



CONSTITUTION

NAME AND REGISTERED OFFICE

Article 1

1. The Foundation shall be called "STICHTING INTERNET DOMEINREGISTRATIE NEDERLAND" (SIDN).
2. SIDN's registered office shall be at Arnhem.

OBJECT

Article 2

1. Acting on behalf of and from within the Netherlands, SIDN's object shall be to provide added value for the Internet community by developing and maintaining (against reasonable charges) services and products connected with digital registration and/or network resolving, such as domain name systems (including a system for the *.nl* domain), and by undertaking any other activities directly or indirectly associated with or conducive to the said end, all in the broadest sense of the words.
2. SIDN shall pursue its object in various ways, including the following:
 - (a) by drawing up (general) terms and conditions governing the issue and registration of domain names, which (general) terms and conditions shall be public, transparent and non-discriminatory;
 - (b) by registering domain names through the intermediation of contractually authorised parties (referred to below as 'registrars');
 - (c) by monitoring or arranging for the monitoring of the quality of the domain name issue and registration processes, for which a domain name system shall be maintained;
 - (d) by promoting the coordination and standardisation of domain name issue and registration processes at the national and international levels;
 - (e) by annually setting fees for registrarship and for the issue and registration of domain names;
 - (f) by maintaining dialogue with the Internet community for which a domain name system shall be maintained, concerning ongoing developments in the field of domain registration.

CAPITAL

Article 3

1. The capital of SIDN shall consist of all the contributions, subsidies, gifts, bequests, legacies and other income received.
2. Legacies may be accepted only subject to benefit of inventory.

SUPERVISORY BOARD

Article 4

1. SIDN shall have a Supervisory Board.
2. The number of members shall be determined by the Supervisory Board, on the following understanding: The Supervisory Board shall consist of at least six but no more than nine natural persons. If the membership should at any time fall to less than seven persons, the Supervisory Board shall without delay act to increase its membership. The Supervisory Board shall remain competent to perform its function during a period in which it has fewer than the minimum prescribed number of members.
3. The Supervisory Board may award its members an emolument consistent with the applicable regulations. The size of this emolument shall be fixed by the Supervisory Board

SUPERVISORY BOARD: APPOINTMENT OF MEMBERS

Article 5

1. Members of the Supervisory Board shall be appointed by the Supervisory Board, subject to the provisions of clause 2 of this article.



2. Members of the Supervisory Board shall be chosen on the basis of conformity with a profile, as contained in the regulations on the size and composition of the supervisory board. This profile shall be defined by the Supervisory Board after consulting the registrars.

SUPERVISORY BOARD: DISQUALIFICATION CRITERIA

Article 6

The following persons may not serve as Supervisory Board members:

- (a) an employee of SIDN (in the sense of Article 7:610 of the Dutch Civil Code);
- (b) a member of SIDN's Executive Board;
- (c) a member of SIDN's Complaints and Appeals Body;
- (d) a person who acts as an SIDN dispute resolution panellist, or is closely associated with SIDN's dispute resolution process;
- (e) a director, supervisory board member, shareholder or employee (in the sense of Article 7:610 of the Dutch Civil Code) of an SIDN registrar, unless the Supervisory Board decides that the individual may nevertheless be appointed to the Supervisory Board;
- (f) a blood relative of the first or second degree or long-term cohabiting partner of any person referred to above under a to e, unless, at a Supervisory Board meeting attended by at least two thirds of the members, a motion is passed by a simple majority of votes cast, allowing an individual to nevertheless be appointed to the Supervisory Board.

SUPERVISORY BOARD: DISMISSAL AND SUSPENSION

Article 7

1. The Supervisory Board may dismiss or suspend one of its members for neglect of duty or conduct inconsistent with the constitution, regulations or resolutions of SIDN, or where other serious grounds exist, or in the event of fundamental circumstantial change such that SIDN cannot reasonably be expected to retain the individual concerned as a member of the Supervisory Board.
2. A member of the Supervisory Board may be dismissed or suspended, as provided for in clause 1 of this article, only if, at a Supervisory Board meeting attended by at least two thirds of the members, a motion to appropriate effect is carried by a two-thirds majority.
3. The Supervisory Board shall not pass a dismissal motion without giving the member concerned the opportunity to explain him/herself to the Supervisory Board.
4. A suspension shall legally expire after one month, unless within that period the Supervisory Board acts to dismiss the suspended member in accordance with clause 1 of this article.

