

.au Domain Administration Limited

ACN 079 009 340 (Company)

Minutes of the Board of Directors held on Monday 20 May 2019
at Level 17, 1 Collins Street, Melbourne, Victoria 3000, scheduled at 9.00am

<u>Directors Participating:</u>	Chris Leptos	Independent Chair
	Erhan Karabardak (EK)	Director (<i>by phone – part attendance</i>)
	James Deck (JD)	Director
	Suzanne Ewart (SE)	Independent Director
	Sandra Hook (SH)	Independent Director
	Grant Wiltshire (GW)	Director (<i>joined at 9.10am</i>)
	Holly Raiche (HR)	Director
	Joseph Manariti (JM)	Director
	Nigel Phair (NP)	Director
	Damian Smith (DS)	Director
<u>Company Secretary</u>	Sonia Joksimovic	
<u>In attendance:</u>	Cameron Boardman	Chief Executive Officer
	James Shady	Chief Financial Officer (part attendance)
	Dr Bruce Tonkin	Chief Operating Officer (part attendance)
<u>Invitee:</u>	Richard Bullock (RB)	DoCA Representative (Board Observer – <i>part attendance</i>)
<u>Apologies:</u>	Hasaka Martin	Retiring Company Secretary

Item 1 – Meeting Open

The Chair welcomed all present, noted a quorum was present and declared the meeting duly convened and constituted at 9.05am.

Item 2 – Declaration of Interests**Item 2.1 - Material Personal Interests**

The Chair tabled the agenda item on Material Personal Interests, noting the importance of this declaration from all participants, which was noted.

The Chair requested that all participants declare verbally their respective interest and intention to vote at the meeting, which was declared and noted by all.

JM declared to the Board that he is a reseller of Domain names, as previously declared, and further declared the quantum of Domains managed. JM further noted legal guidance had been sought from the Company's lawyers, Ashurst to ensure compliance.

JD declared to the Board that he too is a reseller of Domain names, as previously declared.

EK declared that he did not intend to vote as a result of his spouse's business, being a reseller of Domain names and noted his respective related party interest.

The Chair noted that EK would be excluded from Board agenda items [6.2 and 6.3] for both discussion and decision at the meeting, which was noted.

The Chair referred to the memorandum that he had emailed to Directors on 17 May 2019.

JD, the CFO and COO left the meeting at 9.15am

It was noted that to date there has been no formal process established to manage perceived conflicts of interests.

SH and GW raised the importance of the Company's Governance Committee (GC) monitoring and managing this in future.

The Chair noted that the draft policy would be brought to the Board for discussion.

It was **agreed**:

- 1) A Conflict of Interest Policy for the Company is to be established;
- 2) A documented process to manage perceived conflicts is to be developed and reviewed by the Board.
- 3) A Policy is to be drafted regarding Directors accessing Marketing Funds, as discussed. **[ACTION/S]**.

The Chair noted the Company Secretary will draft the respective policies and review with the Chair **[ACTION]**.

JD, the CFO and COO returned to the meeting at 9.52am

Item 2.2- Directors' Standing Notice

The standing Disclosure of Interest Register was noted and taken as read.

Item 2.3 – CEO Declaration and Interests

The Chair invited the CEO to declare his interests in relation to the proposed changes to Direct Registration, which were noted.

The CFO and COO left the meeting at 9.53am

Item 2.4 auDA Employee Interests

The CEO provided Directors an update on auDA Employee Interests, confirming there were no conflicts of interest to be tabled, which was noted.

The Directors noted the interests of the Company's COO, as declared by the CEO.

The CEO further noted that there are no voting rights or involvement in decision making from the Company's COO and therefore there was no concern regarding any perceived conflict.

It was **agreed** the % held of the Company's COO shareholding in Arq Group (ASX: ARQ), as declared and noted, would be included in a standing register for ongoing management **[ACTION]**.

Attendance at Political Fundraising Events

It was **agreed** the brief in relation to recent attendances at political fundraising dinners, would be circulated to the Directors for their review and information **[ACTION]**

It was noted that costs incurred by auDA were below the AEC notifiable threshold and were equitable between the major political parties.

The CFO and COO re-joined the meeting at 9.59am

Item 3 – Approval of minutes from previous meeting

The Minutes from the previous Board meeting, were tabled and taken as read.

RESOLUTION The Board **RESOLVED** to confirm the minutes of the Board meeting held 15 April 2019, as a true record.

