

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	February 24, 2022 (Thursday) 13:02 – 14:07 HKT
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	<p>Santanu ACHARYA Kashif ADEEL * Satish BABU Andi BUDIMANSYAH ** Nicole CHAN Edmon CHUNG Maureen HILYARD Rebecca CHAN (DotAsia Team) Freda CHEUNG (DotAsia Team)</p> <p>Apologies: Joel DISINI</p> <p>* Left and rejoined meeting during Discussion Item 3.1, left meeting during Discussion Item 7.1, rejoined meeting during Discussion Item 7.2. ** Joined meeting during Discussion Item 2.1.</p>

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	In progress.
F2021.08.A01	Propose procedures of conducting random verification on the Reports provided by Afilias.	Rebecca CHAN	Discussion deferred to Mar BFC meeting.
F2021.08.A02	Conduct a comparison of the existing registry agreement with Afilias with other potential providers.	Edmon CHUNG	Discussion deferred to Mar BFC meeting.
F2021.11.A01	Continue the discussion of sharing the bank statement to the Board along with monthly financial reports at Dec BFC meeting.	Edmon CHUNG	In progress. Refer to F2022.01.A01.
F2021.12.A03	Work with Santanu separately on adding him as a new signatory of the banks of HSBC.	DotAsia Team	Completed. Refer to Discussion Item 5.
F2022.01.A01	Request for clarification from legal counsel on payment information.	Edmon CHUNG	Completed.
F2022.02.A01	Ask Fusion to add a column of year-to-date with year-over-year comparison in the Monthly Financial Report.	Rebecca CHAN	In Progress.

No.	Action Items:	Owner	Remarks
F2022.02.A02	Ask Abacas CPA to add clarifications on the appointment of Directors to the audit report for DotKids Foundation Ltd.	Rebecca CHAN	Completed.
F2022.02.A03	Make recommendation of appointing Kashif ADEEL as the new signer of DotAsia bank accounts to the Board at the first Board meeting after AGM.	Edmon CHUNG	Completed.
F2022.02.A04	Prepare draft framework of Board Member Reimbursements and Remunerations for further discussion.	Edmon CHUNG	In progress.

Discussions:

1. Roll Call

- 1.1. Mr. Santanu ACHARYA chaired the BFC meeting as BFC Chair on Feb 24, 2022.
- 1.2. Roll call. Those present for all or part of the meeting are included in the Attendees section.

2. Adoption of Minutes of Last BFC Meeting on Jan 18, 2022

- 2.1. Draft 1 of BFC meeting minutes 2022.01.18 and action items were discussed.
- 2.2. BFC meeting minutes 2022.01.18 approved unanimously.

3. Monthly Financial Reporting

- 3.1. Financial report of period from Oct 2021 to Nov 2021 was presented and briefed to BFC.
 - 3.1.1. It was highlighted that a new fiscal year has started from Oct 1, 2021, and the annual figures for the fiscal year ending Sep 2021 (column C) are unaudited.
 - 3.1.2. It was also highlighted that the annual projection for the fiscal year ending Sep 2022 (column B) is based on the 2 months actual projected to full year based on a straight line projection, therefore the projection will become more accurate as the year progress.
- 3.2. Question was raised on the decrease in revenue projection in 2022 compare to 2021.
 - 3.2.1. It was explained that the projection is multiplied to a full year based on the actual revenue of 2 months (Oct and Nov 2021) only, where it is based on the accounting principles and reporting principles but not based on budgeting or actual projection of sales which has seasonality.

- 3.2.2. It was suggested and agreed to ask Fusion to explore adding a column of year-to-date with year-over-year comparison for better comparison and to avoid confusion. (F2022.02.A01)
- 3.2.3. It was commented that annual projection is useful to compare current actual financials with actual financials of last year.
- 3.3. BFC accepted the report with no further comments.

4. Audit Report for DotKids Foundation Ltd

- 4.1. It was noted that DotAsia remains the sole member of DotKids Foundation. It was reported that DotAsia is in the process of launching the .kids community gTLD, and it is targeting to engage children's rights and welfare community in convening committees to start developing .kids policies and work towards launch as well as the formalization of the organizational structure.
- 4.2. The audit report for the period of May 12, 2020 to Sep 30, 2021 for DotKids Foundation Ltd prepared by Abacus CPA was presented and briefed to BFC.
 - 4.2.1. It was noted that the audit report is similar to the audit report of DotAsia Foundation Limited with standard paragraphs.
 - 4.2.2. It was highlighted that the Directors are temporarily Edmon CHUNG and Rebecca CHAN, which will be updated once the new governing body is established.
 - 4.2.3. The account receivable was clarified as the deposit for the bank to issue a letter of credit to fulfil the COI requirement from ICANN in order to sign the Registry Agreement with ICANN. Since the amount was offered by DotAsia Organisation at this point, the current liability was accounted as due to the sole member.
 - 4.2.4. It was highlighted that no Hong Kong Profits Tax has been provided for the period as the Company incurred a loss for the period.
- 4.3. Question was raised on whether the Directors of DotKids Foundation are serving in the capacity of DotAsia or as individuals.
 - 4.3.1. It was clarified that the listed Directors are serving as staff from DotAsia in the capacity of DotAsia.
 - 4.3.2. It was further clarified that the approach was based on agreement among the Board in 2012 regarding new gTLD projects and arranged for operational expedience.
 - 4.3.3. It was suggested and agreed to ask Abacas to add clarifications regarding the nature of the current Directors serving on DotKids Foundation to the audit report. (F2022.02.A02)
 - 4.3.4. It was also clarified that DotKids Foundation is a limited-by-guarantee Organisation with no shares and that DotAsia is currently the sole member.
- 4.4. Question was raised on the reason for the liability came from ER3 Limited instead of DotAsia.
 - 4.4.1. It was clarified that the account receivable from ER3 was incurred because the letter of credit was issued in the name of ER3 Ltd, which is

