

**.au Domain Administration Limited**  
**ACN 079 009 340**

**Minutes of a Meeting of the Board of Directors**

<b>Date/Time:</b>	Monday, 18 June 2018 10.00 am – 3.00 noon (Melbourne Time)																								
<b>Venue:</b>	By Phone and in person at Level 17, 1 Collins Street, Melbourne, Vic, 3000																								
<b>Directors:</b>	<table><tr><td>Chris Leptos AM (CL)</td><td>Independent Director and Chairman</td></tr><tr><td>Cameron Boardman (CB)</td><td>Director and CEO</td></tr><tr><td>Erhan Karabardak (EK)</td><td>Supply Director</td></tr><tr><td>Tim Connell (TC)</td><td>Demand Director</td></tr><tr><td>James Deck (JD)</td><td>Supply Director by phone</td></tr><tr><td>Suzanne Ewart (SE)</td><td>Independent Director</td></tr><tr><td>Sandra Hook (SH)</td><td>Independent Director</td></tr><tr><td>Joe Manariti (JM)</td><td>Supply Director by phone</td></tr><tr><td>Nigel Phair (NP)</td><td>Demand Director</td></tr><tr><td>Damian Smith (DS)</td><td>Demand Director</td></tr><tr><td>Holly Raiche (HR)</td><td>Demand Director</td></tr><tr><td>Grant Wiltshire (GW)</td><td>Supply Director</td></tr></table>	Chris Leptos AM (CL)	Independent Director and Chairman	Cameron Boardman (CB)	Director and CEO	Erhan Karabardak (EK)	Supply Director	Tim Connell (TC)	Demand Director	James Deck (JD)	Supply Director by phone	Suzanne Ewart (SE)	Independent Director	Sandra Hook (SH)	Independent Director	Joe Manariti (JM)	Supply Director by phone	Nigel Phair (NP)	Demand Director	Damian Smith (DS)	Demand Director	Holly Raiche (HR)	Demand Director	Grant Wiltshire (GW)	Supply Director
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<b>Attendees:</b>	<table><tr><td>Hasaka Martin (HM)</td><td>Company Secretary</td></tr><tr><td>Bruce Tonkin</td><td>RTP Lead, auDA</td></tr><tr><td>James Shady</td><td>Interim CFO, auDA</td></tr></table>	Hasaka Martin (HM)	Company Secretary	Bruce Tonkin	RTP Lead, auDA	James Shady	Interim CFO, auDA																		
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<b>Chairman:</b>	Chris Leptos AM (CL)																								
<b>Apologies:</b>	Nil																								

**1. OPENING REMARKS**

The Chairman **NOTED** that a quorum was present and declared the meeting open at 10.02 am (Melbourne time). The chairman welcomed all those in attendance, noting the meeting was expected finish at 3.00 pm, and future meetings are expected to finish at 3.00 pm.

**2. DECLARATION OF INTEREST**

Mr. Deck made a declaration, noting that he had an association with 15 of the demand class applicants.

The Board **RESOLVED** to note the declaration of Interest.

**3. MINUTES FOR APPROVAL**

The Board **RESOLVED** to approve the minutes of the board meetings held on 28 May 2018.

Mr. Leptos noted that Mr. Boardman would review the minutes for redaction of commercial sensitive information and material that was confidential.

#### 4. MATTERS ARISING/ACTION ITEM LIST

Mr. Leptos led a review of the action items

##### International TLD Administrator Engagement (“Board to Board” engagement)

Mr. Leptos noted that a paper was included in the board pack (Item 5.1) covering the issue.

The Directors **RESOLVED** to close the item.

##### auDA Foundation

Mr. Leptos noted that a paper was included in the board pack (Item 5.2) covering the issue.

The Directors **RESOLVED** to close the item.

##### Preview of the New Website

Mr. Boardman noted that preview of the new website was included in his CEO Report (Item 6.1) in the board pack.

The Directors **RESOLVED** to close the item.

##### Compliance Dashboard

Mr. Boardman noted that the compliance dashboard would be supplied at the July Board meeting.

The Directors **RESOLVED** that the item remain open.

