

Statutes of the Estonian Internet Foundation

Chapter 1

GENERAL PROVISIONS

- 1.1. The name of the foundation is the *Eesti Interneti Sihtasutus* (in English: “the Estonian Internet Foundation”). The abbreviation for the name of the Foundation is EIF.
- 1.2. The seat of the EIF is Tallinn, Republic of Estonia.
- 1.3. The EIF is a legal person in private law, established by the **Ministry of Economic Affairs and Communications and the Estonian Association of Information Technology and Telecommunications**, who is guided in its activities by the laws of the Republic of Estonia and other legislation, the technical and organisational guidelines governing the proper functioning of the Internet as a cross-border network structure, including these Statutes and the decisions of the EIF Supervisory Board.
- 1.4. All EIF documents shall indicate its name in Estonian, as well as the location, postal address and registration code of the Foundation. The name may also be indicated in English.
- 1.5. The EIF does not have any beneficiaries.
- 1.6. The EIF is established for an indefinite period.
- 1.7. The financial year of the EIF starts on 1 January and ends on 31 December.
- 1.8. The managing bodies of the EIF are the Supervisory Board and the Management Board.

The following persons may not be members of a management body:

- 1.8.1. persons whose wrongful act or omission has led to the bankruptcy of a person;
- 1.8.2. persons whose wrongful act or omission has led to the revocation of the authorisation of a legal person;
- 1.8.3. persons who are prohibited from engaging in business;
- 1.8.4. persons whose wrongful act or omission has caused damage to a legal person;
- 1.8.5. persons who have been convicted of an economic, professional or property crime.

The restrictions referred to in clauses 1.8.1 to 1.8.4 shall remain in force for a period of five (5) years after the declaration of bankruptcy, the withdrawal of the licence, the expiry of the prohibition to conduct business or the payment of compensation; the prohibition set out in clause 1.8.5 shall not apply to persons whose criminal record has been deleted.

Chapter 2

PURPOSE OF EIF

- 2.1. The objectives of the EIF are:
 - 2.1.1. to represent the Estonian online community in the cross-border online community, including in the Internet Corporation for Assigned Names and Numbers (ICANN) and other relevant organisations;
 - 2.1.2 to manage top-level domain names with an Estonian country code and related to Estonia and to organise their registration in the common interest of the online community, including of the Republic of Estonia;

- 2.1.3. to maintain and provide services for the proper operation of the registry(s) of the above domain names and to develop the technical and intellectual base required to meet the objectives of the EIF, taking into account the security risks prevalent in the electronic environment;
 - 2.1.4. to promote the governance of the Internet and Internet freedom in Estonia;
 - 2.1.5. to ensure the functioning of the Domain Name Dispute Arbitration Panel.
- 2.2 The Estonian Internet Community is defined as Internet service providers (ISPs), Internet users (i.e. research and educational institutions, private companies, individuals, associations of Internet users, etc.) and the public sector.
- 2.3 The EIF may involve in its work representatives of the Estonian Internet Community, which refers to those associations and organisations that currently have and in the near future will have an influence on the development of the Internet in Estonia, such as law enforcement organisations, academic and research organisations, professional associations, trade or professional associations, consumer rights organisations, associations of users of the Internet or computer users.

Chapter 3

EIF SUPERVISORY BOARD

Section 1

General provisions

- 3.1. The EIF Supervisory Board plans and manages the activities of the EIF and supervises the activities of the EIF and its Management Board.
- 3.2. The Supervisory Board is responsible for:
- 3.2.1. approving the annual operational objectives of the EIF no later than at the beginning of the financial year and setting the operational strategy and development orientations of the EIF;
 - 3.2.2. appointing and removing members of the Management Board;
 - 3.2.3. approving the domain name registration rules and other related requirements, including fees and any changes to them;
 - 3.2.4. setting the amount of the remuneration of the members of the Management Board and the procedure for its payment;
 - 3.2.5. representing the EIF in disputes and transactions with members of the Management Board, as well as with persons represented by a member of the Management Board or a member of a managing body;
 - 3.2.6 appointing the members of the Domain Name Dispute Arbitration Panel on a proposal from the Management Board;
 - 3.2.7. the right of access to EIF documents, verifying or instructing third parties to verify the accuracy of EIF accounts, the existence of EIF assets and the compliance of the EIF's activities with the law and these Statutes;
 - 3.2.8. requesting reports from the Management Board, as appropriate, on the management and financial position of the EIF and other relevant aspects of the EIF's activities, as well as the preparation of the activity report and balance sheet;

