

NEW WORDING OF THE ARTICLES OF LACNIC'S BYLAWS TO BE CONSIDERED AT THE EXTRAORDINARY MEMBERS ASSEMBLY TO BE HELD ON MAY 29, 2008.

ARTICLE 5: The structure of the LACNIC includes the following elements:

- a) The Members: who hold the power in the institution;
- b) the Assembly, which is the sovereign organ of the institution;
- c) The Board of Directors, which manage and administer the institution;
- d) The Fiscal Commission; which controls the functioning of the institution and the actions of the Board;
- e) The Electoral Committee; which is in charge of the organization of elections;
- f) The Committees; which execute the diverse actions of the institution.

ARTICLE 13: There shall be two types of General Assemblies: Ordinary and Extraordinary. Ordinary General Assemblies shall be held once a year, within the first six months after the closing of each financial year, the date of which is set as December 31, and these assemblies shall: a) consider, approve or modify the annual report, general balance sheet, inventory, expense and income account and report presented by the Fiscal Commission; b) elect, if warranted, the members of the Fiscal Commission and the Electoral Commission; c) establish membership fees and determine procedures for updating them if necessary, procedures that shall be implemented by the Board of Directors; d) consider any other matter included in the agenda; e) consider any matter proposed by no less than five percent of the members and presented to the Board of Directors within thirty days of the closing of the financial year.

*Article modified at the Member Assembly held on 24 April, 2003

ARTICLE 14: The Extraordinary Assemblies will be convoked whenever the Board deems it necessary, or when requested by the Fiscal Commission, the Electoral Committee or 5% of the members with voting rights. These requests must be resolved within a term of 10 days, and the Assembly be held within 30 days thereafter. If the request is not considered or turned down without due basis, the Fiscal Commission may be required to convoke under the same terms and proceedings.

ARTICLE 15: Assemblies shall be summoned by means of circulars sent to the postal or e-mail addresses of the members thirty days in advance. The Annual Report, General Balance Sheet, Inventory, Expense and Income Account and Fiscal Commission Report must be submitted with the same anticipation. When bylaws or regulatory modifications are submitted for the consideration of the Assembly, the content of said modifications must also be submitted to the members with the same anticipation. Assemblies may not consider matters other than those expressly included in the agenda, unless full membership is present and the incorporation of the matter is approved by unanimous vote.

*Article modified at the Member Assembly held on 24 April, 2003

ARTICLE 17: Resolutions shall be adopted by absolute majority of cast votes, except in those cases where these bylaws expressly refer to other majorities. Members of the Board of Directors and of the Fiscal Commission may not vote on matters relating to their terms of office. Members who join the Assembly after it has begun may only vote on the matters which have not yet been decided. In the case of decisions that affect the requirements and conditions for the member categories established in Article 6, the

conformity of the absolute majority of Active Members present shall be required. These requirements complement those specifically established for reforming the Bylaws.

*Article modified at the Member Assembly held on 24 April, 2003

CHAPTER V BOARD OF DIRECTORS. ELECTORAL COMMITTEE AND FISCAL COMMISSION

ARTICLE 20: LACNIC shall be managed and administered by a Board of Directors composed of six members. The Board of Directors shall assign to these members the following positions: President, Vice-President, Secretary, Deputy Secretary, Treasurer and Deputy Treasurer. Director's shall serve a three-year term of office, but shall be eligible for re-election as long as they continue to meet eligibility criteria. Every year they shall be partially renewed in groups of two. The Executive Director/CEO shall participate in the Board of Directors' meetings with equivalent rights to those of a Director, except that he/she shall not be entitled to vote.

Members of the Board of Directors are subject to the following incompatibilities:

- a) not more than two Directors may be domiciled in the same country. Should a candidate for a position on the Board of Directors have more than one domicile, one of which involves a presumed incompatibility, in order to analyze his/her case the usual country of residence, the country where the company or organization he/she is a part of or works for is established, and/or any other relevant data shall be considered;
- b) not more than one Director may have employment, consultancy or advisory relationships with the same Company or Organization and/or with one of its Related Companies established or not in the same country.