#### 5. DIRECTORS UPDATE

##### **Item 5.1 International TLD Administrator Engagement (“Board to Board” engagement)**

The Directors **RESOLVED** to take the auDA International Engagement Activity Plan paper as read.

Mr. Karabardak gave a summary of the principles based paper highlighting the key recommendations (including accountability, transparency, knowledge retention and utilisation, and effective communication of outcomes) noting that each Director should engage with ICANN, and that Director engagement should also extend beyond ICANN.

Mr. Manariti spoke to the strategic knowledge Directors would gain at ICANN meetings and understanding of the multi-stakeholder model that could be obtained through attendance at ICANN.

Directors expressed the view that there needs to be a clear purpose and policy covering international engagement and that there needs to be a defined budget.

Mr. Boardman noted that the Government Review required auDA to actively engage on an international level.

The Directors **RESOLVED** to:

- i. adopt the strategic approach set out in the auDA International Engagement Strategy; and
- ii. instruct the Executive team to prepare a detailed International Engagement Plan informed by the principles and recommendations in the auDA International Engagement Strategy, and report back to the Board.

***ACTION ITEM 1:*** Management to prepare an International Engagement Plan, incorporating the principles of the auDA International Engagement Activity Strategy, for Board consideration.

## **Item 5.2 auDA Foundation**

The Directors **RESOLVED** to take the auDA Foundation Paper as read.

Mr. Leptos introduced the paper, noting that the administration of the Foundation had not been a priority while the Government Review was being undertaken.

Directors discussed:

- stakeholder perceptions of the proposed change in board structure; and
- best board structure in the long term, noting that this would take time to implement.

Mr. Leptos noted that the Foundation had not made any grants in 2018, the proposed 2019 budget did not include any new funding for the Foundation, and was of the view that a plan for the Foundation needed to be presented to members either at the SGM or the AGM.

Directors discussed the proposed 2019 Budget and the Foundation funding.

The Directors **RESOLVED** to note the appointment of Mr Martin as Company Secretary of auDA Foundation Pty. Ltd (auDA Foundation).

The Directors **RESOLVED** to:

- i. ;
- ii. Request that Mr. Manariti and Mr. Boardman continue to act as Directors of auDA Foundation Pty Ltd;
- iii. Appoint Mr. Phair, Mr Leptos, Mr. Deck and Mr. Smith as Directors of auDA Foundation Pty Ltd, subject to the receipt of consent to act; and
- iv. If required, call a general meeting of the auDA Foundation Pty Ltd to give effect to i to iii above.

The Directors **RESOLVED** to request that the Directors of auDA Foundation Pty Ltd appoint Mr Smith as Chairman of the auDA Foundation board.

The Directors requested that the auDA Foundation prepare a strategic options paper for discussion at the auDA Board meeting in July.

***ACTION ITEM 2:*** Management to prepare an auDA Foundation strategic options paper for the July Board Meeting.

***ACTION ITEM 3:*** auDA Foundation to seek input from stakeholders regarding the auDA Foundation. Mr Smith to review the communication prior to distribution to stakeholders.

### **Item 5.3 Reserved Names**

The Chairman sought Directors' permission to consider Item 5.3 as part of item 6.2.

### **Item 5.6 Board Pack Software (Boardtrac)**

Mr Martin informed Directors that Boardtrac had provided a proposal.

Directors requested that a quote be obtained from other suppliers and that a review of the security of each solution be conducted.

***ACTION ITEM 4:*** Management to provide a recommendation and report on Board Pack Software to the Board at the August meeting.

Directors **RESOLVED** to note the update on Board Pack software.

### **Item 5.7 Member Communication – Special General Meeting**

Mr Leptos invited Mr Karabardak to address the proposed letter circulated to directors in the board pack.

Mr Karabardak spoke to a proposed communication to members, noting that he sought agreement from each Director to sign the letter.

The Directors **RESOLVED** to approve the letter for distribution to members.

Mr Connell abstained and expressed the view that he wished to remain neutral and did not wish to issue a recommendation, neither for nor against, with regard to the proposed SGM resolutions.

