

.au Domain Administration Limited
ACN 079 009 340

Minutes of a Meeting of the Board of Directors

Date/Time:	Monday, 16 July 2018 10.00 am – 3.00 noon (Melbourne Time)
Venue:	In person at Level 17, 1 Collins Street, Melbourne, Vic, 3000
Directors:	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 Suzanne Ewart (SE) Independent Director Sandra Hook (SH) Independent Director Joe Manariti (JM) Supply Director Damian Smith (DS) Demand Director Grant Wiltshire (GW) Supply Director
Attendees:	Hasaka Martin (HM) Company Secretary Dr Bruce Tonkin COO James Shady CFO, auDA
Chairman:	Chris Leptos AM (CL)
Apologies:	Nigel Phair (NP) Holly Raiche (HR)

1. OPENING REMARKS

The Chairman **NOTED** that a quorum was present and declared the meeting open at 10.00 am (Melbourne time). Mr Leptos informed Directors that Mr Connell was expected to be delayed by about 15 minutes.

2. DECLARATION OF INTEREST

Mr Smith informed Directors that he had been appointed as a strategy advisor to start-up company (me&u).

The Board **RESOLVED** to note Mr Smith's declaration.

3. MINUTES FOR APPROVAL

The Board **RESOLVED** to approve the minutes of the board meetings held on 18 June 2018 and 28 June 2018.

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

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

Board Paper Distribution

The Directors discussed the need of timely delivery of Board papers.

The Directors **RESOLVED** to request that board papers should be distributed five days before the meeting.

Mr. Leptos led a review of the action items:

Commercial and in confidence

Mr Connell entered the room at 10.17 am

auDA Foundation

Mr Martin updated the board on the Director appointments to auDA Foundation Pty Ltd and current status of ASIC and ACNC registers.

Mr. Leptos noted that the auDA Foundation would be discussed at today's meeting

Directors **RESOLVED** to close the item pending outcome of item 5.2.

Compliance Dashboard

Mr Boardman noted that the dashboard had been included in the CEO Report for today's meeting.

Directors **RESOLVED** to close the item.

Board Pack Software

Mr Leptos noted the item was still open, pending the provision of a recommendation and report on Board Pack software to the auDA Board at the August meeting.

PRP Communications

Mr Boardman noted that the Board's request had been communicated to the PRP.

Directors **RESOLVED** to close the item.

International Engagement Strategy

Mr Boardman noted that the International Engagement Strategy, that was previously provided to the Board, would be updated to include the principles of the auDA

International Engagement Activity Plan, and that the updated strategy is expected to be brought before the board at the August meeting.

The Directors **RESOLVED** to keep the item open.

Risk Workshop

Directors and Management discussed the timing of a Risk Workshop, noting that the workshop would be expected to require two to three hours and should be held after the SGM.

ACTION ITEM 1: A Directors meeting is to be called for 27 July 2018 following the SGM. The agenda of the meeting will include a briefing from the CMWG.

Directors **RESOLVED** to keep the item open.

Drop Catch Registration.

Mr Boardman noted that a Drop Catch Digital Fact Sheet was expected to be produced on drop catch registration.

Directors **RESOLVED** to close the item.

2019 Budget Sensitivity Analysis

Mr. Leptos noted a paper had been presented to the FAC Committee on the 2019 Budget Sensitivity Analysis and the paper is included in the Board papers for today's meeting.

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

Registration and Renewal Reporting – Analysis of Licence Periods

Management noted the requested reports will be provided in future finance reports.

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

.au Co-marketing and Innovation Fund

Management noted the reporting will be provided in the CEO's report each month.

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

Mr Leptos sought the permission of Directors to return to Declarations of Interests (item 2)

2. DECLARATION OF INTEREST (continued)

Mr. Leptos drew Directors' attention to communications that he had received from a number of members querying Mr Connell's eligibility to be a Demand Class director under *clause 18.3* and *clause 9.4* of the auDA Constitution.

Mr. Leptos adjourned the meeting at 10.45am

Mr. Leptos reopened the meeting at 11.08 am

Mr Deck declared that he had rebranded his business and the business trading name was now Clevvi.

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

Mr Connell informed the board that he held a reseller account with Dreamscape and excused himself from the board meeting.