- 3.2.9. submitting an annual report on the activities of the EIF to the founders and informing the founders without delay of any significant deterioration in the financial situation of the EIF and of any other significant circumstances relating to the activities of the EIF;
 - 3.2.10. approving the annual financial plan in accordance with the requirements of § 12 of the State Budget Act, which is the basis for the preparation of the Foundation's budget;
 - 3.2.11. approving a balanced budget for the financial year of the EIF in respect of all revenue and expenditure, which complies with the financial plan of the EIF, the rules on the budgetary position and the net debt burden laid down in the State Budget Act, and the limits imposed under § 11;
 - 3.2.12. appointing the auditor of the EIF and determining the remuneration of the auditor;
 - 3.2.13. approving the annual accounts and the activity report within three (3) months of the end of the financial year;
 - 3.2.14. establishing its own rules of procedure;
 - 3.2.15. electing the chairperson of the Supervisory Board;
 - 3.2.16. approving the rules of domain name arbitration and the fees for handling disputes;
 - 3.2.17. taking the other decisions referred to in these Statutes.
- 3.3. The following transactions require the prior approval of the Supervisory Board before they can be authorised by the Management Board:
- 3.3.1. establishment of a foundation, becoming a member of a non-profit organisation;
 - 3.3.2. acquisition, modification and termination of participation in legal entities.
- 3.4. The members of the Supervisory Board are remunerated for their participation in its work. The remuneration shall be set jointly by the founders, including in accordance with the detailed rules and limits for the remuneration of the members of the Supervisory Board of the Foundation, laid down in the Regulation of the Minister responsible for the field.
- 3.5. The members of the Supervisory Board shall receive equal remuneration, unless otherwise provided by the State Assets Act or the Government of the Republic Act. The chairperson of the Supervisory Board may be remunerated at a higher rate. A member of the Supervisory Board may be granted additional remuneration in connection with their participation in the activities of an audit committee or other body of the Supervisory Board referred to in the Auditors Activities Act.
- 3.6. The remuneration paid to a member of the Supervisory Board of the Foundation shall take into account their participation in the meetings of the Supervisory Board and in the activities of the body of the Supervisory Board; in the event that a member of the Supervisory Board of the Foundation is removed from the Supervisory Board, no compensation shall be paid.
- 3.7. If the obligation referred to in clauses 84 (2) 1) or 2) of the State Assets Act is not complied with, the person or body that has determined the remuneration may decide to suspend the payment of the remuneration to the chairperson of the Supervisory Board or to reduce the remuneration proportionally to the period during which the said obligation was not complied with.

