

# MEMORANDUM

## Ministry of Informatics of the Czech Republic

Havelkova 2

130 00 Prague 3

Identification Number: 86594346

Represented by: Ing. Dana Béroová, Minister

(hereinafter referred to as the “Ministry”)

and

## CZ.NIC, z.s.p.o.

Lužná 591

160 00 Prague 6

Identification Number: 67985726

Represented by: Mgr. Ondřej Filip, Executive Director, on the basis of a power of attorney

(hereinafter referred to as the “CZ.NIC Association”)

### WITH REGARD TO THE FACT THAT:

- A. the Ministry is the central state administrative body for information and communication technologies, telecommunications, and postal services;
- B. the CZ.NIC Association is a special interest association of legal entities, which unites significant legal entities that operate in the Czech Republic in the area of domain names and on the electronic communication services market, and is the administrator of the top level domain .CZ (ccTLD.cz) and the domain 0.2.4.e164.arpa;
- C. the Internet is an indispensable component of the state’s critical infrastructure and influences all areas of activities, both those of public administration as well as those of civil subjects;
- D. domain names are an integral part of the Internet; they are important for the development of electronic communications, public administration, business activities, and private activities of citizens; and
- E. both parties are aware of the responsibility involved in ensuring proper and uninterrupted operation of the national domain space,

the parties are, on the month, day, and year specified below, concluding this Memorandum on Mutual Cooperation (hereinafter referred to as the “Memorandum”) in the areas defined below.

## I. ADMINISTRATION OF NATIONAL DOMAIN SPACE

1. **Administration of ccTLD.cz:** The Ministry takes into consideration that the CZ.NIC Association has been authorized as the administrator of ccTLD.cz pursuant to the ICANN (Internet Corporation for Assigned Names and Numbers) regulations.
2. **Administration of the 0.2.4.e164.arpa domain:** On June 12, 2003, the CZ.NIC Association was authorized by the Ministry to act as administrator for the 0.2.4.e164.arpa domain, which is designated for operating the ENUM system (a DNS-based system that allows the identification of Internet services through the use of telephone numbers).
3. **Operation of name servers:** The Ministry takes into consideration that the CZ.NIC Association operates the name server system designated for the operation of ccTLD.cz and the 0.2.4.e164.arpa domain, which includes the operation of the primary name server and secondary name servers.
4. **Acknowledgment of Competence:** The Ministry is in agreement with these facts and acknowledges the activities performed by the CZ.NIC Association in the above-specified areas with the presumption that the CZ.NIC Association will adhere to the conditions established in this Memorandum.

## II. NATURE OF THE ACTIVITIES PERFORMED BY THE CZ.NIC ASSOCIATION

1. **Description of activities:** The CZ.NIC Association will continue to define the regulations for the registration of domain names under ccTLD.cz and the entries under 0.2.4.e164.arpa, will update these regulations on a regular basis and establish mechanisms for the purpose of ensuring adherence thereto, will ensure the registration of second level domain names under ccTLD.cz and entries under 0.2.4.e164.arpa, will ensure the operation of name servers, and will act as the representative for ccTLD.cz and 0.2.4.e164.arpa during the coordination of national and regional registrars and standardization institutions.
2. **Non-profit status:** The CZ.NIC Association will remain an entity that does not operate primarily for the purpose of making a profit. Any profits acquired from the CZ.NIC Association's activities as defined in Paragraph 1 must be reinvested into the further development of these activities or for the support of additional activities related to the Internet network and supporting or supplementing the activities as defined by Paragraph 1, primarily generally beneficial activities, educational activities, and the provision of professional opinions and consultations.
3. **Non-discrimination in registries:** The CZ.NIC Association is obligated to establish the conditions for the registry of domain names under ccTLD.cz and the entries under 0.2.4.e164.arpa in a manner whereby these conditions are not discriminatory towards certain individuals or groups of individuals. This does not in any way limit the right to establish technical limitations for the registry of domain names and entries as long as these conditions are based on internationally acknowledged standards or conventions, or if they are required due to the technical parameters of the systems used.
4. **Consultations:** The Ministry will consult professional issues in relation to domain names, as well as issues related to the Internet in general, with the CZ.NIC Association as required

### III. CZ.NIC ASSOCIATION ORGANIZATIONAL STRUCTURE

1. **Membership in the CZ.NIC Association:** The CZ.NIC Association is required to establish the conditions for accepting new members in a manner whereby these conditions are not discriminatory towards certain individuals or groups of individuals. Due to the legal form of the CZ.NIC Association (a special-interest association of legal entities), the fact that members of the association can only be legal entities is not considered to be discriminatory.
2. **Participation of the Ministry's representative in CZ.NIC Association statutory bodies:** At least one membership position in the CZ.NIC Association's statutory bodies will be reserved for a Ministry representative. The statutory body in which this position will be reserved will be stipulated by the CZ.NIC Association's statutes. The representative will be named by the Ministry with the condition that the Ministry has the right to change the representative at any time and with the presumption that it will inform the CZ.NIC Association of any such change without undue delay.
3. **Nonintervention in activities:** The Ministry will not interfere in the activities or financial management of the CZ.NIC Association or in the process of creating the regulations for registration in any other manner than through the Ministry's representative who holds a position in the CZ.NIC Association's statutory body. The association's organizational structure, as well as its organizational activities and finances, are a matter solely in the jurisdiction of the CZ.NIC Association.
4. **Number of members:** The number of members in the CZ.NIC Association cannot decrease below fifteen for a period of longer than one year.
5. **Controls:** The CZ.NIC Association will ensure that the Ministry has access to the association's annual reports.