In order to determine whether or not this incompatibility exists, the following criteria shall be considered: whether the relationship is in a paid or honorary capacity; the influence that the Company or Organization may exert in relation to the candidate's election and to the background that makes the candidate eligible; the position held by the candidate within the Company or Organization; and the degree of influence that the Company or Organization may have over the individual once he/she occupies the position, or that the individual may have over the Director of said Company or Organization, or vice versa, for reasons of hierarchy or control.

When determining whether or not this incompatibility exists, membership of international or regional Internet organizations (such as ISOC, ICANN, etc.) and/or of Organizations that have no relation to the activities carried out by LACNIC, such as sports clubs, academic clubs, etc. shall not be taken into consideration.

These incompatibilities shall be analyzed in accordance with the theory of reality, according to which material reality prevails over formalities.

Should any of the incompatibilities described in the paragraphs above occur once the Director is already in office, said Director shall resign his/her position or, if not, the matter shall be referred to the Electoral Commission which, in exercise of its faculties, shall determine whether or not such incompatibility exists and, if so, shall remove the

Director from his/her position, the position remaining vacant until the following election. Should the incompatibility occur simultaneously in relation to one or more Directors, both shall resign or be removed from their positions, as appropriate, simultaneously; in this case, both Directors may be candidates in the following election so that LACNIC members may determine which of them shall continue as Director.

Members of the Board of Directors shall act as individuals, not in representation of the member organizations to which they belong.

The six above mentioned directors shall be elected according to the provisions of Articles 24 and 25. Each year, after the renewal of its members, the Board of Directors shall appoint the positions to be held by its members.

There shall be a Fiscal Commission composed of three members. Members of the Fiscal Commission shall serve a three-year term of office, and one member shall be renewed each year; members of the Fiscal Commission shall be eligible for reelection as long as they continue to meet eligibility criteria.

Members of the Fiscal Commission shall be subject to the following incompatibilities:

- a) not more than one member of the Fiscal Commission may be domiciled in the same country. Should a candidate for a position on the Fiscal Commission have more than one domicile, one of which involves a presumed incompatibility, in order to analyze his/her case the usual country of residence, the country where the company or organization he/she is a part of or works for is established, and/or any other relevant data shall be considered;
- b) not more than one member of the Fiscal Commission may have employment, consultancy or advisory relationships with the same Company or Organization and/or with one of its Related Companies established or not in the same country.

In order to determine whether or not this incompatibility exists, the following criteria shall be considered: whether the relationship is in a paid or honorary capacity; the influence that the Company or Organization may exert in relation to the candidate's election and to the background that make the candidate eligible; the position held by the candidate within the Company or Organization; and the degree of influence that the Company or Organization may have over the individual once he/she occupies the position, or that the individual may have over the Director of said Company or Organization, or vice versa, for reasons of hierarchy or control.

When determining whether or not this incompatibility exists, membership of international or regional Internet organizations (such as ISOC, ICANN, etc.) and/or of Organizations that have no relation to the activities carried out by LACNIC, such as sports clubs, academic clubs, etc shall not be taken into consideration.

These incompatibilities shall be analyzed in accordance with the theory of reality, according to which material reality prevails over formalities. Should any of the incompatibilities described in the paragraphs above occur once the member of the Fiscal Commission is already in office, said member shall resign his/her position or, if not, the matter shall be referred to the Electoral Commission which, in exercise of its faculties,

shall determine whether or not such incompatibility exists and, if so, shall remove the member from his/her position, the position remaining vacant until the following election. Should the incompatibility occur simultaneously in relation to one or more members of the Fiscal Commission, both members shall resign or be removed from their positions, as appropriate, simultaneously; in this case, both members may be candidates in the following election so that LACNIC members may determine which of them shall continue as member of the Fiscal Commission.

* Article modified at the Member Assemblies held on 24 April, 2003; 31 March, 2004; and 29 June, 2005.

ARTICLE 22: Should the number of members of the Board of Directors be reduced below the absolute majority, having all the existing replacement members been called upon to replace the titular members, within fifteen days the remaining directors shall summon an Extraordinary Assembly to be held within the following thirty days with the objective of completing the Board of Directors. In the event of total vacancy of the Board of Directors, the Extraordinary Assembly shall be summoned by the Fiscal Commission, notwithstanding the responsibilities pertaining to resigning members of the Board of Directors. In both cases, the organ that issues the summons shall have all attributions inherent to celebrating the Assembly or celebrating elections.

