulation.

8.16. The Council's resolution comes into force once all Council members and Founders receive a copy of the corresponding minutes.

8.17. At the request of a Council member, the Director provides the Council member any information or documents on the Center's operations.

## **9. Director**

9.1. The Director is the Center's single-member executive body in charge of running the Center's day-to-day affairs and exercising all rights and obligations

delegated to the single-member executive body of a legal entity. The Director must have a higher education degree.

9.2. The Director is to be appointed by General Founders Meeting for a three (3) year term, and will report to the General Founders Meeting and the Council.

The Director's employment contract shall be signed on behalf of the Center by a representative of one of the Founders in keeping with a resolution of the General Founders Meeting and on the terms it sets forth.

In the event that the Director's term of appointment expires, but the General Founders Meeting has not decided on the appointment of a new Director or has not reappointed the incumbent for another term, the powers of the Director, subject to the Director's consent, shall be extended until the General Founders Meeting passes a corresponding resolution.

9.3. The Director's powers may be subject to early termination and the Director's employment contract may be canceled (terminated) by resolution of the General Founders Meeting.

9.4. The Director has the authority to take decisions on all matters related to the Center's operations, except for matters that fall within the scope of authority of the General Founders Meeting and the Council.

The Director, in particular, shall:

- 1) provide for the fulfillment of the resolutions passed by the General Founders Meeting and the Council;
- 2) present annual reports on the Center's operations, including reports on the Center's budget performance (financial plan) to the General Founders Meeting and the Council;
- 3) present the Center's draft budget (financial plan) to the Council;
- 4) act on behalf of the Center within the scope of the Director's authority, without POA, represent the Center when engaging with other legal entities and individuals, government bodies and administration in the Russian Federation and abroad;
- 5) approve internal rules and regulations of the Center;
- 6) hire, sign employment contracts and dismiss Center employees in keeping with the applicable laws;
- 7) have control over assets, including the Center's cash holdings as stipulated in the budget (financial plan), and act as an authorized signatory on banking documents;
- 8) issue powers of attorney, open settlement and other accounts;
- 9) arrange for documents to be drafted related to the Center's core activity;
- 10) perform other duties arising from these Articles of Association or assumed by the chief executive of an organization under applicable law.

The Director may submit for approval a matter falling under his or her scope of authority to the Council or the General Founders Meeting.

9.5. At the Council's recommendation, General Founders Meeting may specify transactions subject to preliminary approval in terms of their scope and nature.

9.6. The Director shall work with deputies, including First Deputy Director, who must be Center employees.

Center employees shall report to the Director, as well as to their immediate supervisors as per the Center's internal policies and procedures and/or an employment contracts.

## **10. Reorganization and liquidation of the Center**

10.1. The Center may be reorganized or liquidated by a resolution of the General Founders Meeting in the manner stipulated by the applicable law.

The Center may be reorganized as a foundation by resolution of the General Founders Meeting.

10.2. In cases stipulated by law, competent government bodies or courts may decide to reorganize or liquidate the Center.

10.3. In the event a resolution is passed to liquidate the Center, the General Founders Meeting shall appoint a liquidation commission (liquidator) and determine the manner and timeframe for liquidating the Center as required by law.

10.4. When the Center is subject to a liquidation procedure, its remaining assets, after the claims of creditors are settled, are earmarked by the liquidation commission for purposes the Center was created to achieve.

10.5. The liquidation process is deemed complete, and the Center is deemed to have seized to exist once an entry to this effect is made to the single state registry of legal entities.

10.6. When the Center is subject to a liquidation procedure, the documents that have to be preserved are transferred to the competent authorities.

## **11. Procedure for amending the Articles of Association**

11.1. These Articles of Association may be amended by resolution of the General Founders Meeting.

11.2. All amendments to these Articles of Association must be registered as required by applicable laws.

11.3. Amendments to these Articles of Association shall take effect for third parties once they undergo state registration, and in cases provided by law once the body in charge of state registration is notified of these amendments. However, the Center or its Founders are not entitled to refer to the fact that amendments have not

yet undergone state registration in their relations with third parties who are acting in accordance with these amendments.

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