Section 2

Members of the Supervisory Board

- 3.8. The Supervisory Board shall consist of six (6) members. The members of the Supervisory Board shall be appointed by the Minister responsible for the field, of whom two (2) shall be appointed on the proposal of the Estonian Association of Information Technology and Telecommunications and one (1) on the proposal of the Minister of Finance.
- 3.9. No person may be a member of the Supervisory Board if they have a substantive conflict of interest with the Foundation established by the State, the source of which may be, inter alia, the fact that the person or a person related to them:
- 3.9.1. is a self-employed entrepreneur engaged in the same economic activity as the Foundation and is not a co-founder of the Foundation;
 - 3.9.2. is a shareholder in a general partnership or a general partner in a limited partnership engaged in the same economic activity as the Foundation, and that person or the general partnership or limited partnership in which they hold an interest is not a co-founder of the Foundation;
 - 3.9.3. has a substantial participation in a company engaged in the same economic activity as the Foundation; and the person, or a company of which they hold a participation, is not a co-founder of the Foundation;
 - 3.9.4. is a member of the management body of a company engaged in the same business as the Foundation, except in the case of a company controlled by the state, a company belonging to the same group as the company or a company that is a co-founder of the Foundation;
 - 3.9.5. has substantial business interests in the public foundation, such as, inter alia, holding a substantial participation in a legal person or being a member of the governing body of a legal person that is a substantial seller or buyer of goods, a provider of services or a contracting authority of that public foundation.
- 3.10. The term of office of a member of the Supervisory Board shall take effect from the date of adoption of the decision appointing them as a member of the Supervisory Board or from the date set in that decision. The Minister responsible for the field shall immediately inform the Chairperson of the Supervisory Board of the adoption of such a decision, by sending them a copy of the decision. The term of office of a member of the Supervisory Board is four (4) years.
- 3.11. The Minister responsible for the field referred to in clause 3.8 shall have the right to recall at any time the member of the Supervisory Board appointed by them, regardless of the reason. The term of office of the member of the Supervisory Board being recalled shall expire and the term of office of the new member of the Supervisory Board shall take effect on the date stated in the decision to recall the member and appoint a new member.
- 3.12. A member of the Supervisory Board has the right to resign at any time at their own request. A member of the Supervisory Board wishing to resign shall notify the Chairperson of the Supervisory Board of such intention in writing one (1) month in advance. The Chairperson of the Supervisory Board shall forward this request without delay to the Minister responsible for the field at the Ministry of Economic Affairs and Communications.
- 3.13. The Minister responsible for the field at the Ministry of Economic Affairs and Communications shall appoint a new member of the Supervisory Board no later than 14 (fourteen) days before the expiry of the term of office of the member of the Supervisory Board, taking into account the provisions of these Statutes and the corresponding proposal for the appointment of the new member of the Supervisory Board.

- 3.14. The members of the Supervisory Board may be appointed and removed by the court, at the request of an interested party or on the court's own initiative, if the person required to appoint or remove a member of the Supervisory Board has not fulfilled their obligations within the time limit.
- 3.15. The Chairperson of the Supervisory Board shall immediately, but not later than five (5) days after receipt of the relevant notification, notify in writing all members of the Supervisory Board and the Chairperson of the Management Board (the Manager) of the appointment or the removal or resignation of a member of the Supervisory Board. On the expiry of the term of office of a member of the Supervisory Board, the rights and obligations arising under the contract concluded with that member shall cease in accordance with that contract.

Section 3

Chairperson of the Supervisory Board

- 3.16. The Supervisory Board elects its chairperson from among its members.
- 3.17. In the absence of the chairperson of the Supervisory Board, the chairperson shall be substituted for by a member of the Supervisory Board appointed by the chairperson of the Supervisory Board. If the chairperson of the Supervisory Board has not appointed a substitute, the most senior member of the Supervisory Board in terms of length of service on the Supervisory Board shall replace the chairperson of the Supervisory Board. If several members of the Supervisory Board have equal seniority, the most senior of them shall replace the chairperson of the Supervisory Board.
- 3.18. A member of the Supervisory Board may nominate one (1) candidate for election as the chairperson of the Supervisory Board and may not stand as a candidate themselves. The proposal to nominate a candidate shall be made in writing and shall be submitted to the chairperson of the meeting before the start of the discussion of the relevant agenda item.
- 3.19. Before the vote, the candidate to be put to the vote gives written consent to stand as a candidate, which may be withdrawn until voting begins. If, before the start of voting, the candidate has not given their written consent to stand as a candidate, they will be deemed to have withdrawn and will not be put to a vote. If only one (1) candidate is proposed, each member of the Supervisory Board shall vote either for or against. If two (2) or more candidates are proposed, each member of the Supervisory Board may vote for only one (1) of the candidates put forward. The candidate with the highest number of votes is elected. In the event of a tie, a decision shall be taken by drawing lots.
- 3.20. The Chairperson of the Supervisory Board shall:
 - 3.20.1. organise the Supervisory Board's activities, convene its meetings and propose the agenda;
 - 3.20.2. with the consent of the Supervisory Board, arrange for the adoption of decisions without convening a meeting and shall inform all members of the Supervisory Board and the Management Board of the decisions so adopted;
 - 3.20.3. submit proposals to the Supervisory Board for the adoption of decisions on matters within its competence;
 - 3.20.4. decide who is to be invited to the meeting of the Supervisory Board in addition to the members of the Supervisory Board and the members of the Management Board;
 - 3.20.5. appoint the minute-taker of the Supervisory Board meeting;
 - 3.20.6. submit to the holders of the founder's rights:

- 1) the agenda of the Supervisory Board meeting at least three (3) working days before the meeting, and a copy of the minutes, together with the materials of the meeting, within one (1) month of the meeting;
 - 2) in the event of the adoption of a decision of the Supervisory Board without convening a meeting, the draft decision of the Supervisory Board at the same time as it is sent to the members of the Supervisory Board, and the voting record or the results of the vote within five (5) working days of the vote.
- 3.20.7. on the basis of a decision of the Supervisory Board, enter into contracts with the chairperson of the Management Board and the members of the Management Board in the name and on behalf of the EIF and represent the EIF in other cases provided for by law.

Section 4

Meeting of the Supervisory Board

- 3.21. Meetings of the Supervisory Board are regular and extraordinary. Regular meetings of the Supervisory Board shall be held as required, but at least four (4) times a year. An extraordinary meeting of the Supervisory Board shall be convened without delay if requested by at least one (1) member of the Supervisory Board, the Management Board or the auditor, as well as the founder.
- 3.22. At least one (1) week's notice shall be given to the members of the Supervisory Board of a regular meeting of the Supervisory Board. At least three (3) day's notice shall be given to the members of the Supervisory Board of an extraordinary meeting of the Supervisory Board. Notification of the convening of the meeting may be made by regular mail or by e-mail to the address notified by the person nominating the member of the Supervisory Board at the time of the nomination of the member of the Supervisory Board.
- 3.23. The notice of the Supervisory Board meeting shall indicate:
- 3.23.1. the time and venue of the meeting;
 - 3.23.2. agenda of the meeting;
 - 3.23.3. the particulars and documents required for taking decisions, which shall be annexed to the notification or made available to the members of the Supervisory Board for inspection at the seat of the EIF from the day of issue of the notice;
 - 3.23.4. any other relevant circumstances relating to the meeting.
- 3.24. The quorum for a meeting of the Supervisory Board shall be at least four (4) members of the Supervisory Board, including the chairperson of the Supervisory Board or a substitute for the chairperson referred to in clause 3.17, unless otherwise provided for in these Statutes. If there is no quorum for a meeting of the Supervisory Board, a new meeting with the same agenda shall be held within seven (7) days from the day of cancellation of the meeting at the latest. The members of the Supervisory Board shall be informed of the new meeting at least three (3) days before the meeting.
- 3.25. A member of the Supervisory Board may participate in the meeting by electronic means.
- 3.26. If the requirements of the law or the Statutes have been infringed in convening a meeting of the Supervisory Board, the Supervisory Board shall not be authorised to take decisions unless all the members of the Supervisory Board attend the meeting. An item other than those appearing on the agenda may be placed on the agenda only with the agreement of all the members of the Supervisory Board attending the meeting.

