Memorandum of Understanding

between

1) AfriNIC
   represented by
   Adiel Akplogan,

and

2) the Number Resource Organisation (NRO)
   represented by its chairman,
   Paul Wilson,

about

Start-Up Financing of the Emerging AfriNIC during the year 2004

Whereas AfriNIC is preparing to take over the stewardship of Internet Numbering Resources for the African continent; and

whereas the existing Regional Internet Registries, APNIC, ARIN, LACNIC and the RIPE NCC have fully supported the effort and are continuing to do so; and

whereas the NRO is making available startup funding of US$ 100,000, to help AfriNIC to cover the initial cost of setting up AfriNIC administratively and operationally;

the parties agree on the following:

1. Schedule of payments to AfriNIC by the NRO

   - Payment 1 of US$ 20,000 will be made upon signing of this MoU.
   - Payment 2 of US$ 20,000 will be made upon publication on the AfriNIC website, of supporting material, four weeks before the AfriNIC I meeting. This material will consist of but not be limited to:
     o Articles of Association / Bylaws of AfriNIC
     o Membership and / or Service Contract
     o Terms and Conditions
     o Draft Membership and Service Fees
     o Draft policies for the allocation / assignment of Internet Number Resources
     o Draft AfriNIC database policies
     o Procedure supporting documents, request forms, etc
     o Draft Operational Budget for the years 2004-2005
- Payment 3 of US$ 20,000 will be made upon adoption of AfriNIC corporate operational and policy documents, and following publication of a comprehensive AfriNIC I meeting report.
- Payment 4 of US$ 20,000 will be made upon delivery to ICANN of a full account of AfriNIC activities to date, together with a support note by the CEOs of the existing RIRs, in July 2004.
- Payment 5 of US$ 20,000 will be made upon delivery to ICANN of the application for recognition of AfriNIC, in October 2004.

2. Use of Funds

Unless otherwise agreed by the parties, funds provided under this agreement should be used exclusively for:

- operational expenses directly related to the establishment or operation of AfriNIC, including office expenses, rental, general overheads;
- capital purchases by AfriNIC, where assets are owned and used exclusively by AfriNIC staff members for AfriNIC purposes;
- staff and contractor expenses including salaries, administrative overheads, and travel related directly and exclusively to AfriNIC activities;

3. Financial Reporting

In addition to the conditions of above schedule, payments 2 to 5 will be made after receipt of comprehensive financial reports detailing spending of the previous payment.

Signed this day, 05/03/2004, by:

[Signature]

For the NRO

[Signature]

For AfriNIC