Mr Connell noted that he would provide further information regarding his status to directors next week.

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

Mr Connell left the meeting at 11.06am

5. DIRECTORS UPDATE

Mr. Leptos sought the Directors permission to bring forward consideration of the auDA Foundation (item 5.2).

Item 5.2 auDA Foundation

Mr Smith informed Directors he was seeking further information about the auDA Foundation from Management, and consulting with Directors and stakeholders.

Mr Smith noted that his initial view was that the auDA Foundation formed an important part of auDA's social licence to operate.

Mr Smith noted that there is very little data to measure the effectiveness and impact of the Foundation's activities, and the cash balance in the Foundation was around \$3 million at the end of FY18

ACTION ITEM 2: *A future strategy paper including but not limited to the structure and governance of the auDA Foundation, funding requirements, and a clear differentiation of the role of auDA and the auDA foundation.*

The Directors **RESOLVED** to note auDA Foundation update

Item 5.1 SGM Update

Mr Leptos invited the Mr Martin to inform the board of the number of proxies that had been lodged. Mr Martin provided the current proxy position to Directors.

Mr Leptos provided the Directors an overview of correspondence with members regarding the SGM.

Mr Boardman noted that a number of members who have not paid fees at 30 June.

The Directors **RESOLVED** to note the SGM update.

Item 5.4 Online trolling

The Directors discussed the potentially defamatory remarks made against auDA.

Several directors noted they had been targeted with potentially defamatory remarks and they reserved their rights to take action personally.

The Directors discussed the use of the membership list by Mr Josh Rowe to target Facebook ads and Google ads

Commercial and in confidence

It was noted that using the membership list for soliciting funds from members is prohibited by the Corporations Act.

The Directors discussed concerns from members regarding their privacy as a result of the Facebook and Google advertising.

The directors discussed the potential confusion caused by the use of pre-filled proxy forms and a possible communication to members to clarify any confusion.

The Directors **RESOLVED** to communicate with Mr Josh Rowe regarding the use of the membership list.

Item 5.3 Process for Updating Policies

Mr Boardman gave an overview of the current policy approval process and the proposed policy approval process.

The Directors **RESOLVED** to remove any delegated authority to approve new or amended policies.

The Directors **RESOLVED** to note the approval process outlined in this paper

Item 5.3a GDP Policy Update - Mandatory Terms and Conditions Applying to .au Domain Name Licences

The Directors **RESOLVED** to take the amended changes as read

Mr Boardman gave an overview of the policy noting the changes are as a result of the introduction of General Data Protection Regulation (GDPR).

Directors discussed a possible public consultation of the policy, given the policy impacts the agreement between the registrar and auDA. Directors requested that Management ensure that the proposed changes to the mandatory Terms and Conditions comply with the Australian Privacy Principles (APP)

ACTION ITEM 3: Directors requested an update on the EU General Data Protection Regulation (GDPR).

The Directors **RESOLVED** to hold the policy over to consider further advice.

Mr. Leptos sought the Directors permission to bring forward consideration of the Committee Reports

7. COMMITTEE REPORTS

7.1 Governance Committee

7.1.1. Board Charter and Policy

The Directors **RESOLVED** to take the Board Charter and Policy paper as read.

Ms Hook gave an overview of the of the Board Charter and Policy review process, noting that the committee expected to be in the position to recommend a Board Charter and Policy for auDA board approval. Ms Hook noted the proposed Board Charter and Policy may change significantly as a result of the government review. The Directors discussed possible membership models and the role of the CMWG.

ACTION ITEM 4: Directors requested the Governance Committee consider membership models.

The Directors **RESOLVED** to note the Board Charter and Policy Update.

The chairman adjourned the meeting at 12.57pm

The chairman reopened the meeting at 1.02 pm

7.2 Security and Risk Committee

Ms Ewart gave a summary of the SRC Committee meetings noting the successful registry transition.

Commercial and in confidence

The Directors **RESOLVED** to note the Security and Risk Committee update.

8. STAKEHOLDER ENGAGEMENT

Item 8.1 Qualification of Supply Class

The Directors RESOLVED to take the Qualification of Supply Class papers as read.

