

Board of Directors

Decision record of the meeting

held on April 18, 2013

afnic

1. Attendees

Present Board members

INRIA	Represented by Jean-Pierre DARDAYROL, member of the CGIET at the French Ministry of Economy, Industry and Employment, Chairman of the Board
ACFCI	Represented by Thierry HINFRAY, information system manager, elected representative of User members
ASCIO	Represented by Eric LANTONNET, Sales Manager France-Monaco, elected representative of registrars
INRIA	Represented by Stéphane UBEDA, Technological development manager
ISOC France	Represented by Gérard DANTEC, board member, elected representative of User members
Conakry University Polytechnic Institute - AGNIC	Represented by Abdoulaye DIAKITÉ, professor, elected representative of corresponding members, International college
Ministry in charge of Research	Represented by Patrick DONATH, Director of Renater

Represented Board members

MAILCLUB	Represented by Frédéric GUILLEMAUT, COO, elected representative of registrars who gave a proxy to eric LANTONNET
Ministry in charge of Industry	Represented by Mireille CAMPANA, who gave a proxy to Christophe RAVIER
Ministry in charge of electronic communications	Represented by Anne-Lise THOUROUDE, head of the network and security office, DGCIS who gave a proxy to Pascal DAGRAS

Other participants

Afnic	Mathieu WEILL, CEO
Afnic	Pierre BONIS, Deputy CEO
Afnic	Marine CHANTREAU, Deputy CFO
Afnic	Isabelle LOUPOT, CFO
Afnic	Virginie NAVAILLES, executive assistant
Afnic	Philippe RENAUT, Information systems director
Afnic	Isabel TOUTAUD, Legal and Registration Policy Department director
Audit France	Christian DETRE, Auditor
DVA	Jean-Philippe EVRARD, chartered accountant

2. Working Papers

- ✓ Draft resolutions
- ✓ Presentation material
- ✓ Draft minutes of the meeting of February 21, 2013
- ✓ Memorandum on the analytical methodology
- ✓ Fact sheet on the tax and accounting election for the FSDI (Support fund for the development of the Internet)
- ✓ Report on the tax and accounting election for the FSDI
- ✓ 2012 MD&A of the CEO
- ✓ Draft financial statements for 2012
- ✓ Provisional budget report for 2013-2015 and accompanying memorandum
- ✓ Proposals for the Purchasing policy and process
- ✓ WIPO ADR pre-project and process diagram
- ✓ Development plan for the *.fr* TLD

3. Agenda

- ✓ Welcome and appointment of the Recording Secretary
 - ✓ Approval of the minutes of the meeting held on February 21, 2013
 - ✓ Update
- Finance:
- ✓ Analytical methodology
 - ✓ Tax and accounting election for the FSDI
 - ✓ Financial statements
 - ✓ Convening of the GM: draft resolutions
- Prospects for strategic development:
- ✓ Financial control of the development of Afnic over a three-year period
 - ✓ Continued discussions on internalization/outsourcing
- Monitoring the action plan of the year:
- ✓ Purchasing policy and process
 - ✓ Status of gTLD activity
- Registry policy:
- ✓ Update on the WIPO ADR pre-project
- Partnerships and promoting our expertise:
- ✓ Update on the fund for the "International" college
- Communicating about and promoting the *.fr* TLD
- ✓ Update on the development strategy for the *.fr* TLD
- Community life:

- ✓ Board meeting program

4. Decision record

Mr. Mathieu Weill opened the meeting. The agenda was approved.

Ms. Virginie Navailles was appointed Recording Secretary.

1. Approval of the minutes of the meeting held on February 21, 2013

- Draft minutes of the meeting held on February 21, 2013

The minutes of the Board meeting held on November 21, 2013 were approved without modification.

2. Analytical methodology

- Explanatory memorandum on the analytical methodology

On the basis of a report from the Finance and Risk Management Committee, further to the State-Afnic Agreement and pursuant to Article 13 of same pertaining to the accounting, the annual report and the management audit, the Board approved the analytical methodology proposed by the Executive Management, and used to calculate the profits of the .fr TLD within the meaning of said Agreement, i.e. the difference between the amount of sales of .fr services collected over the financial year (turnover) and the operating financial and extraordinary expenses incurred for the implementation of the Agreement and the share corresponding to the corporate income tax. The charges include in particular the amortization of the investments made to ensure security, improve the quality of service, carry out research and development activities and knowledge transfer, sharing expertise and promoting the .fr TLD. The Agreement having been signed on July 9, 2012, the methodology was applied as from the second half of 2012.