*article modified at the April 24, 2003 member assembly

ARTICLE 23: The Board of Directors shall meet at least once every three months, on the date and time established at their first annual meeting, and also at such times as it is summoned by the President or at the request of the Fiscal Commission or two of its members, in which case the meeting must be held within the following fifteen days. Meetings shall be summoned ten days in advance by means of circulars. Meetings shall be valid with the presence of the absolute majority of designated members, and decisions shall require the vote of the absolute majority of members present, except for reconsiderations which require two thirds of the votes, in a session with the same number of participants or more participants than the session during which the matter to be reconsidered was decided.

*article modified at the April 24, 2003 member assembly

ARTICLE 24: The Electoral Commission shall be composed of three members. This commission shall be in charge of all matters relating to the electionary act, as well as counting the votes and determining the results and winning candidates. It is empowered to summon an Extraordinary Assembly in case of serious irregularities in the election.

The Electoral Commission shall be composed of three members. This Commission shall be in charge of all matters relating to the electionary act, including contested candidates or restricting to one the vacancies at issue due to incompatibilities (having the authority to eliminate and/or restrict the candidacies of one or more contested candidates and/or candidates investigated at the Electoral Commission's own initiative), as well as counting the votes and determining the results and winning candidates. The Electoral Commission may act based on third-party accusations or on its own initiative, and has the authority to summon an Extraordinary Assembly in case of serious irregularities in the election. Members of the Electoral Commission shall serve a three-year term of office, and one member shall be renewed each year; members of the Electoral Commission shall be eligible for reelection as long as they continue to meet eligibility criteria.

In case of a third-party accusation, the Electoral Commission shall also have the authority to investigate and resolve alleged incompatibilities of members of the Board of Directors and the Fiscal Commission.

Members of the Electoral Commission shall be subject to the following incompatibilities:

a) not more than one member of the Electoral Commission may be domiciled in the same country. Should a candidate for a position on the Electoral Commission have more than one domicile, one of which involves a presumed incompatibility, in order to analyze his/her case the usual country of residence, the country where the company or organization he/she is a part of or works for is established, and/or any other relevant data shall be considered;

b) not more than one member of the Electoral Commission may have employment, consultancy or advisory relationships with the same Company or Organization and/or with one of its Related Companies established or not in the same country.

In order to determine whether or not this incompatibility exists, the following criteria shall be considered: whether the relationship is in a paid or honorary capacity; the influence that the Company or Organization may exert in relation to the candidate's election and to the background that make the candidate eligible; the position held by the candidate within the Company or Organization; and the degree of influence that the Company or Organization may have over the individual once he/she occupies the position, or that the individual may have over the Director of said Company or Organization, or vice versa, for reasons of hierarchy or control.

When determining whether or not this incompatibility exists, membership of international or regional Internet organizations (such as ISOC, ICANN, etc.) and/or Organizations that have no relation to the activities carried out by LACNIC, such as sports clubs, academic clubs, etc shall not be taken into consideration.

These incompatibilities shall be analyzed in accordance with the theory of reality, according to which material reality prevails over formalities. Should any of the incompatibilities described in the paragraphs above occur once the member of the Electoral Commission is already in office, said member shall resign his/her position or, if not, the matter shall be referred to the Fiscal Commission/Board of Directors which, in exercise of their faculties, shall determine whether or not such incompatibility exists and, if so, shall remove the member from his/her position, the position remaining vacant until the following election. Should the incompatibility occur simultaneously in relation to one or more members of the Electoral Commission, both members shall resign or be removed from their positions, as appropriate, simultaneously; in this case, both members may be candidates in the following election so that LACNIC members may determine which of them shall continue as member of the Electoral Commission.

* Article modified at the Member Assemblies held on 24 April, 2003; 31 March, 2004; and 29 June, 2005.

ARTICLE 25: The election of the members of the Board of Directors shall be held within one hundred and eighty days of the Ordinary Assembly. Votes shall be secret and may be cast by post or e-mail using mechanisms that guarantee the identity of the voter and the secrecy of the vote.

Each member may exercise their right to vote as established in Articles 7 and 19 as many times as positions are being elected, but may only award one candidate the number of votes established in said articles. Candidates shall be voted individually among those nominated in due time and form. Those candidates that receive more votes shall be elected; the number of elected candidates shall be equal to the number of positions at issue. In case of a tie in the number of votes for one or more of the positions at issue, a second round of voting shall be held among those candidates that had the same number of votes; this second round of voting shall be held on the date and under the conditions established by the Electoral Commission.