It was noted the minutes of 15 April 2019 would be signed as a true record by the Chair, received by the Company Secretary and published on the Company's website for public reference.

Item 3.2 – Action Items/Matters arising from the previous meeting

The Chair reviewed the Action Items arising from the previous Board meeting, noting those actions **completed** and open items were included in the Board meeting for discussion.

The Chair noted an additional agenda item to that tabled, to facilitate DS providing Directors an update on the auDA Foundation, which was **agreed**.

Item 4 – Director Update

Item 4.1 – Appointment of Company Secretary

The Appointment of Company Secretary Update, was tabled and taken as read.

The Board noted a signed Consent to Act from the proposed Company Secretary.

The Chair noted the interests declared in the Consent to Act and invited the proposed Company Secretary to update the Directors on the nature and extent of the interests, where relevant, which was discussed, further noting there was no conflict to the Company.

It was **agreed** that any interest changes would be notified to the Company within 7 days, as required by all Directors.

RESOLUTION/S: The Board **RESOLVED** to approve the appointment of Sonia Joksimovic, as Company Secretary taking effect 20 May 2019, in accordance with s204A of the Corporations Act.

The Board **further RESOLVED** to approve the removal of Hasaka Martin, representative of Boardroom Pty Limited, as Company Secretary, taking effect 20 May 2019.

The Board **further RESOLVED** the removal of Boardroom Pty Limited, as the Company's agent for ASIC lodgements, taking effect 20 May 2019.

The Directors noted the part-time employment conditions of the appointed Company Secretary.

Item 4.2 Nomination Committee Update

The Chair provided a verbal update noting the threshold for the establishment of the Nomination Committee (NomCom) had been satisfied, and the NomCom's first meeting is scheduled Friday 24 May 2019.

It was noted that the Company Secretary would dial into this meeting to record the minutes.

The Directors sought clarification on the process of Board appointments and the criteria for being an Independent Director. The Chair advised that Independent Directors are the directors recommended by NomCom to be appointed without going through the election process by the Associate Members.

It was noted the Company Secretary would investigate whether *Governing Members* could also become *Associate Members* of the Company [**ACTION**].

It was **agreed** that *Associate Members* and respective eligibility to participate in the Board election would be included in the July Board meeting agenda for Directors review and information [**ACTION**].

The Chair suggested a rotation of future Board meetings to interstate venues, should be considered by Directors, which was **approved** in principle, on the basis there is a genuine local member or industry engagement event.

It was **agreed** the Chair and Company Secretary would review the approved 2019 Board meeting calendar to determine possible interstate dates in alignment with engagement events [**ACTION**].

The Chair noted correspondence addressed to the Company and received by the Chairman and CEO from Department of Communications and Arts (DoCA) dated 7 May 2019 regarding the board observer role, which was taken as read and further noted it would be published on the Company's website for public reference together with the Chair's response.

The Chair noted a re-priorisation of Board agenda items to facilitate DoCA's representative respective participation as the Company's Observer, would be undertaken for future meetings, which was noted and **agreed**.

It was further **agreed** that a standing Update from the Board Observer would be included in future Board meeting agendas [**ACTION**].

The Chair invited RB to provide an update to Directors where relevant and the following was noted:

- The Department has no ministerial position change to advise, in alignment with the recent political election;
- The Department met with the Company's ELT in April 2019 and received an update on the DoCA review. RB noted that the Company is on-track and correspondence to confirm such, will be issued in the coming days;
- An assessment on Licensing Rules remains work-in-progress and it was noted DoCA expects to repond within two (2) weeks.

Directors sought verbal confirmation from DoCA's representative to ensure that DoCA's assessment should not obstruct the Board's consideration of recommendations to be discussed and approved at the meeting, which was not confirmed.

The Chair noted the proposed policies, scheduled in the meeting agenda, could be adopted in principle except for the matters raised by DoCA, until DoCA's feedback had been received, which was noted.

The Chair requested a maximum three (3) week timeframe for the Company to receive this information from DoCA, to ensure any amendments could be addressed with Directors and finalised at the scheduled 17 June 2019 Board meeting, which was **agreed**.

It was noted Vicki Middleton, First Secretary from DoCA's Strategy Branch would be attending ICANN In Marakesh and RB is to liaise/coordinate a meeting with fellow directors CL, SE and HR, who are also scheduled to attend [**ACTION**].