## 6. CEO REPORT

### Item 6.1 CEO Report

The Directors **RESOLVED** to take the CEO report as read

#### Policy Review Panel Update

Mr Boardman addressed the update from the PRP on domain monetisation, noting the PRP's views were separate to the board, and that the PRP has put steps in place to ensure its independence from auDA to the extent possible.

***ACTION ITEM 5:*** Circulation of information on Domain Monetisation for the Boards consideration.

***ACTION ITEM 6:*** Directors requested further clarification from the PRP on Domain Monetisation and an expansion of the panel membership.

#### New Website

Mr Boardman gave Directors an overview of the new website, and the associated fact sheets.

Directors and Management considered the website and associated factsheets.

#### Consultation Model Working Group (CMWG)

Mr Boardman gave an overview of the CMWG noting the CMWG is focusing on ways auDA membership model can be reformed to satisfy the requirements of the DoCA endorsement.

The Directors **RESOLVED** to note the CEO Report.

### Item 6.2 Government Review Project Plan

The Directors **RESOLVED** to take the Government Review Project Plan as read.

Mr Boardman gave an overview of the plan noting:

- The Government mandated aspects (requirements and timelines) of the plan;
- The key criteria being the implementation of constitutional reform within six months. The draft constitution is expected to be considered at the July or August Board meeting, and the proposed constitution needs to be put to members at the AGM;
- new Directors could be elected at the AGM, before or after the adoption of a new constitution; and
- The two major issues for current Director consideration are the director nomination process, and the new constitution.

***ACTION ITEM 7:*** *Directors requested inclusion of items that require consideration by the Governance and the Security and Risk Committee into the Plan.*

Directors discussed the role of the Consultation Model Working Group and the auDA Foundation in the project plan.

Mr Boardman expressed the view that a Nominations Committee would be expected to be formed before the AGM.

The Directors discussed the potential models for the Nominations Committee.

The Directors **RESOLVED** to note the Government Review Project Plan.

### **Item 6.3 Use of whois.au and registry.au**

Mr Karabardak made a declaration that he had acted for Mr Robert Kaay in the past.

The Directors **RESOLVED** to note Mr Karabardak's declaration.

Mr Boardman gave an overview of the chronology and communication received in regard to auDA's registration of whois.au and registry.au domains. Mr Boardman noted that auDA has proposed the use of alternate domains (whois.auda.org.au and registry.auda.org.au), and that those domains have been reserved.

Directors discussed potential alternatives including the use of NIC (network information centre) domains.

The Directors **RESOLVED** to:

- i. Approve the registration and use of whois.auda.org.au, registry.auda.org.au as 4th level names associated with the public whois URL and the registry portal URL effective 1 July and/or go live date for the registry operator; and
- ii.

Directors discussed the delegation and the practicalities of seeking board approval for all domain registration.

The Directors note that the use of domains with reserved names required Board approval.

Mr Leptos sought Directors' approval to consider Stakeholder Engagement (item 8) before the Committee reports (Item 7).

## **8. STAKEHOLDER ENGAGEMENT**

### **Item 8.1 Membership Applications**

Mr. Martin gave an overview of the membership applications received by auDA noting the previous declaration by Mr. Deck. Mr. Boardman gave an overview of the process for the expansion of the membership base and the verification process that occurred.

Mr Boardman noted that the government review had recommended that auDA diversify its member base in the short-term with a focus on extending membership to stakeholders that are underrepresented (recommendation 11).

Mr. Boardman noted that a potential member communication regarding the high number of member applications was provided for Directors to consider.

The Chair advised Directors that he welcomed new members who satisfied auDA's Constitutional requirements, and who passed auDA's verification protocols in accordance with auDA policy.

Mr Connell noted that the new memberships complied with auDA's Constitution.

The Directors **RESOLVED** that the membership application satisfied the constitutional requirements of membership.

Mr Connell expressed concern about the record number of memberships being processed as they mostly came from supply-side companies' staff and many appear to live outside Australia.

The Chair advised Directors that auDA had a number of existing members who resided overseas, and that it would not be appropriate (under auDA's Constitution) to discriminate against members on the basis of residence.