SUPERVISORY BOARD: RETIREMENT AND EXPIRY OF TERM OF OFFICE

Article 8

1. Supervisory Board members shall step down in accordance with a rota drawn up by the Supervisory Board, each after no more than three years in office.
2. Upon stepping down, as provided for in clause 1 of this article, a member of the Supervisory Board may twice be reappointed for up to three years.
3. Membership of the Supervisory Board shall also end in the event of:
 - (a) dismissal by the Supervisory Board;
 - (b) resignation;
 - (c) the Supervisory Board learning that the member is disqualified on the basis of Article 6 of this constitution, in which case membership shall end immediately.



SUPERVISORY BOARD: DUTIES AND AUTHORITY

Article 9

1. Notwithstanding the other provisions of this constitution, the Supervisory Board shall be charged with supervision of the policies pursued by the Executive Board and of the general conduct of SIDN's activities. The Supervisory Board shall also advise the Executive Board. More particularly, the Supervisory Board shall have a duty to:
 - monitor and check realisation of SIDN's objectives;
 - monitor and check SIDN's strategy and the risks associated with its business activities;
 - monitor and check the set-up and performance of SIDN's internal risk management and audit systems.
2. In the performance of their duties, Supervisory Board members shall concern themselves with the interests of SIDN and the associated businesses.
3. The Executive Board shall provide the Supervisory Board in good time with all the information required for the performance of its duties.
4. The Supervisory Board shall engage an auditor, as referred to in Article 2:393, clause 1, of the Dutch Civil Code, or a firm of such auditors, to examine the records referred to in Article 25 of this constitution.

SUPERVISORY BOARD: PROCEDURES

Article 10

The Supervisory Board shall appoint a chairman and a vice-chairman from amongst its members.

Article 11

1. The Supervisory Board shall meet at least twice a year.
2. The Supervisory Board shall additionally meet whenever the chairman of the Supervisory Board considers it necessary, or at the request of the Executive Board.
3. An individual member of the Supervisory Board or of the Executive Board who wishes the Supervisory Board to meet may submit to the chairman a written request to appropriate effect, stating the matters that he or she believes the requested meeting should address.

If the chairman fails to call a meeting as requested, the member making the request may call a meeting him/herself, following the procedure that the chairman would ordinarily follow.

The chairman may be considered to have failed to call a meeting as requested if no notice of a meeting has been issued within three weeks of the request being made.

Article 12

1. Except in the circumstances provided for in Article 11, clause 3, a meeting of the Supervisory Board shall be called by or on behalf of the chairman.
2. When calling a meeting of the Supervisory Board, the chairman shall give a notice period of at least seven days, excluding the day of issue of the notice and the day of the meeting.
3. Notice of a forthcoming meeting shall be given in writing, stating the location and time of the meeting and setting out the agenda.

Article 13

1. Meetings of the Supervisory Board shall be chaired by the chairman or the vice-chairman.
2. Minutes shall be kept, recording the deliberations and decisions taken at each meeting. These minutes shall be presented at the next meeting of the Supervisory Board for the approval of the members present. Approved minutes shall be signed by the chairman and another Supervisory Board member who was present at the minuted meeting.



Article 14

1. Except in instances where this constitution requires a greater majority, a resolution of the Supervisory Board shall be made by a simple majority of votes cast at a quorate meeting. A meeting shall be quorate if at least two thirds of the members are present. If the voting is tied, the chairman shall have the casting vote. If the making of a resolution is frustrated by a meeting being inquorate, a further meeting shall be held no sooner than two weeks and no more than four weeks after the inquorate meeting. At this second meeting, a resolution may be made regardless of the number of members present.
2. Every member of the Supervisory Board who is not suspended may attend and vote at the meeting.
3. A resolution may be made only regarding a matter that appears on the agenda of the meeting, as communicated to all members of the Supervisory Board at least one week prior to the meeting, except where a meeting is called in circumstances judged by the chairman to be urgent, of which all members of the Supervisory Board have been made aware.
4. A meeting attended by all members of the Supervisory Board may make a valid resolution regarding a tabled motion by a general vote, even if the meeting has not been called in the constitutionally specified manner, is not organised in the constitutionally specified manner, is inconsistent with any provision regarding the calling and organisation of meetings or has been called or organised without regard for any associated formality.
5. The Supervisory Board may make a resolution by means of a general vote held outside the context of a meeting; a resolution may be arrived at by written communication, which shall be deemed to include communication via any commonly used channel that allows for the exchange of legible written documentation.
6. If a motion is not presented in writing, the chairman's view – as expressed to a meeting – regarding the outcome of the associated vote or the nature of the resolution shall be decisive.
7. However, if a majority of members present immediately dispute the chairman's expressed view regarding the outcome of a written or called vote, or if an individual Supervisory Board member immediately disputes the chairman's expressed view regarding the outcome of a vote that was neither written nor called, a fresh vote shall be taken. The fresh vote may not be similarly disputed.