It was noted that auDA will bear the costs for two (2) Directors (CL and SE) to travel to ICANN65, further noting fellow Director, HR will be attending as an APRALO (Asian, Australasian and Pacific Islands Regional At-Large Organisation) Committee member, noting this cost will be borne by ICANN and not auDA.

Item 5 – Approval of Corporate Documents

Item 5.1.1 KPI Framework

The KPI Framework Report was tabled and taken as read.

The CEO was invited to update Directors on the Corporate Documents tabled for approval, noting that following public consultation, the Company has received zero feedback and therefore there is no change to the corporate documents tabled for Board approved.

RESOLUTION: The Board **RESOLVED** to approve the KPI Framework, as tabled.

It was noted the KPI Framework is to be published on the Company's website for public reference [**ACTION**].

Item 5.1.2 Transparency and Accountability Framework

The Transparency and Accountability Framework was tabled and taken as read.

RESOLUTION: The Board **RESOLVED** to approve the Transparency and Accountability Framework, as tabled.

It was noted the Transparency and Accountability Framework is to be published on the Company's website for public reference [**ACTION**].

Item 5.1.3 Stakeholder Engagement Strategy

The Stakeholder Engagement Strategy was tabled and taken as read.

RESOLUTION: The Board **RESOLVED** to approve the Stakeholder Engagement Strategy, as tabled.

It was noted the Stakeholder Engagement Strategy is to be published on the Company's website for public reference [**ACTION**].

Item 5.1.4 DNSSEC Practice Statement

The DNSSEC Practice Statement was tabled and taken as read.

The Company's COO was invited to update Directors on Security changes, where relevant, which were noted and discussed.

RESOLUTION: The Board **RESOLVED** to approve the DNSSEC Practice Statement, as tabled.

It was noted the DNSSEC Practice Statement, is to be published on the Company's website for public reference [**ACTION**].

No further comment or discussion was noted.

EK left the meeting (by phone) at 10.48am.

The Chair thanked the DoCA Representative for joining the meeting and respective contribution and adjourned the meeting for short break at 10.49am, noting RB (the DoCA Representative) left the meeting at this time and the meeting reconvened at 11.00am.

Policy Reform

Item 6.1 Report on Consultation

The Report on Consultation was tabled and taken as read and the CEO was invited to update Directors.

It was noted new licence rules are planned to take effect from 1 October 2019 and will apply to new registrations from 1 October 2019 onward.

The Board noted that a timely response from DoCA is necessary for the consultation process to remain on schedule.

The CEO outlined the results of the public consultations, which was discussed by Directors.

The Chair noted that extensive consultation had taken place, even though it had not been possible to contact every .au registrant by March 2019.

The Board noted Management will attempt further contact with registrars to provide assurance to auDA that consultation on issues has been sought from registrants [**ACTION**].

It was **agreed** a communication brief needs to be prepared to manage expectations in future [**ACTION**].

It was noted further consideration of the Company's ability/right to directly contact registrants in the future is required [**ACTION**].

Item 6.2 Licencing Rules

The Licensing Rules Report, were tabled and taken as read.

The CEO was invited to update Directors and noted that Management are to provide a public record response, following specific feedback, as discussed, to address feedback provided to date. [**ACTION**]

The COO was invited to update Directors on Direct Registration Implementation.

The COO provided Directors an update regarding allocation of .com.au and .net.au which was noted and discussed.

RESOLUTION: The Board **RESOLVED** to approve the .au Domain Administration Rules: Licensing in principle, subject to further feedback with DoCa and internal review by SRC regarding IDN and further authorised Management to commence the Industry Implementation Plan.

Item 6.3 .au namespace implementation rules

The .au Namespace Implementation Rules Report, was tabled and taken as read.

It was **agreed** the pricing issues discussed are to be reviewed and endorsed by the Company's FAC for Board to approve at the scheduled June meeting [**ACTION**].

It was **further agreed**, Management will provide an update to Directors offline as to how Management will develop tools to determine compliance with the eligibility criteria [**ACTION**].

Item 6.4 Registrar Agreement and Policy Update

The Registrar Agreement and Policy Update Report, was tabled and taken as read.

The CEO was invited to update Directors, noting Registrar feedback will be sought on the terms and conditions of the new agreement.

Item 6.5 Approval of tas.gov.au entry to the registry

The Approval of tas.gov.au entry to the registry Report, was tabled and taken as read.

