

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	April 20, 2023 (Mon) 15:00 PM – 16:09 PM (HK Time)
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	<p>Satish BABU Jordan CARTER Edmon CHUNG Maureen HILYARD Akinori MAEMURA</p> <p>Mable LAM (Fusion Financial Service) ^{*a} Rebecca CHAN (DotAsia Team) Phyo Thiri LWIN (DotAsia Team)</p> <p>Apologies: Nicole T.I. CHAN</p> <p>Absent: Joel DISINI</p> <p>^{*a} Left during discussion item 4</p>

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	Suggested to be suspended until after mediation.
F2021.08.A01	Propose procedures of conducting random verification on the Reports provided by Afilias.	Rebecca CHAN	Cancelled.
F2023.04.A01	Revert to quarterly financial reporting and propose relevant monthly financial updates.	Rebecca CHAN	To be reported at next BFC meeting.
F2023.04.A02	Further discussion on the allocation of settlement funds for the .BOX lawsuits.	Edmon CHUNG	Upcoming BFC meeting.
F2023.04.A03	Prepare draft board resolution for adding the signatories.	Rebecca CHAN	Completed.

Discussions:

1. Roll Call

- 1.1. Mr. Akinori MAEMURA chaired the BFC meeting on April 24, 2023.
- 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 January 17, 2023

- 2.1. Draft 1 of BFC meeting minutes on 2023.01.17 were presented.
- 2.2. BFC meeting minutes 2023.01.17 was approved.

3. Monthly Financial Reporting – Report from Fusion

- 3.1. Mable LAM from Fusion presented financial report for the period from October 2022 to December 2022.
 - 3.1.1. An observation was noted regarding whether the negative equity position of the organization's financial statement poses a risk to solvency. It was explained that much of the situation is due to the provision for legal fees, which should be changed upon the completion of the settlement of the legal cases, and that the office property mortgage is considered a "short-term loan" due to standard mortgage terms.
 - 3.1.2. It was noted that the organization experienced a drop in revenue in comparison with the three months ending in the previous fiscal year. It was explained that the timing of the billing of the consulting income from .MO (HNET Asia) was different this year, and that a more aggressive price promotion on .ASIA was conducted.
- 3.2. Question was raised about the need for monthly financial reports.
 - 3.2.1. It was explained that the original plan was to produce quarterly financial reports, but the previous Board requested for monthly reports. It was further noted that given the types and volume of transactions for the DotAsia operations as a not-for-profit organization, a quarterly report should be appropriate.
 - 3.2.2. It was discussed and agreed that formal financial reports produced quarterly should be sufficient, and that the staff team should provide other relevant financial updates in the intervening months.
(F2023.04.A01)

4. Update on settlement of .BOX lawsuit

- 4.1. It was reported that the settlement for the .BOX lawsuit is received and complete, and that the legal counsel in Ontario is seeking instructions for where the funds should be transferred to.
 - 4.1.1. It was explained that the DotAsia and Namesphere boards have agreed that the settlement funds should be tentatively allocated to Namesphere, and that it will be up to the Namesphere shareholders (which includes DotAsia) to decide on the final allocation of funds.
 - 4.1.2. It was further explained that the DotAsia and Namephere boards agreed that if an appropriate Namesphere bank account was opened, the funds would be directed to such account, but if such bank account is not available the funds should be directed to the DotAsia bank account.
 - 4.1.3. It was agreed that the BFC will recommend to the Board to instruct our legal counsels in Ontario (BLG) to issue the funds to the DotAsia account.

- 4.2. A question was raised on the reconciliation of the .BOX lawsuit and settlement and its impact on the financials of DotAsia. It was explained that the auditors Mazars are working through the auditing process and should include any adjustments to financials in the report.
- 4.3. Further discussions on how to allocate the funds should be held at the next BFC meeting. (F2023.04.A02)
- 4.4. It was reported that a Namesphere board meeting is tentatively scheduled for May 4, 2023, where it is expected that an EGM be called no less than 21 days thereupon, at which the allocation of the settlement funds should be considered.

5. Legal counsel appointments

- 5.1. Independent legal support for Election Committee
 - 5.1.1. It was reported that the Election Committee (EC) has indicated that there is need for them to obtain independent legal advice in consideration of further reporting on the disputes raised about the Board Elections 2023.
 - 5.1.2. The estimated budget for the legal review on the Board Elections 2023 is AUD25,000, with an additional AUD10,000 quoted for providing advice on future adjustments to the Board Elections Procedures.
 - 5.1.3. It was identified and agreed that the exemptions included in the Standard Operating Procedures (SOP: BFC-001) for open quotations apply appropriately and that the BFC would recommend to the Board for the approval to proceed with Maddocks as the selected legal counsel to provide independent legal advice to the EC.
 - 5.1.4. A suggestion was made that the EC should consider obtaining the advice on the review of the Board Elections 2023 first and then to consider if further advice on future enhancements be necessary. It was clarified and agreed that nevertheless the EC should not need to come back to the Board for approval should it determines that such advice on future enhancements to the Board Election Procedures would be beneficial.
- 5.2. Corporate legal support
 - 5.2.1. It was reported that the SPB engagement had grown beyond the original scope and cost of the appointment and that legal services from SPB have been suspended.
 - 5.2.2. It was discussed and agreed that the BFC supports the BGC's direction on engaging with SW&Co for corporate legal support and that the additional retainer would fall into the exceptions for additional legal services from appointed legal counsel.

6. Update of banking signatories

- 6.1. It was reported that additional banking signatories should be added to the HSBC account because a certain payment threshold requires 3 signatories and currently only 2 signatories remain after the departure of Kashif and Arthur. It was further noted that it was customary to include the BFC Chair as a signatory, and that other volunteers can be added also.

- 6.2. A question was raised about the process for adding signatories. It was explained that the process requires filling out and submitting a business information update form to HSBC and that the form will need to be signed by two directors, one of whom being the chairman. Staff will collect certified passport copies and signature cards from the new signatories once the Board resolves to proceed.
- 6.3. It was discussed and agreed to nominate the following directors to be added as signatories:
 - Akinori MAEMURA (BFC Chair)
 - Jordan CARTER (Board Chair)
- 6.4. Staff will prepare a draft resolution for updating the signatories at HSBC for the upcoming Board meeting. (F2023.04.A03)

7. Update on audits

- 7.1. An update on the ongoing audit by Mazars was presented.
- 7.2. It was reported that BLG has provided their legal opinion to our auditors and that they are considering them and seeking some clarifications.

8. AOB

- 8.1. The request from the previous Board to develop and implement a mechanism to check whether Afiliias' invoicing and reports are accurate was discussed. It was agreed that the work on the item should be cancelled.
- 8.2. It was reported that the Board received an SCP application through .TW for the Cyber Defense Network project.
 - 8.2.1. It was noted that the BCC and staff have already considered the application and found that it fits the SCP project requirements. It was further reported to the BFC that the allocation for SCP funds to .TW exceeds the requested funds through the application.
 - 8.2.2. The matter will be included for discussion at the next BFC meeting and expected to thereupon be tabled for approval at the full Board meeting.