

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	June 15, 2021 (Tuesday) 14:00 – 15:18 HKT
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	<p>Santanu ACHARYA Kashif ADEEL * Satish BABU Andi BUDIMANSYAH Nicole CHAN ** Edmon CHUNG Joel DISINI *** Maureen HILYARD Rebecca CHAN (DotAsia Team) Freda CHEUNG (DotAsia Team) Ivan CHAN (Mazars HK Representative) ****</p> <p>* Joined meeting during Discussion Item 2.1, left meeting during Discussion Item 3.7, and rejoined meeting during Discussion Item 4.2. ** Left meeting during Discussion Item 6.4. *** Joined meeting during 3.1. **** Joined meeting for Discussion Item 3 only.</p>

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	On going.
F2021.04.A05	Follow up with Fusion regarding the re-organization of service arrangement.	Rebecca CHAN	In progress.
F2021.05.A02	Discuss with Fusion on whether extra cost is needed for changing reporting arrangement.	Rebecca CHAN	Completed. Refer to Discussion Item 8.1.
F2021.05.A03	Gather information of what, if any, other comparable not-for-profit organizations offer as compensation to their Directors.	Edmon CHUNG	In progress. Refer to Discussion Item 7.
F2021.06.A01	Discuss and confirm with Fusion on monthly compliance reporting.	Rebecca CHAN	To be circulated to BFC before next meeting.

Discussions:

1. Roll Call

- 1.1. Mr. Santanu ACHARYA chaired the BFC meeting as BFC Chair on Jun 15, 2021.
- 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 May 21, 2021

- 2.1. BFC meeting minutes 2021.05.21 and action items were discussed.
- 2.2. BFC meeting minutes 2021.05.21 approved unanimously.

3. Engagement of Mazars HK as DotAsia's Auditors

- 3.1. Representative from Mazars joined the BFC meeting.
- 3.2. Mazars is engaged to audit the consolidated financial statement of DotAsia Organisation Limited, where the audit plan was briefed to BFC.
- 3.3. Question was raised on the audit work on corporate compliance. It was explained that the audit report would be based on the International Financial Reporting Standards.
- 3.4. Question was raised on the transition period and handover from previous auditor RSM. Mazars explained that they carried out a professional clearance procedure with RSM, and received a clean response from them, and that the common practice in Hong Kong does not include the review of working papers from the previous auditor, but that audit on the opening balance is required. It was further explained that since the audit covers the fiscal year of 2020, the opening balance would be as from Sep 30, 2019, which would be used to facilitate the audit of 2020.
- 3.5. Question was raised on the audit scope of subsidiary companies. It was clarified that the audit scope covers DotAsia Organisation Limited only. However, any investments in the joint ventures would be identified as components, and the audit of the components will be carried out.
- 3.6. Question was raised on the audit handling of the director information in relation to the Companies Registry records. It was explained that the audit would be based on the official information submitted to the Companies Registry, anyone who is not registered with the Companies Registry is not in the definition of an official director of a company.
- 3.7. Draft engagement letter of Mazars was presented and briefed to the BFC for consideration. It was discussed and agreed to proceed and sign back the engagement letter to Mazars.
- 3.8. It was highlighted that Mazars has the direct access to BFC for any problems or concerns.

4. Review of BFC-001

- 4.1. BFC-001 (version 1.1) was presented and briefed to the BFC for discussion.
- 4.2. There was discussion on the definition of different types of expenditures under the Financial Approving Authority (FAA) of approval process of Operating & Capital Expenditure, where different expenditure limit requires different level of approving authorities.
 - 4.2.1. It was explained that if the expenditure is recurrent or included in the approved budget, it would be categorized as recurrent and generally authorized by the Board via the budget. If not, it would be considered as one-off or unbudgeted.
 - 4.2.2. Question was raised on the FAA. It was explained that the Finance Manager would be Rebecca Chan, and the Board Treasurer is defined as the BFC Chair as per BGC-001: Board Governance Framework, which is Santanu Acharya currently.
- 4.3. There was discussion on whether one-off or unbudgeted expenditure should be approved by the Board.
 - 4.3.1. It was commented that the original purpose of forming Board Committees is to share the responsibilities and discussions of issues, and BFC Chair represent the Board for financial considerations. Therefore, BFC Chair could coordinate with Finance Manager for expenditures less than US\$10,000.
 - 4.3.2. It was suggested that updates to the thresholds and the FAAs should be considered by the BFC.
 - 4.3.3. It was highlighted that the FAA is different from the authorized signatories of bank accounts operations.
- 4.4. It was discussed and agreed to share the BFC-001 (version 1.1) to the BFC for comments and further discuss at the Jul BFC meeting.
- 4.5. It was highlighted that if the FAA framework is changed, there may be need to consider corresponding changes to the bank signatory processes as well.

5. Updates on Requesting Compliance Certificate from Fusion

- 5.1. Question was raised whether Fusion would be providing a sort of compliance certificate and/or reporting to DotAsia. Clarifications were discussed on the intent and purposes for such certification.
- 5.2. DotAsia will follow up with Fusion to draft the requested compliance report for BFC consideration. (F2021.06.A01)

6. Estimation of Costs for Additional Legal Proceedings

- 6.1. Estimation of costs for additional legal proceedings were presented to the BFC.
- 6.2. It was highlighted that estimated cost for mediation is not included in the budget, and would be borne equally by the parties in the mediation.

- 6.3. For the legal engagement on the banking issue, it was suggested to choose an independent legal specialist based on the quality of the advice.
- 6.4. Discussion to be tabled to BGC and the Board for consideration.

7. Study on Board Member Compensation

- 7.1. It was clarified that DotAsia M&A specifies that no ministration fees are to be provided to directors, and the tax guide for nonprofit organizations in Hong Kong also has the same basic requirement about directors receiving remunerations.
- 7.2. The DotAsia team is studying organizational structure of other not-for-profit organizations as references and will report further in the Jul BFC meeting. (F2021.05.A03)

8. Updates on Accounting Software Upgrade & Fusion

- 8.1. It was reported that Fusion agreed to provide monthly financial report and can plan to join BFC meeting on a quarterly basis where needed.
- 8.2. It was reported that the data import is at the final stage and bookkeeping training will be arranged with Fusion upon its completion.
- 8.3. It is planned to utilize the reporting function within the system if it can be done readily, otherwise, reports will be prepared by using Excel or Fusion's own platform.

9. Financial Information of Namesphere

- 9.1. It was discussed and agreed that such discussion is beyond the scope of the BFC and that it should be had separately at Namesphere members' meeting.