The Board requested that a techno-economic study be conducted in order to have:

- a techno-economic assessment of the cost of the new gTLDs;*
- these costs "reconciled" with the results of the cost accounting system.*

The Finance and Risk Management Committee was to be in charge of choosing the expert, and scoping and monitoring the study. A progress report was to be produced by May 15, 2013

3. Tax and accounting election for the FSDI

- Fact sheet on the tax and accounting election for the FSDI
- Report on the tax and accounting election for the FSDI

On the basis of a report from the Finance and Risk Management Committee, and further to the tax notice issued prior to the establishment of the FSDI (Support Fund for the Development of the Internet), the Board decided to qualify payments imposed to the Support Fund by the State as expenses, in order for them to be accounted for. The Board requested the CEO to submit a request for a ruling to the tax authorities on this subject.

Due to the impact of this measure on employee profit sharing as from 2013, the Board mandated the CEO to promptly enter into negotiations with the employee representative bodies concerning the protection of employee interests, with a view to reaching an agreement, if possible, before the end of the first half of the year.

4. Financial statements

- 2012 MD&A of the CEO
- Draft financial statements for 2012

On the basis of a report from the Finance and Risk Management Committee, the Board, after reviewing the draft financial statements (balance sheet, income statement and schedules) as presented, which showed a surplus of € 1,108,359 for the FY, decided to approve the financial statements for the year ended 12/31/2012, including the FSDI expenses for an amount of € 165,23).

The Board of Directors decided to submit the following resolutions to the Ordinary General Meeting of June 7:

- ✓ *Approve Afnic's financial statements (balance sheet, income statement and schedules)*
- ✓ *Allocate € 18,359.80 to the precautionary reserve for the .fr TLD in accordance with the State-Afnic Agreement*
- ✓ *Allocate € 1,089,999 (1,108,359 – 18,360) to the "Other reserves" item*

5. Convening of the General Meeting

*The Board of Directors decided to convene the Annual General Meeting of the members of Afnic on **Friday, June 7, 2013 at 10.00 am** at the Conference Centre Etoile Saint-Honoré, 21-25, rue Balzac, 75008 Paris, (Auditorium)*

The agenda is as follows:

- 1. Opening speech by the Chairman*
- 2. Appointment of a Recording Secretary and a scrutineer*
- 3. Annual report 2012*
- 4. Presentation of the financial statements*
- 5. Auditor's report*
- 6. Approval of the financial statements for 2012 and appropriation of income*
- 7. Election of the 5 directors of the "Registrars", "Users" and "International" colleges*

6. Financial control of the development of Afnic over a three-year period

- Provisional budget report for 2013-2015 and accompanying memorandum

The Board took note of the 2013-2015 financial forecast presented by the Executive Management, in particular the impact of the State-Afnic Agreement and the gTLD program on investment and cash flow, and asked the Executive Management to provide a more detailed version of the provisional budget by the end of June.

The Board requested the CEO to submit a financial control plan for the development of Afnic – cost control and valuation, activity valuation – over a three-year period, ahead of the Board seminar to be held in July.

7. Purchasing policy and process

- Slides 16-19
- Proposals for the Purchasing policy and process

In view of the significant increase in Afnic's investments and the changing risks it involves (legal, financial, strategic and operational), as well as the proposals made by the Executive Management regarding changing the Purchasing process, the Board asked the CEO:

- ✓ *With reference to industry best practices, to implement changes in the Purchasing process in accordance with the 2005 order*
- ✓ *To submit an amendment to the rules of procedure to create a Commitments Committee within the Board, which was to be responsible for:*
 - *Having knowledge of any proposed purchase for an amount exceeding € 200,000, before the publication of calls for tenders;*
 - *Having knowledge of any proposed purchase for an amount exceeding € 500,000, before the publication of calls for tenders;*
 - *Having knowledge, for this kind of purchase, of the result of the contractor selection process, before notification;*
 - *Making recommendations to the Chairperson, after reviewing the purchase file and the presentation report, for purchases of more than € 500,000;*
 - *Approving the information forwarded to the State for contracts or subcontracts in excess of € 500,000, in accordance with Article 11 of the State-Afnic Agreement;*
 - *Expediting internal audits on the Purchasing process.*

The Board requested the CEO to submit a proposal electronically.

8. Update on the fund for the "International" college

- Slides 38-41

The Board took note of the information provided to account for the activity of the "International" college in 2012, and requested the CEO, in consultation with the members of the "International" college of Afnic, to submit, in September, an inventory of the governance of the "International" college of Afnic and proposals to improve the effectiveness of its action.

Signed on April 18, 2013 in Saint-Quentin-en-Yvelines.

Chairman

Administrator

Recording Secretary

Jean-Pierre Dardayrol

Virginie Navailles