the same arrangement for .BOX and .SPA, given the difficulties of maintaining such instrument by Namesphere or DotAsia due to the banking issues.

- 4.4.2. It was clarified that the money for deposit comes from DotAsia and being held by the bank to issue the letter of credit, where ER3 acts purely as an agent to facilitate the issuance of the letter of credit. When the letter of credit is done, or the COI requirement is no longer required by ICANN, the fund will be released by the bank through ER3 and returned to DotAsia.

5. Update of Banking Signatories

- 5.1. DotAsia currently maintains 3 signers (Edmon CHUNG, Maureen HILYARD and Satish BABU) in HSBC.
- 5.2. Since Maureen is exiting the Board after the AGM2022, it is required to add at least one more signer with the bank.
- 5.3. Based on discussions in Dec and Jan BFC meetings, Santanu ACHARYA was proposed to be the new signer, however, Santanu reported that he is still pending approval from the Ministry in India.
- 5.4. It was proposed and agreed to have Kashif ADEEL added as a signer.
- 5.5. There was suggestion of reconfirming the appointment of Kashif as the additional signer at next BFC meeting before making recommendation to the Board, to ensure the consistence of decision of new BFC team.
 - 5.5.1. It was highlighted that once Maureen leaves the Board after the AGM, there will be a period of time that DotAsia does not have 3 signers, which might affect the operations of DotAsia and the DotAsia team would like to minimize this situation for as much as possible.
 - 5.5.2. It was suggested that the recommendation could be made to the full Board once the new Board is formed after the AGM.
 - 5.5.3. It was discussed and agreed to make recommendation of appointing Kashif as the new signer to the Board at the first Board meeting after AGM. (F2022.02.A03)

6. Budget 2022-2024

- 6.1. Draft 1 of budget 2022-2024 was circulated to BFC via email, presented and briefed to BFC for discussion.
- 6.2. The budget structure was briefed to BFC for reference. The consideration of the budget includes allocations to DotAsia Organisation, DotAsia Foundation and Namesphere, which include detailed allocations to Community Projects, as well as allocations of Salary & Office Expenses from DotAsia Organisation to DotAsia Foundation and Namesphere.
- 6.3. It was highlighted that salaries are only paid from DotAsia Organisation to employees, and DotAsia Organisation is the only employer. Certain percentages of the salary are allocated to the Foundation and Namesphere respectively, where the salary expenses and incomes between organizations would offset each other in the budget.

- 6.4. It was highlighted that the budget 2022 – 2023 and 2023 – 2024 are very similar to previous years, except for the administrative overhead in budget 2022 – 2023 as the legal cases proceed, and that the budget for travel expense is expected to resume to previous levels before the pandemic.
- 6.5. It was highlighted that DotAsia anticipates a deficit budget in 2022 – 2023 due to legal provisions, and will aim for a balanced budget in 2023 – 2024.
- 6.6. It was suggested and agreed to add bar charts for budget allocations of 2022-2023 and 2022-2024 for better comparison.

7. Preparations for AGM 2022

- 7.1. Draft slides of BFC report at AGM 2022 was presented and briefed to BFC.
- 7.2. It is planned to have a Member Resolution to continue to appoint Mazars as Auditors for DotAsia Organisation.

8. Board Member Reimbursements and Remunerations

- 8.1. Based on received legal advice and information from other not-for-profit organizations in Hong Kong, it is confirmed that the general approach is not to provide remunerations to Board Members, including salaries, fees or sitting fees for meetings.
- 8.2. It was proposed to establish a program in the upcoming years that provides Board Members with ability to travel to particular conferences such as ICANN, IGF, etc., to participate and represent DotAsia at the conferences, where DotAsia will pay for the travel expenses of airfare and hotel expenses.
- 8.3. Such program would allow some benefits to Board Members, while connecting it with DotAsia's work and operations, and enhance DotAsia's interaction with the community.
- 8.4. Question was raised on whether the proposed program includes DotAsia's bi-annual F2F meetings. It was explained that some Board Members were supported for travel to APRICOT by other organizations (e.g., ICANN) in past years, as a result DotAsia would not need to support the travel to APRICOT for those particular Board Members since DotAsia's F2F Board meeting and AGM were held in conjunction with APRICOT. The unused amount was sometimes repurposed to support other types of travel.
- 8.5. Draft framework will be prepared for further discussion on the criteria and qualifications. (F2022.02.A04)

9. Afilias Report and Services

- 9.1. Discussion deferred to next BFC meeting.

10. Closing Remarks

- 10.1. Santanu thanked the participation and support of Maureen and Nicole on behalf of BFC.