

## DotAsia Board Finance Committee (BFC) Meeting Minutes

<b>Date(s) &amp; Time:</b>	April 22, 2022 (Friday) 17:00 – 18:08 HKT
<b>Location:</b>	DotAsia Zoom Meeting Room: <a href="http://aji.asia/zoomboardfinance">http://aji.asia/zoomboardfinance</a>
<b>Attendees:</b>	<p>Santanu ACHARYA Kashif ADEEL Satish BABU * Andi BUDIMANSYAH Edmon CHUNG Murad IBRAGIMOV ** Leonid TODOROV Rebecca CHAN (DotAsia Team) Freda CHEUNG (DotAsia Team)</p> <p>Apologies: Arthur CHANG</p> <p>Absents: Joel DISINI</p> <p>* Left meeting during Discussion Item 5.2. ** 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	Deferred until after banking situation with HSBC clarified.
F2021.08.A01	Propose procedures of conducting random verification on the Reports provided by Afilias.	Rebecca CHAN	Discussion deferred to May BFC meeting.
F2021.08.A02	Conduct a comparison of the existing registry agreement with Afilias with other potential providers.	Edmon CHUNG	Completed. Refer to Discussion Item 7.4.
F2022.02.A04	Prepare draft framework of Board Member Reimbursements and Remunerations for further discussion.	Edmon CHUNG	In progress. Discussion deferred to May BFC meeting.
F2022.03.A01	Organize a special meeting with legal representatives for questions and clarifications on the Board matters.	Edmon CHUNG	Deferred until after banking situation with HSBC clarified.

No.	Action Items:	Owner	Remarks
F2022.04.A01	Make recommendation to the Board to appoint Kashif ADEEL to be the next BFC Chair at the upcoming Board Meeting.	Edmon CHUNG	Completed.
F2022.04.A02	Share the template of the worktime allocation survey to BFC for reference.	Rebecca CHAN	Completed.
F2022.04.A03	Draft a follow up plan on the Proposal on Cost Optimization Scheme for further discussion at the next BFC meeting.	Edmon CHUNG	

## Discussions:

### 1. Roll Call

- 1.1. Mr. Santanu ACHARYA chaired the BFC meeting as BFC Chair on Apr 22, 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 Mar 21, 2022

- 2.1. Draft 1 of BFC meeting minutes 2022.03.21 and action items were discussed.
- 2.2. BFC meeting minutes 2022.03.21 approved unanimously. Motioned by Leonid TODOROV, seconded by Satish BABU.

### 3. Review / Amend Agenda

- 3.1. It was proposed and agreed to bring forward the agenda item of Proposal of Cost Optimization Scheme after the agenda item of Banking Signatories Update.

### 4. BFC Chair Discussion

- 4.1. Nomination of Andi BUDIMANSYAH was received from Santanu ACHARYA. Andi expressed appreciation to the nomination, however, the nomination was declined.
- 4.2. Given the banking situation and the litigations against DotAsia, it was pleaded for those individuals who are implicated to show the courtesy to withhold from standing for Board leadership positions for the time being as raised at the Mar BFC and Board Meetings. Meanwhile, the Board is suggested to take the correspondences with the bank and the suggestions from legal counsel into consideration. Once those issues were resolved, the Board could restart the discussion of consideration of Board leadership positions.
- 4.3. Nomination of Kashif ADEEL was received from Leonid TODOROV, seconded by Santanu ACHARYA.
  - 4.3.1. It was commented that since Kashif would be the new signatory of DotAsia accounts as discussed and agreed at previous Board Meeting,

becoming the next BFC Chair would align with the signatory arrangement of BFC Chair.

- 4.3.2. Nomination was accepted by Kashif.
- 4.3.3. It was discussed and agreed unanimously to support Kashif to become the next BFC Chair.
- 4.4. Question was raised on the confirmation of the BFC Chair by the full Board. It was discussed and agreed to make recommendation to the Board to appoint Kashif ADEEL to be the next BFC Chair at the upcoming Board Meeting. (F2022.04.A01)
- 4.5. BFC expressed appreciation to Santanu for his enormous contributions as the BFC Chair, leading the improvements in DotAsia's financial operations.
- 4.6. Santanu appreciated the support from DotAsia team and Board Members during his duty as BFC Chair, and wished all the best to Kashif as the next BFC Chair.

