

### DotAsia Board Finance Committee (BFC) Meeting Minutes

<b>Date(s) &amp; Time:</b>	April 18, 2024 (Thu) 12:00 PM - 13:05 PM (HK Time)
<b>Location:</b>	DotAsia Zoom Meeting Room: <a href="http://aji.asia/zoomboardfinance">http://aji.asia/zoomboardfinance</a>
<b>Attendees:</b>	Satish BABU Edmon CHUNG Maureen HILYARD Jose LAY Akinori MAEMURA  Rebecca CHAN (DotAsia Team) Timothy LI (DotAsia Team)  Apologies: Jordan CARTER Nicole CHAN

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 5.
F2024.03.A01	Draft purpose and scope for engaging independent consultant as representative of Namesphere.	Edmon CHUNG	Completed.
F2024.03.A02	Draft updated SOP for finance and payment (BFC-001).	Edmon CHUNG / Rebecca CHAN	Completed.
F2024.04.A01	Seek clarifications on scope and procedure of risk assessment.	Rebecca CHAN	Completed.
F2024.04.A02	Update draft SOP (BFC-001) v.2 and draft brief paper with rationale and summary of changes for Board consideration.	Edmon CHUNG	To be circulated before next BFC meeting.

## Discussions:

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### 1. Roll Call

- 1.1. Akinori MAEMURA chaired the BFC meeting on April 18, 2024.
- 1.2. Roll call. Those present for all or part of the meeting are included in the Attendees section.

### 2. Adoption of Last BFC Meeting Minutes (March 14, 2024)

- 2.1. Draft 1 of BFC meeting minutes on March 14, 2024 was presented.
- 2.2. The BFC meeting minutes of March 14, 2024 was approved.

### 3. Update on Audit & Assessment

- 3.1. A brief update on the progress of financial audit was presented. It was proposed that a fraud risk assessment is to be performed regarding certain allegations against DotAsia.
- 3.2. A question was raised regarding whether such assessment is relevant and worthwhile. It was explained that it is a requirement for completing the audit.
- 3.3. It was discussed and agreed that several clarifications should be sought regarding the details of the assessment. (F2024.04.A01)
- 3.4. The estimated cost of the undertaking was presented. The BFC agreed to proceed with the proposed assessment.

### 4. Review of SOP on Finance and Payment (BFC-001)

- 4.1. Updated draft SOP (version 3.0) based on discussions at the last BFC meeting was circulated and presented.
  - 4.1.1. It was noted that the main structural changes suggested are the addition of Specified Quotation besides Closed Quotation and Open Quotation; and, the addition of Incidental Purchases for items with very small value. Open Quotations (i.e. public tender) will only be used for special cases where the value is high, when the Board considers it appropriate, that is, when there are interested providers who would likely respond to public announcements.
  - 4.1.2. A question was raised regarding process of payment for purchases. It was explained that all payments are processed by bank transfers, either directly to vendors or to employees who would have made those purchases with their own cash or credit card. It was also highlighted that DotAsia does not keep petty cash and that all reimbursements are based on proper receipts and/or payment trails.
  - 4.1.3. It was clarified that Incidental Purchases are urgent purchases within a small amount. Purchases not urgent would still be considered a Small

Value Purchase and a purchase request is required. Currently a google form is maintained for employees to submit purchase requests for approval.

- 4.1.4. It was highlighted that for Closed Quotations, the lower threshold is proposed to be adjusted up slightly to accommodate for inflation.
- 4.2. An overview of the proposed Specified Quotations was provided.
  - 4.2.1. A question was raised regarding the number of potential providers to invite for quotation, it was discussed and agreed that three (instead of five) should be enough and appropriate for the purpose.
  - 4.2.2. A question was raised regarding whether there is a mechanism to handle cases where three quotations cannot be obtained. It was explained that, same as for Closed Quotations, in such cases the approving authority needs to decide whether the situation is accepted.
  - 4.2.3. It was emphasized that the Close Quotation Approving Authority (CQAA) is the DotAsia management, the Specified Quotation Approving Authority (SQAA) is the BFC and the Open Quotations Approving Authority (OQAA) is the Board.
- 4.3. A question was raised regarding whether the bids for Open Quotations should be published. It was explained that the bids usually contain confidential information like pricing and specifications, therefore they are not made public. For future Open Quotations, the Board can possibly specify which parts of the received bids to be made public.
- 4.4. An updated draft of the SOP (version 3) will be updated based on discussions at this meeting, circulated for discussion at the next BFC meeting, and planned to be tabled for Board consideration at the scheduled June 2024 meeting.
- 4.5. It was suggested and agreed that a brief document be produced for the Board, outlining the rationale and summary of changes to the SOP. (F2024.04.A02)

## **5. Independent Namesphere Business Consultant**

- 5.1. The progress on identifying an independent business consultant to represent Namesphere was reported. It was updated that DotAsia only received 1 quotation for the work so far.
  - 5.1.1. It was commented that obtaining more quotations is preferred even if more time is required
  - 5.1.2. Another comment was raised asking whether a local Hong Kong entity maybe preferred for the role. It was explained that as the entity only serves as an independent representative for Namesphere, its locality may not make a significant difference, however further discussion on the issue should be considered when selecting a provider.
- 5.2. A document describing the purpose and scope of the engagement was prepared and presented. It was discussed and agreed that the document will be used to invite more quotations from the business consultants and law firms that DotAsia is reaching out to.

## **6. AOB**

- 6.1. Regarding the Communications Plan, it was noted that a preliminary response was received from the insurer challenging DotAsia's need for the PR Communications support on crisis management given that the dispute arose a few years ago. A response explaining the reason for delay in taking action has been provided to the insurer and we are awaiting their further feedback.
- 6.2. Regarding the Budget 2024-2026, it was noted that the Budget has been discussed in the previous meeting with no further update, and is to be tabled to the full board next week for approval.