*Article modified at the Member Assembly held on 24 April, 2003.

ARTICLE 26: The attributions and responsibilities of the Board of Directors are:

- a) to execute Assembly decisions, to comply with and enforce these Bylaws and the regulations, interpreting them in case of doubt with the obligation of reporting this to the next Assembly;
- b) to undertake the administration of LACNIC;
- c) to summon Assemblies;
- d) to decide the admittance of those requesting membership;
- e) to expel or penalize members;
- f) to designate the staff necessary to fulfill the objectives of the organization, establish their salaries, determine their obligations, penalize and fire them;
- g) to present the Annual Report, General Balance Sheet, Inventory, Expense and Income Account and Fiscal Commission Report before the Ordinary General Assembly; all these documents must be made available to the members with the anticipation required by Article 15 for summoning Ordinary Assemblies;
- h) to issue internal regulations necessary for the fulfillment of the objectives, regulations which must be approved by the Assembly; those regulations not having statutory content are exempted;
- i) to approve methodologies for the development of LACNIC;
- j) to approve administration and allocation policies for Internet resources under LACNIC responsibility, which shall be approved by the following member assembly;
- k) in case of third-party accusations, to investigate and resolve alleged incompatibilities of members of the Electoral Commission.

*Article modified at the Member Assembly held on 24 April 24, 2003.

ARTICLE 27: The Fiscal Commission has the following attributions and duties:

- a) to permanently control all books and accounting documentation, overseeing management, controlling the state of the cash flow and the existence of funds, bonds and stock, in accordance with the laws and Bylaws in force;
- b) to present suggestions to the Board of Directors, in relation to the responsibilities detailed in the item above;
- c) to pass judgment on the Annual Report, Inventory, General Balance Sheet and Expense and Income Account submitted by the Board of Directors for the consideration of the Ordinary Assembly at the end of each financial year;
- d) to summon an Ordinary Assembly should the Board of Directors fail to do so, having previously notified the Board of Directors fifteen days in advance;

- e) to request that an Extraordinary Assembly be summoned whenever it is deemed necessary, presenting the justification of the request before the "Dirección General de Registros, Asociaciones Civiles y Fundaciones" should the Board of Directors refuse to comply with the request;
- f) to summon an Extraordinary Assembly, informing the Control Organ, should a members' request according to the provisions Article 14 be presented unsuccessfully;
- g) to oversee operations for the liquidation of LACNIC. The Fiscal Commission shall fulfill its functions without interfering with the regular administration of the organization;
- h) in case of third-party accusations, to investigate and resolve alleged incompatibilities of members of the Electoral Commission.

*Article modified at the Member Assembly held on 24 April, 2003.

** Article modified in virtue of the acceptance of an observation formulated by the Ministry of Foreign Affairs.

CHAPTER VIII THE TREASURER

ARTICLE 30: The Treasurer or whoever replaces him according to the bylaws must:

- a) Be present at Board meetings and Assemblies;
- b) Keep the Membership register together with the Secretary, and be responsible for the collection of member fees;
- c) Keep the accounting ledgers;
- d) Present the monthly balance sheets to the Board and prepare the annual report, which, once approved by the Board will be submitted to the Ordinary Assembly;
- e) Sign jointly with the President the receipts and other treasury documents, effecting the payments approved by the Board;
- f) Deposit in a bank account in the name of LACNIC, and with joint signatures of the President and Treasurer, all funds collected, with the capability of retaining funds up to the amount authorized by the Board;
- g) Report on the economic status of the entity to the Board, and the Fiscal Commission on any occasion this is required.

CHAPTER X DISSOLUTION AND LIQUIDATION:

ARTICLE 32: The Assembly may not decree the dissolution of LACNIC as long as there are a number of members willing to support it, and to ensure the regular functioning of its social organs. Should dissolution become effective, the liquidators will be designed, and these can be the Board itself, or any other members committee which the Assembly designates. The Fiscal Commission must oversee the liquidation operations of LACNIC. Once debts are paid in full, the remainder of the goods owned will be destined to a charity organization, established legally in the country and exempt from all taxes at national, state and municipal level. The recipient of these goods will be designated by the dissolution Assembly.