## 5. Monthly Financial Reporting

- 5.1. The background of monthly financial reporting was briefed to BFC.
  - 5.1.1. The monthly financial report is a self-contained report produced by Fusion, a third-party financial services company that supports the accounting service for DotAsia. Fusion would join BFC or Board meeting once every quarter for presentation of the financial report, where DotAsia team would present on their behalf in the intervening months.
  - 5.1.2. If there is further clarification needed in terms of the background and the details of the monthly financial reporting, a separate meeting to go through the details for Board Members to get familiar with and understand different items in the report could be setup.
- 5.2. Financial report of period from Oct 2021 to Jan 2022 were presented and briefed to BFC.
- 5.3. Question was raised on the financial performance of DotAsia. It was explained that the accumulated losses of the equity are mostly due to the legal provision from the year before.
- 5.4. Question was raised on the staff team of DotAsia Organisation and Foundation.
  - 5.4.1. It was explained that all staff members are employed by DotAsia Organisation only, where several staff members also work on projects designated for DotAsia Foundation.
  - 5.4.2. It was further explained that DotAsia staff are required to fill out a monthly worktime allocation survey collected every year to indicate how much time they spent on DotAsia Foundation, and then the eventual calculation of salary allocation to DotAsia Foundation would be based on that survey.
  - 5.4.3. It was noted that the survey was developed together with DotAsia's previous auditor.
  - 5.4.4. It was highlighted that the allocation for salaries from DotAsia Organisation to DotAsia Foundation is included in the budget based on the allocation statistics of the previous years, which would be updated

with the actual time allocation of staff team at the end of year for the financial reports.

- 5.4.5. It was clarified that DotAsia Organisation and Foundation are essentially one organization in terms of operations, budgeting and cost etc. DotAsia was set up as 2 entities only to fulfil the requirement of the Hong Kong Laws for charitable organizations and nonprofit organizations. After extensive discussion with Inland Revenue Department (IRD) of Hong Kong, in Feb 2014, it was suggested to set up 2 not-for-profit organizations, where the DotAsia Organisation would have the “operating business” of the .Asia TLD and DotAsia Foundation would be a charitable organization with a charitable organization license.
- 5.4.6. It was highlighted that as a result much of DotAsia’s community contributions are accounted for in the DotAsia Foundation financials which can more clearly show the amount that DotAsia has been supporting the community.
- 5.4.7. Regarding the format of the survey, it was clarified that the survey is done once a year with monthly allocation by projects.
- 5.4.8. It was suggested and agreed to share the template of the worktime allocation survey to BFC for reference. (F2022.04.A02)

## **6. Banking Signatories Update**

- 6.1. It was reported that DotAsia team is working on adding Kashif ADEEL as the new signatory of DotAsia at HSBC.
- 6.2. It was planned to submit the change request through HSBC internet banking system, however, it turned out that the system does not support online verification of passport from certain countries, including Pakistan.
- 6.3. DotAsia team will continue work with Kashif to produce the required documents and certifications for HSBC update.

## **7. Proposal on Cost Optimization Scheme**

- 7.1. The proposal was raised for a better cost control in order to achieve a better overall financial performance of DotAsia. Proposed items mainly focus on the excess in compensations or payments that may be over average market values, and contract terms with service providers.
- 7.2. Proposed cost optimization plan was presented and briefed to BFC for discussion.
- 7.3. It was highlighted that the actual spendings are generally less than the proposed upper limits of expenditure. Also, that the work at DotAsia has been audited multiple times with proper records of invoice and receipt substantiated.
- 7.4. Regarding the contract with Afilias, it was explained that the Afilias contract has an assumptive renewal clause since DotAsia is a not-for-profit organization and DotAsia convinced Afilias not to set up DotAsia as a for-profit organization, where they would have a percentage share instead when Afilias and the founding team of DotAsia jointly embarked on the .Asia project.
  - 7.4.1. It was highlighted that Afilias was instrumental to DotAsia’s establishment and that DotAsia would not have been able to get started if not for Afilias.