RESOLUTION: The Board **RESOLVED** to approve adding tas.gov.au to the registry to participate in the priority registration process for second level domains within .au. as tabled.

The Chair deferred Agenda item 7 and moved to agenda item 8

Item 8 Membership Attraction (standing item)

The Membership Attraction Report, was tabled and taken as read.

The Board noted 319 membership applications had been received.

EK rejoined the meeting (by phone) at 2.13pm

Item 7 CEO Report

Item 7.1 Management Report

The Management Report was tabled and taken as read and the CEO was invited to update Directors.

The CEO provided an update on the Stakeholder Recruitment process and shortlisted candidates, which was noted.

Item 7.2 apTLD77- Melbourne

The apTLD77-Melbourne Report was tabled and taken as read.

The CEO noted the event was originally scheduled to be held in Colombo and has transferred to Melbourne, due to security concerns.

RESOLUTION: The Board **RESOLVED** to approve the registration of aptld77.com.au along with the relevant associated second level variants, as tabled.

Item 7.3 Ratification of domain registrations

The Ratification of Domain Registrations Report was tabled and taken as read.

RESOLUTION: The Board **ratified approval** of domain name registrations for auDA's operational purposes, as tabled.

Item 7.4 DoCA 12-month checkpoint update

The Quarterly Review with DoCA Outcomes Report, was tabled and taken as read.

The Board noted the purpose of the quarterly meetings is to review progress against the recommendations of the Australian Government Review of the .au Domain Administration.

Directors noted the Implementation Tracker and the Report against the KPI Framework.

It was **agreed** that the DoCA 12-month checkpoint update correspondence, on receipt, would be circulated to Directors for review and information [**ACTION**].

The meeting agenda reverted in sequential order.

Item 9 Finance

Item 9.1 Proposed Operating Plan

The Proposed Operating Plan was tabled, and taken as read and the CFO was invited to update Directors on key deliverables for the FY20 reporting period.

The Chair noted an outline only has been provided at this meeting, noting approval will be scheduled at the June Board meeting.

It was **agreed** to add into the Proposed Operating Plan – 12,500 members by December 2020 target date [**ACTION**].

It was noted the Operating Plan, with limited financial information, would be published on the Company's website, subject to amendments discussed and agreed [**ACTION**].

It was **further agreed** proposed expenditure, in alignment with the Company's Strategic Direction, as tabled, would be brought to FAC for review and endorsement [**ACTION**].

The CEO provided Directors an update on the new .au brand, outlining key distinguishment between new .au brand (i.e. .com and .co) and associated subdomains (i.e. .com.au and org.au) including consumer education campaigns being undertaken to educate users of the brand attributes, which was noted and discussed.

The Directors discussed developments in the domain name secondary market.

The Board **agreed** that the apparent anomalies in the secondary market would be considered by the SRC.

Item 9.2 Draft FY20 Budget

The Draft FY20 Budget was tabled and taken as read.

It was **agreed** the CFO is to notify Directors the timing of a FY20 Budget Workshop for Directors' participation [**ACTION**].

The CFO outlined significant expenditure items (in comparison to FY19 budget and forecast), which was tabled and noted.

The COO provided Directors an update on:

- AU Domain Name Statistics, which was noted.
- Five (5) year review of .uk registrations (i.e. June 14 – April 15), which was discussed.
- NZ Domain name statistics, as tabled, which was discussed

No other Business was tabled or discussed.

Item 10 Security and Risk Committee Update

It was noted there was no SRC Update for Directors information.

Item 11 Governance Committee Update

It was noted that GC had considered Director Declaration of Interests as set out and discussed in agenda item 2.1.

Item 12 Other Business

The Chair invited the auDA Foundation Chair to provide a verbal update, noting:

- A clear plan from Foundation members for FY20 [in alignment with auDA growth] would be brought forward to July for Directors approval [**ACTION**].
- A Foundation Funding Agreement would be determined by the new Board of auDA.

Item 13 Review Meeting – Feedback to the Chair

The Directors provided feedback on the board papers and meeting [in-camera].

Item 14 Board Calendar and Next Meeting

It was noted the next Board meeting is scheduled **Monday 17 June 2019 at 10.00am**

In camera meeting

The CEO, CFO and COO and Company Secretary left the meeting at 4.25pm

An in-camera session with Directors was held between 4.25pm to 5.30pm.

The meeting was closed at 5.30pm.

Signed as a true and correct record.

Dated this day of

Chris Leptos
Independent Chair