The Directors **RESOLVED** to approve the demand and supply membership applications (of the named individuals in Appendix 1).

Mr Connell voted against the memberships being approved, even though he acknowledged they had satisfied auDA's membership protocols.

The Chair noted that he could not see any basis for Mr Connell discriminating against the proposed members, given that auDA's Constitutional requirements had been satisfied and that the members had passed auDA's verification protocols in accordance with auDA policy.

The Directors **RESOLVED** to approve the member communication for immediate release.

*Mr Leptos adjourned the meeting at 12.50 pm*

*Mr Leptos reconvened the meeting at 1.00 pm*

## **7. COMMITTEE REPORTS**

### **7.1. Governance Committee**

#### **Item 7.1.1 CRK Engagement**

Ms Hook gave a summary of two proposals for the provision of Governance advice and services, specifically covering the implementation of the Westlake review reporting framework. Ms Hook noted that the recommendation was to engage Cameron Ralph Khoury (**CRK**) due to their experience with auDA.

The Directors **RESOLVED** to approve the engagement of CRK.

### **7.2. Security and Risk Committee (SRC)**

#### **Item 7.2.1 Minutes (21 May 2018 and 4 June 2018)**

*Dr Tonkin entered the meeting at 1.05 pm*

Ms Ewart invited questions and comments from Directors in regarding the SRC minutes.

The Directors **RESOLVED** to note the minutes of the SRC meetings held 21 May and 4 June 2018.



### **Item 7.2.2 Registry Transition Update**

### **Item 7.2.2 Enterprise Risk Management Policy**

The Directors **RESOLVED** to approve the Enterprise Risk Management Policy.

### **Item 7.2.4 Enterprise Risk Management Framework**

The Directors **RESOLVED** to approve the Enterprise Risk Management Framework, with further updates around communications.

### **Item 7.2.5 Risk Register**

Directors requested risk workshop in the August meeting to discuss the risk register.

***ACTION ITEM 9: Risk Workshop to be conducted at the August Board meeting***

The Directors **RESOLVED** to note the Risk Register.

#### **Item 7.2.5 Crisis and Issue Management Strategy**

Mr Boardman gave a summary of the Crisis and Issue Management Strategy, noting the inclusion of case studies and key contacts.

Directors requested that contact details of the Chair of the SRC and the Chair of the Board be added to the document. Directors expressed the view that a backup communication should be organised via a message application group such as WhatsApp.

The Directors **RESOLVED** to note Crisis and Issue Management Strategy

*Mr Leptos sought Directors' approval to address item 7.4 before item 7.3*

#### **7.4. Members Communication Advisory Group**

Mr Boardman gave an overview of the role of the Members Communications Advisory Group noting the key issues will be around SGM communications.

Ms. Raiche asked for an update on the CMWG. Mr Boardman gave a summary of CMWG noting that the Group has started to look at how auDA can constitute a framework to satisfy the government recommendations.

#### **7.3. Finance, Audit and Chairman's (FAC) Committee**

##### **Item 7.3.1 Minutes**

The Directors **RESOLVED** to note the minutes of the FAC Committee meeting of the held 5 June 2018 and 6 June 2018.

##### **Item 7.3.2 Auditor Update**

Mr Leptos updated directors on discussions with the Auditor, and noted that the PPB report had been provided to ASIC upon request.

The Directors **RESOLVED** to note the Auditor Update.

##### **Item 7.3.2 Budget 2019**

Mr Leptos noted that FAC Committee had reviewed the 2019 Budget, and recommended that the Budget be approved with conditions.

Mr Leptos noted that the 2019 Budget had introduced accrual of income into the Management Accounts. The accrual was to take account of revenue associated with registration of domains for periods up to 5 years. Mr Leptos noted that there may be

timing differences between the Statutory accounts and the Management accounts in the treatment of income.

*Mr Shady entered the meeting at 2.34 pm*

Directors expressed the view that the budgeted revenues could change significantly with changes in assumptions around registration numbers (new and renewals) and the periods of registration. Directors noted that there may be a need to vary expenditures in line with income.

