

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	September 21, 2021 (Tuesday) 14:01 – 15:02 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) Tony HON (Fusion Team) Grace YAU (Fusion Team)</p> <p>Absent: Joel DISINI</p> <p>* Left meeting during Discussion Item 4.1.</p>

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	Awaiting specialist legal advice.
F2021.08.A01	Propose procedures of conducting random verification on the Reports provided by Afiliats.	Rebecca CHAN	Discussion deferred to Oct BFC meeting.
F2021.08.A02	Conduct a comparison of the existing registry agreement with Afiliats with other potential providers.	Edmon CHUNG	Discussion deferred to Oct BFC meeting.
F2021.09.A01	Reword the clause 5.5.2 of the draft 1.1 of BFC-001 for further consideration at Oct BFC meeting.	Edmon CHUNG	To be circulated prior to next BFC meeting
F2021.09.A02	Follow up with Fusion team on the financial details of HNET Asia and provide explanations at next BFC meeting.	Rebecca CHAN	
F2021.09.A03	Share the presentation slides of monthly financial reports to BFC for reference.	Rebecca CHAN	Completed.

Discussions:

1. Roll Call

- 1.1. Mr. Santanu ACHARYA chaired the BFC meeting as BFC Chair on Sep 21, 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 Aug 24, 2021

- 2.1. BFC meeting minutes 2021.08.24 and action items were discussed.
- 2.2. BFC meeting minutes 2021.08.24 approved unanimously.

3. Review of BFC-001

- 3.1. Proposed edits to draft 1.1 of BFC-001: Standard Operating Procedures (SOP) on Finance & Procurement was presented and briefed to BFC for discussion.
- 3.2. There was discussion on initiating the process to notify the applicable bank(s) regarding the resignation of authorized signatories.
 - 3.2.1. It was commented that initiating the process within 7 working days might be more practical and reasonable since the bank procedures or forms required may change from time to time, which needs more time for preparations.
 - 3.2.2. It was discussed and agreed that 2 working days should be also workable if such request could be submitted to ICBC bank manager via email and through the HSBC online banking system.
- 3.3. There was discussion on reviewing contracts with vendors of DotAsia every year and the definition of vendors. It was discussed and agreed that DotAsia should review the list of vendors annually, but quotations from current and potential vendors are not expected to be sought for all services every year.
- 3.4. Draft to reword the clause 5.5.2 to be circulated for further consideration at Oct BFC meeting. (F2021.09.A01)

4. Monthly Financial Reporting

- 4.1. Financial report of period from Oct 2020 to Jun 2021 were presented to BFC by the Fusion Team.
- 4.2. It was highlighted that all financials are unaudited figures.
- 4.3. Question was raised on the investments on associates with HNET Asia.
 - 4.3.1. It was clarified that HNET Asia, a joint venture with a company in Macau, of which DotAsia owns 40%, is the entity that was established to operate

the .MO ccTLD. It was further clarified that it is a very stable support contract with the Macau Government that the government pays HNET Asia to help operate and maintain .MO.

- 4.3.2. It was explained that it usually records a positive share every year and that there might be a technical adjustment at the end of the year in that this 9-month financial report did not reflect the income.
- 4.3.3. Question was raised on whether the cost and expenses of other ventures are also accounted for in this report. It was clarified that the monthly financial report is currently for DotAsia Organisation only on a company level and not on a group level. Financial reports for other companies and consolidated part are usually done annually with the auditors, which should be ready in the upcoming audit report.
- 4.3.4. It was reported that DotAsia operates the back-end registry systems through HNET Asia for the .MO ccTLD.
- 4.3.5. DotAsia team will follow up with Fusion team on the financial details of HNET Asia and provide explanations at the next BFC meeting. (F2021.09.A02)
- 4.4. It was highlighted that overall, the litigation due to the lawsuits was the major expense causing a loss to be anticipated for the year.
- 4.5. Question was raised on the steep decline in the net asset. It was explained that the decline in the net asset was due to the accumulative gain and loss of the equity.
- 4.6. It was highlighted that the compliance confirmation was included at the end of the presentation as well as the financial statement produced by Fusion.
- 4.7. It was suggested and agreed to share the presentation slides of the financial report to BFC for reference. (F2021.09.A03)

5. Rotation of Professional Services

- 5.1. Although there is no legal requirement nor is it a general practice in Hong Kong for the rotation of audit firms, BGC discussed and agreed to ask BFC to consider the matter as a governance practice for DotAsia.
- 5.2. Comment was received from Fusion that there is no requirement on rotating auditors in certain number of years based on their past experiences.
- 5.3. It was commented that working with the same auditor would be easier from the operational side, which could save the time of training, understanding the business and providing information. As long as the auditor is being responsive and providing good service, there is no particular needs in changing auditor.
- 5.4. It was also commented that putting policy in place for rotation of auditors after a reasonable period could enhance the perceptions on the matter.

- 5.5. It was discussed and agreed to restart the discussion next year since the new auditor was just appointed in 2021.

6. Afilias Reporting & Registry Services

- 6.1. Deferred to next BFC meeting.