EXECUTIVE BOARD

Article 15

1. SIDN shall be managed by an Executive Board, consisting of one or more natural persons.
2. The Supervisory Board shall specify how many members the Executive Board is to have.
3. The Supervisory Board shall have responsibility for the appointment, suspension and dismissal of Executive Board members. Any suspension or dismissal of an Executive Board member shall be in accordance with Article 22, clause 2.
4. If no Supervisory Board is in place, the Executive Board shall have the authority to appoint its own members.
5. If the Executive Board has more than one member, the Supervisory Board shall appoint one member of the Executive Board as Chief Executive Officer (CEO).

EXECUTIVE BOARD: REMUNERATION

Article 16

The Supervisory Board shall fix the remuneration and other conditions of employment of Executive Board members.

EXECUTIVE BOARD: PROLONGED ABSENCE AND INCAPACITY

Article 17

1. In the event of the prolonged absence or incapacity of one or more Executive Board members, the Executive Board shall retain its authority.



2. The Supervisory Board shall be responsible for filling vacancies on the Executive Board as quickly as possible.
3. In the event of the prolonged absence or incapacity of all Executive Board members, regardless of the cause, either the Supervisory Board shall assume the duties and authority of the Executive Board until such time as the Executive Board is able to function normally again, or the Supervisory Board shall appoint a new Executive Board or a temporary executive body.
4. The Supervisory Board shall be entitled to appoint one or more persons, from among its own members or from outside, for the purposes referred to in clause 2 of this article.

EXECUTIVE BOARD: DISQUALIFICATION CRITERIA

Article 18

The following persons may not serve as Executive Board members:

- (a) a member of the Supervisory Board, except in the circumstances referred to in Article 17, clause 2;
- (b) a member of SIDN's Complaints and Appeals Body;
- (c) a person who acts as an SIDN dispute resolution panellist, or is closely associated with SIDN's dispute resolution process;
- (d) a director, supervisory board member, shareholder or employee (in the sense of Article 7:610 of the Dutch Civil Code) of an SIDN registrar, unless the Supervisory Board decides that the individual may nevertheless be appointed to the Executive Board;
- (e) a blood relative of the first or second degree or long-term cohabiting partner of any person referred to above under a to d, if and insofar as the Supervisory Board considers that a conflict of interests exists or could arise, unless, at a Supervisory Board meeting attended by at least two thirds of the members, a motion is passed by a simple majority of votes cast, allowing an individual to nevertheless be appointed to the Executive Board.

EXECUTIVE BOARD: REPRESENTATION

Article 19

1. Notwithstanding the provisions of clause 2 of this Article, SIDN shall be represented by:
 - (a) the Executive Board;
 - (b) two Executive Board members acting in concert.
2. The Executive Board may resolve to appoint one or more of its own members or third parties to represent SIDN within certain parameters defined in the appointment. The Executive Board may also resolve to give any such appointed representative a title.
3. The Executive Board shall ensure that details of the persons currently authorised to represent SIDN are recorded in the Trade Register.
4. In any circumstance where the Supervisory Board judges there to be a conflict of interests between SIDN and one or more Executive Board members, SIDN shall be represented by the Supervisory Board.

EXECUTIVE BOARD: AUTHORITY

Article 20

1. Notwithstanding constitutional limitations, the Executive Board shall be responsible for management of SIDN. Within SIDN, all powers not otherwise invested by law or by this constitution shall reside with the Executive Board. Every member of the Executive Board has a personal responsibility towards SIDN to perform his or her duties properly.
2. The Executive Board shall be entitled to resolve to enter into contracts for the procurement, disposal or encumbrance of registered property, and to enter into contracts under which SIDN stands surety or assumes joint and several liability for a debt, answers for a third party or assumes the role of guarantor of a third party's debt.