### IV. CRISIS SITUATIONS

1. **Continuity and accessibility:** The CZ.NIC Association shall maintain continuity in the provision of services and accessibility to the services provided while administering ccTLD.cz during crisis situations (pursuant to Act No. 240/2000 Coll.), specifically:
  - a) in the case of the system for registering domain names, the system will be available to accredited registrars 95% of the time within a month, with the exception of planned downtimes for system maintenance that are announced in advance; and
  - b) in the case of operating the system of ccTLD.cz name servers, the system will be available 99% of the time within a month (the name server system will be considered as functional if at least 2 name servers provide the functions of domain translations for ccTLD.cz).
2. **Operation of the 0.2.4.e164.arpa domain:** The CZ.NIC Association undertakes that, within a period of two years from the date this Memorandum is signed, it shall bring the 0.2.4.e164.arpa domain into full operation at a level corresponding to the standard operational parameters that are in effect at that time for e164.arpa domains in countries comparable to the Czech Republic. After one full year of operation, a special joint committee, consisting of representatives from the Ministry, the CZ.NIC Association, and independent experts as agreed by both parties, will be convened and will evaluate the conditions, purpose, and expediency of further operating the 0.2.4.e164.arpa domain.

3. **Crisis plans:** The CZ.NIC Association will, at the Ministry's request, create crisis preparation plans (pursuant to Section 29 of Act No. 240/2000 Coll.), which it will regularly update and consult with the applicable central state administrative body.
4. **Ministry support:** The Ministry undertakes to use its position of legal power within the crisis measure system in order to allow CZ.NIC to perform its obligations as specified above.
5. **Financial reserves:** The CZ.NIC Association will establish a special financial reserve bank account with a minimum balance equal to 15% of the total annual expenses for the operation of the registry system and administration of ccTLD.cz. An interim period of two years has been negotiated for the creation of these reserves.

#### V. WITHDRAWAL OF AUTHORIZATION TO ADMINISTER ccTLD.cz

1. **Re-delegation:** If the CZ.NIC Association adheres to the regulations established in Articles II, III, and IV for the administration of ccTLD.cz, the Ministry will not develop any activities leading to withdrawal of the authorization to administer ccTLD.cz (re-delegation) and granting it to a different entity or state administrative body, and will speak out against any such activities undertaken by other central state administrative bodies.
2. **Timeframes for rectification:** In the event that any deficiencies are discovered in the fulfillment of the regulations established in Articles II, III, and IV for the administration of ccTLD.cz, the CZ.NIC Association will first be requested by the Ministry to rectify any such deficiencies within a timeframe of three months. In the event of non-fulfillment of the regulations established in Article IV, Paragraph 1b), the timeframe is one month.
3. **Transfer of rights to the database:** In the event that authorization to administer ccTLD.cz is withdrawn from the CZ.NIC Association as a result of a breach of the regulations established in Articles II, III, and IV for the administration of ccTLD.cz, or if the CZ.NIC Association is dissolved without a legal successor, the rights to the database of domain name holders shall be transferred to the Ministry.

#### VI. WITHDRAWAL OF AUTHORIZATION TO ADMINISTER THE 0.2.4.e164.arpa DOMAIN

1. **Re-delegation:** If the CZ.NIC Association adheres to the regulations established in Articles II, III, and IV for the administration of the 0.2.4.e164.arpa domain as well as to the conditions agreed by the Parties for the operation of the 0.2.4.e164.arpa domain on the basis of the actions of the committee as provided by Article IV, Paragraph 2, the Ministry will not develop any activities leading to withdrawal of the authorization to administer the 0.2.4.e164.arpa domain (re-delegation) and granting it to a different entity or state administrative body, and will speak out against any such activities undertaken by other central state administrative bodies.
2. **Timeframes for rectification:** In the event that any deficiencies are discovered in the fulfillment of the regulations established in Articles II, III, and IV for the administration of the 0.2.4.e164.arpa domain or of the conditions agreed by the Parties for the operation of the 0.2.4.e164.arpa domain on the basis of the actions of the committee as provided by Article IV, Paragraph 2, the CZ.NIC Association will first be requested by the Ministry to rectify any such deficiencies within a timeframe of three months.
3. **Transfer of rights to the database:** In the event that authorization to administer the 0.2.4.e164.arpa domain is withdrawn from the CZ.NIC Association as a result of a breach of the regulations established in Articles II, III, and IV for the administration of ccTLD.cz or of the

conditions agreed by the Parties for the operation of the 0.2.4.e164.arpa domain on the basis of the actions of the committee as provided by Article IV, Paragraph 2, or if the CZ.NIC Association is dissolved without a legal successor, the rights to the database of holders of ENUM entries shall be transferred to the Ministry.

## VII. MISCELLANEOUS

1. **Coordination:** The Parties undertake to inform each other mutually of their positions on issues related to the CZ.NIC Association's activities as provided by this Memorandum and to consult with one another on any problems that may arise. For this purpose, each Party shall designate a person who will be the contact person for the other Party.
2. **Publicity:** The Parties will cooperate in preparing and publishing joint press releases with the goal of ensuring positive publicity for their cooperation. The parties have the right to make the full text of this Memorandum public.
3. **Expenses:** Both Parties agree that each shall bear the burden of its own expenses in relation to attaining the goals specified in this Memorandum.
4. **Nonbinding Memorandum:** By signing this Memorandum, the Parties do not have the intent of creating any additional legal obligations towards each other, other than those which ensue from their mutual declaration on the manner of cooperation in the areas specified in this Memorandum.

### Ministry of Informatics of the Czech Republic

Signature: \_\_\_\_\_

Name: Ing. Dana Béroová

Position: Minister

Date: \_\_\_\_\_

### CZ.NIC, z.s.p.o.

Signature: \_\_\_\_\_

Name: Mgr. Ondřej Filip

Position: Association Director

Date: \_\_\_\_\_