- 7.4.2. It was also highlighted that the particular provision of Afilias continuing to operate .Asia registry as the Backend Registry Services Provider was decided by the preliminary Board of DotAsia and signed by the Interim CEO of Che-Hoo CHENG, which made sure that Afilias is part of .Asia, and will continue to be part of .Asia as a partner rather than only a Backend Provider.
- 7.4.3. It was noted that the latest pricing review with Afilias was in Mar 2016, and it is possible to initiate a new round of pricing review if required, where the price may increase or decrease depending on the market situation.
- 7.5. In terms of outsourcing operations with lower salary, it was reported that adjustments had already been made for the technical team towards outsourcing in the last few years, where it is aligned with the proposed direction.
- 7.6. Comment was raised on the importance of the interactions during F2F meetings that DotAsia should arrange F2F meetings twice or thrice a year, which should not be a significant cost for DotAsia.
- 7.7. It was discussed and agreed to draft a follow up plan on the proposal for further discussion at the next BFC meeting. (F2022.04.A03)

## 8. SCP Application from .TH

- 8.1. There was comment received from the Board that some of the items were not detailed enough, clarifications were sought from .TH regarding the information on the venue, actual accommodation amount and social dinners and presented.
- 8.2. It was highlighted that comment was received from AC previously when the process was developed that the process should be as simple as possible, therefore, the process was designed to be very simple without requiring such detailed questions, and the process was put in place with Board acceptance.
- 8.3. For future applications, the Board should review the process and discuss whether adjustment is needed, which should be discussed at the BCC.
- 8.4. Meanwhile, since the clarifications were provided by .TH and the event is happening in May 2022, it was suggested to have BFC to move forward to accept the application, so that it can be considered by the full Board for acceptance.
- 8.5. It was commented that for the interests of accountability and transparency, the application should be provided with supporting documents from the hotel in confirming the price of venue and accommodations.
- 8.6. It was also commented that it is understood that banquets and dinner is an important part of Asian culture, however, these items should be reduced to a minimum and be co-sponsored by the applicant since the SCP should be sponsoring community activities instead.
- 8.7. It was noted that the process needs to be updated for future applications, however, since this application is already in the middle of the process, it was suggested that the principle of not changing a process for an application that has entered the approval process to be upheld. Meanwhile, DotAsia team will continue to follow up with .TH for clarification if further information is needed.
- 8.8. It was noted that the comment of reducing the allocations for dinner would be raised again at the upcoming BCC meeting.

- 8.9. There being no further objections, the SCP application from .TH is deferred to BCC for further discussion.

**9. Budget 2022-2024**

- 9.1. It was noted that DotAsia's budget cycle is in April, where the draft budget 2022 – 2024 has been presented and discussed multiple times over the months.
- 9.2. It is planned to tentatively continue to move forward to table the draft budget to the Board for consideration.
- 9.3. It was highlighted that the draft budget 2022 – 2024 is almost identical to previous years, where there is a significant increase in budget allocation for legal expenses, and that the previously requested bar chart showing such trends has been included in the materials.
- 9.4. It was suggested to increase the budget allocation for marketing in order to increase the potential income.
- 9.5. It was also suggested to cut certain expenses and make them more economically efficient.
- 9.6. There was suggestion on having a separate meeting for budget discussion only with the new BFC Chair. It was commented that if the BFC and the Board require more time for discussion, an interim budget could be considered as the budget is further adjusted.
- 9.7. It was suggested to provide information of marketing & sales to registrations ratio to BFC to estimate the efficiency of DotAsia, and then design strategies to improve the overall performance of registrations.

**10. Closing Remark**

- 10.1. Santanu expressed appreciation to DotAsia team and BFC members for their support during his time serving as the BFC Chair.

**11. Board Member Reimbursements and Remunerations**

- 11.1. Discussion deferred to next BFC meeting.

**12. AOB**

- 12.1. Discussion deferred to next BFC meeting.