Section 5

Minutes of the Supervisory Board meeting

- 3.27. Minutes shall be taken of a meeting of the Supervisory Board by a minute-taker appointed by the chairperson of the Supervisory Board. The minutes shall be signed by all the members of the Supervisory Board who participate in the meeting.
- 3.28. The following shall be entered in the minutes of the Supervisory Board meeting:
- 3.28.1. the time and venue of the meeting;
 - 3.28.2. the names of the members of the Supervisory Board attending the meeting and of any other persons present;
 - 3.28.3. the names of the chairperson and the minute-taker;
 - 3.28.4. agenda of the meeting;
 - 3.28.5. decisions adopted at the meeting;
 - 3.28.6. the dissenting opinion of a member of the Supervisory Board, which shall be confirmed by their signature.;
 - 3.28.7. the circumstances for which entry in the minutes is requested by a member of the Supervisory Board or by the person requesting the meeting of the Supervisory Board;
 - 3.28.8. other matters of material importance arising during the meeting.
- 3.29. The minutes of the Supervisory Board meeting shall be accompanied by the notice convening the meeting, the written proposals submitted, statements, dissenting opinions and other relevant documents.
- 3.30. The chairperson of the Supervisory Board shall send the minutes of the meeting to all the members of the Supervisory Board no later than seven (7) days after the meeting and to the persons referred to in 3.20.6 within one (1) month after the meeting. Any participant in a meeting may, within seven (7) days of the minutes being made available, submit a written request for the minutes to be amended. The granting of this request will be decided at the next Supervisory Board meeting.
- 3.31. The Estonian Association of Information Technology and Telecommunications has the right to receive information on the Supervisory Board's agenda and to inspect the minutes of the meeting.

Section 6

Decisions of the Supervisory Board

- 3.32. The Supervisory Board shall adopt decisions at a meeting of the Supervisory Board. Each member of the Supervisory Board has one (1) vote. A member of the Supervisory Board does not have the right to refuse to vote or to abstain. Voting shall be public.
- 3.33. A decision of the Supervisory Board is adopted if more than half of the members of the Supervisory Board present at a meeting of the Supervisory Board vote in favour of it, unless otherwise provided for in the Statutes. In the event of a tie, the chairperson of the Supervisory Board or the member of the Supervisory Board appointed to substitute the chairperson shall have a casting vote. In the election of a person, the candidate who receives the highest number of votes is elected.

- 3.34. The approval or modification of the Domain Name Registration Rules and other related requirements, including fees, shall be decided at a meeting of the Supervisory Board if more than 2/3 of the members of the Supervisory Board attending the meeting vote in favour.
- 3.35. The Supervisory Board may decide on taking out loans and concluding finance leases if all the members of the Supervisory Board attend the meeting and vote in favour of the decision.
- 3.36. The Supervisory Board may take decisions without convening a meeting. For the adoption of a decision without convening a meeting, the chairperson of the Supervisory Board shall send the draft decision to the members of the Supervisory Board and set a time limit for a written reply, which may not be shorter than three (3) days and longer than seven (7) days. The draft decision shall be accompanied by an explanation of the draft decision and the reasons why it is expedient to adopt it without convening a meeting.
- 3.37. Without a meeting being convened, a decision of the Supervisory Board shall be deemed to be adopted if more than half of the members of the Supervisory Board vote in favour of the decision, subject to the exceptions set out in clauses 3.34 and 3.35. Members of the Supervisory Board who do not reply in writing within the time limit set shall be deemed to have voted against the draft decision. The chairperson of the Supervisory Board shall draw up a record of the votes cast in place of the minutes of the meeting of the Supervisory Board, which shall contain, inter alia, the decisions adopted and the results of the votes, indicating by name all the members of the Supervisory Board who voted in favour of the decision. The written statements of the members of the Supervisory Board shall be annexed to the voting record. The chairperson of the Supervisory Board shall send a copy of the voting record to the members of the Supervisory Board no later than seven (7) days after the voting record has been drawn up.

Chapter 4

EIF MANAGEMENT BOARD

Section 1

General provisions

- 4.1. The Management Board is the body that manages and represents the EIF, including in ICANN and other relevant organisations. The Management Board shall comply with the Supervisory Board's instructions.
- 4.2. The Management Board shall, inter alia:
 - 4.2.1. notify the Commercial Register of any changes to the information submitted to the Register;
 - 4.2.2. provide the Supervisory Board with an overview of the activities and the financial situation of the EIF and of all transactions carried out, as well as promptly notify it of any significant deterioration in the financial situation of the EIF and of any other significant circumstances relating to the activities of the EIF and provide the members of the Supervisory Board with the necessary information on the management of the EIF;
 - 4.2.3. organise the accounts of the EIF and approve the EIF's internal accounting rules;
 - 4.2.4. prepare the EIF's budget and financial plan and submit it to the Supervisory Board for approval;