**ACTION ITEM 10:** *Directors requested Management provide further sensitivity analysis of the 2019 Budget for renewals, new registrations and registration length be presented at the next FAC meeting.*

**ACTION ITEM 11:** *Directors requested that the monthly Financial Reporting include trend analysis of tacking of renewals, new registrations and registration length.*

The Directors **RESOLVED** to approve the FY19 Budget subject to separate approval by the Board of:

- i. Organisational structure changes and the recruitment of new roles proposed in the organisation chart from 1 July 2018;
- ii. Staff pay reviews;
- iii. Bonus payments;
- iv. Brand marketing and other initiatives; and
- v. Contributions to the auDA Foundation.

*Mr Deck left the meeting at 2.57 pm*

*The chairman sought Directors' permission to hold over .au Co-marketing innovation fund (7.3.4) and Internet staff and security check (7.3.5) until the meeting could be reconvened at 6 pm Wednesday, 20 June 2018.*

## **9. OTHER BUSINESS**

### Drop Catch Registrations

The Directors sought information regarding registration periods for dropped domains.

**ACTION ITEM 12:** *Directors requested that Management produce a briefing paper on the Drop Catch Registration.*

*The meeting was adjourned at 3.03 pm on Monday, 18 June 2018.*

*The meeting restarted at 6.01pm on Wednesday, 20 June 2018.*

*The Chairman **NOTED** that a quorum was present and declared the reconvened meeting open at 6.01pm on Wednesday, 20 June 2018am (Melbourne time). The Chairman noted apologies from Mr Wilshire, Ms Hook, Ms Ewart and Mr Phair.*

## **7. COMMITTEE REPORTS (continued)**

### **7.1. Finance, Audit and Chairman's (FAC) Committee(continued)**

#### **Item 7.3.4 .au Co-marketing innovation fund**

The Directors **RESOLVED** to take the au Co-marketing innovation fund paper as read.

Mr Boardman spoke to the proposed .au Co-marketing Fund noting the fund was accounted for in the 2019 Budget and that the Fund had three key objectives, being the promotion of domain name growth, innovation in the name space, and to increasing domain retention/renewals. The funding consists of grants and vouchers designed to aid smaller registrars.

Mr Boardman noted that the specific effectiveness measures had yet to be determined. However, effectiveness would centre around the key objectives.

Mr Manariti and Mr Deck declared that they could be potential recipients of grants from the proposed fund. Mr Karabardak declared that his wife was a reseller (and was involved in her business, as previously disclosed to the Board), but is not likely to be a recipient of the funding. Mr Connell declared he was a Domain Name Manager, but believed that he would not be a recipient of fund.

The Directors **RESOLVED** to note the declarations by Directors.

Directors discussed examples of the proposed use of the funds, ensuring that the funding was not of BAU activities.

Mr Boardman noted that it is expected that there will be monthly reporting back to the Board of the effectiveness of the program.

Mr Boardman noted Afilias will be supporting the programme to the smaller registrars via the voucher route.

Directors discussed methods to ensure that recipients abide by auDA code of practice.

Directors questioned the project approval process. Mr Boardman noted the assessment team will consist of Mr Mason, Mr Bond and two Afilias representatives. Project approvals will be by the CEO, if within delegation, or the Board.

**ACTION ITEM 13:** Directors request monthly Board reporting (applications, rejection, awards) and impact/effectiveness reporting.

The Directors **RESOLVED** to approve the .au Co-marketing innovation fund for 2019, subject to Mr Boardman, Mr Deck and Mr Manariti providing a solution to ensuring recipient registrars abide by the auDA code of practice.

Mr Manariti, Mr Deck, Mr Connell, Mr Karabardak abstained from voting on the resolution.

**Item 7.3.5**

**9. OTHER BUSINESS**

No other business was raised.

**10. CLOSE OF BUSINESS**

Meeting Closure

There being no further business the chair closed the meeting at approximately 7.00 pm (Melbourne time).

**Confirmed and signed as a true and correct record:**

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**Chair**

**Date**