EXECUTIVE BOARD: LIMITATIONS

Article 21

1. Executive Board resolutions relating to the following matters shall require the approval of the Supervisory Board:
 - (a) adoption of the annual budget, annual report and annual accounts;
 - (b) adoption or substantial revision of general terms and conditions governing the registration of *.nl* domain names;
 - (c) adoption or revision of policy plans for any year or longer period;
 - (d) extra-budgetary disbursement of funds in excess of a ceiling specified annually and communicated to the Executive Board by the Supervisory Board;
 - (e) closure or termination, or amendment of the conditions governing, an important long-term collaborative agreement between SIDN and another legal person or company;
 - (f) amendment of the constitution, or legal merger or demerger;
 - (g) dissolution of SIDN;
 - (h) declaration of insolvency and application for judicial protection from creditors;
 - (i) exercise of voting rights attached to shares in the capital of subsidiary companies and to shares that constitute a participating interest, insofar as the resolution voted upon involves any matter referred to in this article items a to h (inclusive).
2. If the Supervisory Board should withhold approval from a resolution of a kind referred to in clause 1 of this article, this shall not diminish the authority of the Executive Board or any of its members to represent SIDN.

EXECUTIVE BOARD: TERMINATION OF MEMBERSHIP, SUSPENSION AND DISMISSAL

Article 22

1. Membership of the Executive Board shall terminate in the event of:
 - (a) death;
 - (b) dismissal by the Supervisory Board;
 - (c) resignation;
 - (d) dismissal by a competent court on the basis of Article 2:298 of the Dutch Civil Code;
 - (e) the Supervisory Board learning that the member is disqualified on the basis of Article 18 of this constitution, in which case membership shall end immediately.
2. The Supervisory Board shall be entitled to suspend and/or dismiss members of the Executive Board. If the Supervisory Board proposes to make use of this power, the Executive Board member concerned shall be given the opportunity to give account of him/herself to the Supervisory Board. A member of the Executive Board may be dismissed or suspended only if, at a Supervisory Board meeting at which at least two thirds of the members are present or represented, a motion to appropriate effect is carried by a two-thirds majority of votes cast
3. A suspension shall legally expire after two months, unless within that period the Supervisory Board acts to dismiss the suspended member in accordance with clause 2 of this article.
4. While suspended, an Executive Board member shall not be entitled to exercise the authority ordinarily invested in him or her by the law or by this constitution.

Article 23

1. If the Executive Board has more than one member, the provisions of this constitution regarding meetings of and decision-making by the Supervisory Board shall apply equally to meetings of and decision-making by the Executive Board.
2. All resolutions of the Executive Board shall be recorded in writing and archived in an accessible manner.



COOPERATION WITH REGISTRARS

Article 24

1. The registrars shall advise the Executive Board, both at the latter's request and of their own volition. The registrars' entitlement to be consulted shall not be amended without the registrars' agreement.
2. The Supervisory Board shall involve the registrars in the appointment and reappointment of one member of the Supervisory Board, namely that member who has demonstrable knowledge of the commercial position and interests of registrars and their operational relations and position within the DNS service provision chain. The Supervisory Board member thus (re)appointed shall satisfy not only all the constitutional requirements for membership, including the independence requirement, but also any additional membership requirements that the Supervisory Board may formulate. SIDN shall determine which registrars' representative body shall act for the registrars in the context of the provisions of this article.
3. The registrars' involvement in the (re)appointment of a Supervisory Board member shall consist of:
 - (a) proposing a candidate to the Supervisory Board, which may accept or reject the proposal; or
 - (b) advising on the appointment of a candidate proposed by the Supervisory Board, in which case the candidate shall be appointed by the Supervisory Board only if the registrars approve the proposal; or
 - (c) giving reasoned advice regarding the Supervisory Board's proposed reappointment of a Supervisory Board member appointed in accordance with the provisions of this article, in which case the Supervisory Board may depart from the said advice only on reasoned grounds.
4. Where the constitution affords the registrars the right to be consulted, SIDN shall determine which registrars' representative body is deemed to speak for the registrars.
5. The manner in which SIDN and a registrars' representative body cooperate, and whether and, if so, how SIDN supports a registrars' representative body, shall be decided by consultation between the parties.