- 4.2.5. monitor the implementation of the EIF's budget and compliance with the EIF's financial plan;
 - 4.2.6. prepare the EIF's annual report;
 - 4.2.7. submit the annual accounts to the auditor for auditing and thereafter, within three (3) months of the end of the financial year at the latest, to the Supervisory Board for approval and, within three (3) months of the end of the financial year, to the Register;
 - 4.2.8. submit a copy of the audited and approved annual report to the Ministry of Finance and the National Audit Office within four (4) months of the end of the financial year. The report shall be accompanied by an overview of the way in which the Supervisory Board has organised, managed and supervised the Foundation's activities during the reporting period and shall indicate the amount of remuneration paid to the members of the Supervisory Board and the Management Board during the financial year. The Estonian Association of Information Technology and Telecommunications has the right to access the report and the review within the same deadline;
 - 4.2.9. publish on its website the income statement and the balance sheet and cash flow statement on a quarterly basis, no later than by the end of the month following the end of the quarter;
 - 4.2.10. give an opinion to the Supervisory Board on the appointment of the auditor and on the setting of the auditor's remuneration;
 - 4.2.11. propose that a meeting of the Supervisory Board be convened;
 - 4.2.12. forward to the Estonian Association of Information Technology and Telecommunications the information on the agenda of the Supervisory Board and the minutes of the meeting of the Supervisory Board in accordance with clause 3.31;
 - 4.2.13. communicate with the public and third parties and express opinions on behalf of the EIF;
 - 4.2.14. perform other tasks necessary for the achievement of the objective of the EIF, unless otherwise provided by law or these Statutes.
- 4.3. Members of the Management Board are remunerated according to their duties and the financial situation of the EIF, in accordance with the service contract concluded with each member of the Management Board. The amount of the remuneration and the procedure for its payment shall be determined by the Supervisory Board.

Section 2

Members of the Management Board

- 4.4. The Management Board shall consist of up to two (2) members. The members of the Management Board and, in the case of a two (2) member Management Board, the chairperson of the Management Board shall be appointed and removed by the Supervisory Board.
- 4.5. The term of office of a member of the Management Board is five (5) years. The Supervisory Board may, at any time, recall a member of the Management Board only if it becomes apparent that the member of the Management Board is failing to perform their duties to a material extent or is unable to manage the Foundation.
- 4.6. Remuneration may be paid to a member of the Management Board only on the basis of a contract concluded with that member of the Management Board. If a member of the Management Board performs other duties necessary for the Foundation in addition to

those of a member of the Foundation's Management Board, remuneration for these duties may be paid only if provided for in the Management Board member's contract.

- 4.7. A member of the Management Board may be paid an additional remuneration taking into account their performance. The amount of the additional remuneration must be justified, taking into account the achievement of the objectives set for the Foundation. The total amount of the additional remuneration payable during a financial year may not exceed four (4) times the average monthly remuneration paid to a member of the Management Board in the previous financial year.
- 4.8. A member of the Management Board may be paid termination-of-contract compensation only if they are removed by the Management Board on the initiative of the Supervisory Board before the expiry of their term of office, unless the removal is due to a violation of their obligation as a member of the Management Board before the EIF. Termination-of-contract compensation may be paid up to the amount of three (3) months' remuneration in force at the time of the member's removal.
- 4.9. On the basis of a reasoned decision of the Supervisory Board, a member of the Management Board may, after the expiry of the term of office of the member of the Management Board, receive compensation for non-competition obligations for a period of up to 12 (twelve) months, provided that the monthly compensation does not exceed the monthly remuneration applicable at the time of the expiry of the term of office.

