

DotAsia Board Finance Committee (BFC) Meeting Minutes	
Date(s) & Time:	March 14, 2024 (Thu) 1:00 PM – 2:00 PM (HK Time)
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	<p>Satish BABU Jordan CARTER Edmon CHUNG Maureen HILYARD Jose LAY Akinori MAEMURA</p> <p>Mable LAM (Fusion Financial Services) ^a</p> <p>Rebecca CHAN (DotAsia Team) Timothy LI (DotAsia Team)</p> <p>Apologies: Nicole CHAN</p> <p>^a Left meeting during Discussion Item 3.1.1</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.
F2023.11.A04	Table draft resolution on allocation of settlement funds for Board consideration.	Edmon CHUNG	Deferred for F2023.12.A01
F2023.12.A01	Explore potential engagement to serve as independent representative of Namesphere.	Edmon CHUNG	In progress, see updates in 7.
F2024.03.A01	Draft purpose and scope for engaging independent consultant as representative of Namesphere.	Edmon CHUNG	To be presented at next BFC meeting.
F2024.03.A02	Draft updated SOP for finance and payment (BFC-001).	Edmon CHUNG / Rebecca CHAN	To be presented at next BFC meeting.

Discussions:

1. Roll Call

- 1.1. Mr. Akinori MAEMURA chaired the BFC meeting on March 14, 2024.

- 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 25, 2024**
 - 2.1. Draft 1 of BFC meeting minutes on 2024.01.25 were presented.
 - 2.2. BFC meeting minutes 2024.01.25 was approved.
3. **Quarterly Financials**
 - 3.1. The DotAsia quarterly financials for October 2023 to December 2023 was circulated and presented by Fusion.
 - 3.1.1. DotAsia team presented additional Management notes along with domain income report and expenditure to budget comparison report.
 - 3.1.2. It was highlighted that there is a significant change in legal costs from the year before due to the engagement of an additional law firm for corporate matters.
 - 3.1.3. A comment noted that it is a good sign that the quarterly financials reported a surplus. A question was raised on whether the same can be expected in the coming months based on the reduced legal spending. It was noted that it may be a bit too early to determine given that additional legal support is needed for the amendment of DotAsia Articles, and upcoming mediation when it happen.
 - 3.1.4. A question was raised on whether the items included in the Expenditures (Actual vs. Budgeted) are those most readily controllable. It was explained that indeed the report presents how the DotAsia management is managing costs that are within our control, and therefore do not include variable costs for domain registrations (such as backend provider and ICANN fees, as well as promotional pricing rebates to registrars).
 - 3.2. A question was raised regarding the work on HNET. It was explained that the project is a joint venture with a partner to operate the .MO ccTLD for the Macau government. It was highlighted that the Macau government subsidizes the operations and DotAsia receives income from the HNET work. It was also explained that due the different fiscal cycles between DotAsia and HNET, we usually observe a loss from the HNET operation early on but always a profit by the end of the fiscal year.
 - 3.3. It was noted that a new version of the expenditures report is expected based on the new budget.
4. **Update on audits**
 - 4.1. It was reported that because of the accusations from the former Board Director and litigant against DotAsia, Mazars had referred the case to their forensic team for further examination. It was highlighted that they will request additional documents and clarifications and will mean further delays for the draft audit report.
 - 4.2. The audit of Namesphere is ongoing. It was reported that because this is the first year KSHK is serving as the auditor (they were appointed in 2022), therefore they are also requesting documents from previous years.

- 4.3. Updates on the audits will continue to be reported to the BFC as they progress.

5. **Budget 2024-2026**

- 5.1. The draft Budget 2024-2026 was presented. It was noted that nothing had been changed from the discussion at the F2F Board meeting in February. The only edit is adding back the commas to the numbers presented in the summary for easier reading.
- 5.2. It was also highlighted that, as discussed at the F2F Board meeting, an additional 6 months will be added to the budget period later in the year, to synchronize with the financial year.
- 5.3. It was confirmed that the Budget 2024-2026 will be tabled for adoption at the scheduled April 2024 Board meeting.

6. **Communications Plan next steps**

- 6.1. The progress of implementation of the communications plan was reported.
- 6.2. It was highlighted that a narrowed scope (and reduced cost) had been negotiated and agreed with Orchan, however we are awaiting the confirmation from the D&O insurers to proceed.
- 6.3. A suggestion was raised noting that given the improved support from Members whether such a communications plan remain necessary. It was discussed and agreed that the threat of accusations remain and that it is important to have the professional support to develop well-structured and public facing responses so that we can be prepared if and when attacks recur in the future.

7. **Independent Namesphere Business Consultant**

- 7.1. The progress on identifying an independent business consultant to represent Namesphere was reported. It was noted that there appears to be some concerns by potential providers about the litigation risks involved, and that we may have to resort back to working with engaging an independent lawyer as the representative. The DotAsia team will continue to pursue the matter for the time being and will report back further should a change in plan is warranted.
- 7.2. It was commented that the situation with Namesphere is rather unique and that the consultant will need to consider both turnaround strategies and litigation concerns. It was further commented that given the situation independent advice on both aspects may be good to have.
- 7.3. It was suggested and agreed that the scope and purpose of the engagement be written down in a document. (F2024.03.A01)

8. **AOB**

- 8.1. Following from the F2F Board meeting discussions, potential revision of the SOP for finance and payment was discussed.
- 8.2. The background of the development of the current SOP as well as previous experiences on implementation was presented. It was highlighted that unlike when DotAsia was launching and some providers are actively following our work to support the .Asia launch, realistically, the DotAsia team has to reach out to

prospective providers and solicit their quotations, therefore a public tender process may not be practical at this point.

- 8.3. It was proposed that instead of having the default as a public tender for procurement of over a particular threshold, that the default be a closed quotation process where quotations from multiple providers are solicited, and that only as an exception a public tender process will be used.
- 8.4. It was agreed that a public tender process while being the most open may be impractical for DotAsia as a not-for-profit organization with a small team, and that a lighter process should be developed without compromising on accountability.
- 8.5. Draft of a revised SOP will be prepared for discussion at the next BFC meeting. (F2024.03.A02)