ACCOUNTING YEAR AND ANNUAL REPORTING

Article 25

1. SIDN's accounting year shall coincide with the calendar year.
2. The Executive Board shall maintain accounts of SIDN's capital position and of all aspects of SIDN's activities, the nature of which accounts shall be consistent with the requirements arising out of those activities, and shall retain the associated records, documentation and other data carriers, so that SIDN's rights and obligations are apparent at all times.
3. Within six months of the end of each accounting year, the Executive Board shall draw up and record on paper a balance sheet and profit and loss account for the year in question, both duly annotated.
4. Before the balance sheet and profit and loss account referred to in clause 3 may be adopted by the Executive Board, the records shall – notwithstanding the provisions of Article 21, clause 1, under a – be examined by a suitably qualified expert appointed by the Supervisory Board in accordance with Article 9, clause 4. This expert shall be commissioned to report his or her findings to the Executive Board and the Supervisory Board.
5. The duly annotated balance sheet and profit and loss account shall require the signature of all members of the Executive Board as confirmation of their adoption; if the documents should lack the signature of one or more Executive Board members, the reason shall be stated.
6. The Executive Board shall retain the records, documentation and other data carriers referred to in clauses 2 and 3 for seven years.
7. Records other than the printed balance sheet and profit and loss account may be transferred to another data carrier for storage, provided that the retention of complete and correct records is assured and that the information remains readable without undue delay throughout the specified retention period.



Article 26

Prior to the start of each accounting year, the Executive Board shall specify a budget for the coming year, notwithstanding the provisions of Article 21, clause 1, under a.

CONSTITUTIONAL AMENDMENTS AND MERGER OF SIDN

Article 27

1. The Supervisory Board shall have the authority to amend this constitution and/or to resolve that SIDN should merge with another organisation. A resolution to either effect shall be made only if a motion to appropriate effect is carried by a majority of at least two thirds of votes cast at a Supervisory Board meeting at which at least two thirds of all members are present or represented. If the making of such a resolution is frustrated by the attendance of insufficient members at a meeting where a motion to appropriate effect is tabled, a further meeting shall be held no sooner than two weeks and no more than four weeks after the former meeting. At this second meeting, a resolution may lawfully be made, regardless of the number of Supervisory Board members present or represented, if the original motion is carried by a majority of at least two thirds of votes cast.
2. The notice calling a meeting, at which a motion regarding a constitutional amendment is to be tabled, shall include the relevant motion specifying the wording of the proposed amendment.
3. A constitutional amendment shall not take effect until a notarial deed to appropriate effect has been drawn up. Each member of the Supervisory Board and each member of the Executive Board shall individually possess the authority to execute such a deed.

DISSOLUTION

Article 28

1. SIDN may be dissolved:
 - (a) by a resolution of the Supervisory Board passed in accordance with the provisions of Article 27, clauses 1 and 2; or;
 - (b) by a competent court, in circumstances provided for by law.
2. SIDN shall continue to exist following an act of dissolution insofar as this is necessary for the liquidation of its assets. If this should prove necessary, all documentation and announcements released or made by SIDN shall clearly indicate that SIDN is in a state of liquidation. The state of liquidation shall cease once all assets known to the liquidators have been liquidated.
3. The Executive Board members shall act as liquidators of SIDN's assets. The constitutional provisions regarding the appointment, suspension or dismissal of Executive Board members shall continue to apply to such members acting in the capacity of liquidators. All other constitutional provisions shall also remain in force during liquidation insofar as circumstances permit.
4. If liquidation of SIDN yields a net monetary surplus, this surplus shall be disposed of by the Supervisory Board as it sees fit, subject to the understanding that the money should be used for a purpose consistent with the object of SIDN.
5. Following liquidation of SIDN, its accounts and records shall be retained for seven years by a person charged with their keeping by the Executive Board.

REGULATIONS

Article 29

1. The Supervisory Board may lay down regulations other than those referred to in this constitution.
2. The Supervisory Board shall lay down at least the following:
 - (a) a code of governance, setting out the principles and best practices to be followed by the Supervisory Board;



- (b) regulations governing the size, composition and profile of the Supervisory Board;
- (c) a rota governing when Supervisory Board members must step down and may be reappointed;
- (d) terms of reference for the Audit Committee;
- (e) regulations governing remuneration and terms of reference for the Supervisory Board Remuneration Committee;
- (f) terms of reference for the Supervisory Board Selection and Appointments Committee.

CONCLUDING PROVISIONS

Article 30

All matters not regulated by the law, by this constitution or by the associated regulations shall be decided by the Supervisory Board.