Chapter 5

EIF AUDITOR AND INTERNAL CONTROL

- 5.1. The number of auditors and the auditor(s) of the EIF shall be appointed by the Supervisory Board, who also determines the remuneration of the auditor(s). The Supervisory Board shall have the right to recall at any time the auditor(s), regardless of the reason.
- 5.2. The term of the auditor's mandate is three (3) years. The appointment of an auditor requires the consent of the auditor.
- 5.3. The EIF is responsible for ensuring the functioning of the internal control system.
- 5.4. The EIF shall establish the post of internal auditor or contract the services of an internal auditor from a firm of auditors if, as at the balance sheet date of the financial year, the Foundation's balance sheet total exceeds EUR 2 million or its revenue for the financial year exceeds EUR 2 million.
- 5.5. The Foundation has the right not to establish the post of internal auditor or to contract the services of an internal auditor from an audit firm if, in the opinion of the Supervisory Board, this may be economically feasible. The decision of the Supervisory Board to this effect must be agreed in advance with all the founders of the Foundation.
- 5.6. The authority exercising the founder's rights of the State has the right to request a specific control and to use the structure of the body they manage for this purpose.

Chapter 6

EIF ASSETS

- 6.1. The EIF is the owner of its own assets. The assets of the EIF shall be used to achieve the objectives of the EIF. The possession, use and disposal of the assets of the EIF shall be carried out by the Management Board in accordance with applicable law and these Statutes, subject to the restrictions arising from the decisions of the Supervisory Board,

these Statutes and legislation. The Supervisory Board of the EIF may lay down more detailed rules for the holding, use and disposal of its assets, subject to the provisions of these Statutes.

6.2. EIF assets consist of:

- 6.2.1. the assets transferred to the EIF in accordance with the founding decision;
- 6.2.2. dedicated appropriations, donations, grants and other funds provided by third parties;
- 6.2.3. the funds received by the EIF from the performance of contracts concluded by it or otherwise in the course of its activities;
- 6.2.4. other receivables.

6.3. The EIF shall maintain a separate business continuity reserve from the rest of its assets, the purpose of which is to ensure the smooth functioning of the Foundation in the event of the materialisation of possible sectoral risks, including losses incurred. The amount of the business continuity reserve is the sum of the previous financial year's operating expenditure.

6.4. Any in-kind contributions to the EIF are accepted by the Management Board. The Management Board shall assess the value of the assets to be transferred and take the necessary steps for the transfer of ownership of the assets to the EIF and draw up the required documents. All funds transferred to the EIF shall be paid into the EIF's bank account.

6.5. At the request of the EIF, a contract shall be concluded with the transferor of an assets earmarked for EIF purposes, setting out the requirements of the transferor as to the purpose for which the assets are to be used and other conditions. A report on the use of the assets shall be provided to the transferor on request. Assets can only be transferred irrevocably to EIF ownership.

6.6. The EIF, when acquiring real estate or the right of building free of charge from the state, assumes the obligation to use the property for the intended purpose and to pay the contractual penalty in accordance with the provisions of § 33 of the State Assets Act.

6.7. The EIF may participate in, acquire or dispose of holdings in companies, set up other foundations, merge with another foundation or split up only with the prior unanimous decision of all founders. The EIF may only participate in companies whose activities are directly related to the achievement of the Foundation's objectives.

Chapter 7

AMENDMENTS OF THE STATUTES

7.1. The right to amend the Statutes rests with the founders and the Supervisory Board.

7.2. The founders or the Supervisory Board of the Foundation may amend the Statutes by unanimous decision only in the light of changed circumstances or the law, while respecting the purpose of the Foundation.

Chapter 8

WINDING-UP AND MERGER WITH ANOTHER FOUNDATION

- 8.1. The EIF is wound up or merged with another foundation at the request of the founders by a unanimous decision of the founders, or at the request of the State, or on any other legal basis.
- 8.2. The EIF may not be wound up or merged with another foundation without the consent of the state.
- 8.3. The Management Board shall file a bankruptcy petition against the EIF in the cases and according to the procedure provided for by law.
- 8.4. The winding-up of the EIF shall be carried out in accordance with the procedure laid down by law.
- 8.5. After all creditors' claims have been settled, the remaining assets of the EIF shall be distributed among the founders of the EIF in proportion to their contributions to the EIF endowment.

These Statutes have been approved by the decision of the meeting of the Supervisory Board of the Estonian Internet Foundation on 19 October 2023.