*Commercial
and in confidence*

Item 8.2 Membership Application

Directors discussed the eligibility of new members.

Commercial and in confidence

9. CEO UPDATE

Item 6.1 CEO Report

The Directors RESOLVED to take the CEO Report as read.

Compliance Report

Mr Boardman gave an overview of the compliance report, noting the number of complaints per registrar. Directors discussed the complains and resolution of the complaints.

ACTION ITEM 6: *Directors requested that the number of complaints that where resolved within and outside SLA be added to the report*

Policy reform update report and Panel Chairman's report (PRP Chairman's Report)

Mr Boardman summarised the PRP's approach to consultation and the overall approach of using an independent panel process.

The Directors **RESOLVED** to note the PRP Chairman's Report and instruct the Management to provide feedback to the PRP Chairman.

Mr Boardman updated Directors on the PRP Chairman's desire to expand the composition of the panel.

Communications, Media and Engagement

Mr Boardman informed Directors of three key highlights:

- An AdWords Campaign had been undertaken to lift the rating of the WHOIS site;
- A proactive approach was now been taken in terms of media engagement; and
- A visit by the Opposition Communications Spokesmen to auDA.

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

Mr Boardman sought Directors approval to address item 6.4

Commercial and in confidence

Item 6.3 Government Review Update

3-month Check Point and DoCA Feedback

Mr Boardman informed Directors that the three-month report was provided to a DoCA review panel composed of Mr Bullock, Ms Williams, Mr Marsden. The presentation to the review panel was circulated to Directors.

Mr Boardman relayed DoCA's views on the Implementation Plan; Board governance; membership reforms; and the Nominations Committee.

Consultation Model Working Group (CMWG)

Mr Boardman gave an overview of the CMWG feedback.

Directors and Management discussed Board engagement with the CMWG via a Board meeting to be held after the SGM; and CWMG engagement with members via the SGM.

Mr Wiltshire left the meeting at 3.16 pm

The Directors **RESOLVED** to note Government Review Update

Item 6.2 Transaction Completion Report

The Directors **RESOLVED** to take the Transaction Completion Report as read.

Mr Boardman gave an overview of the post registry transition issues noting that the drop list is now live, and the desire to have an improved password recovery tool.

Ms Hook left the meeting at 3.25 pm

ACTION ITEM 7: *Directors requested the SRC consider post transition issues*

The Directors discussed issues with the timing of the drop lists and the effect on drop catch registrars.

ACTION ITEM 8: *The Directors requested the CENTR reports be included in the Board pack*

The Directors **RESOLVED** to note the Transaction Completion Report

Mr James Shady entered the meeting at approximately 3.40 pm.

7. COMMITTEE REPORTS (continued)

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

7.3.2 FY19 Budget Sensitivity

The Directors **RESOLVED** to take the FY19 Budget Sensitivity Paper as read.

The Directors **RESOLVED** to note the FY19 Budget Sensitivity Paper.

7.3.3 May 2018 Financial Reporting

The Directors **RESOLVED** to take the May 2018 Financial Reports as read.

The Directors discussed the expenditure over 50K and questioned the control process where the cumulative expenditure overrides the delegated totals. Mr Leptos noted that accumulated expenditure over a 12-month period is considered by the FAC Committee.

Ms Hook re-entered the meeting at 3.56 pm

The Directors questioned Management on individual items within the P&L year to date and budget year to date.

The Directors **RESOLVED** to note the May 2018 Financial Reports

7.3.4 Finance Operations Update

The Directors **RESOLVED** to take the Finance Operations Update as read.

The Directors **RESOLVED** to note the Finance Operations Update.

7.3.5 Investment Reports

The Directors **RESOLVED** to take the Investment Reports as read.

The Directors requested Management included funds held with NAB to give a clear picture of the financial investments.

The Directors **RESOLVED** to note the Investment Reports,

Mr Shady left the meeting at 4.03 pm

Commercial and in confidence

9. OTHER BUSINESS

Directors and Management discussed the procedures at the SGM and the post SGM board meeting.

10. REVIEW MEETING

Directors provided feedback to Mr Leptos on the conduct of the meeting

11. NEXT MEETING

The Directors note that the next Board meeting is scheduled to be held on Friday, 27 July 2018 immediately after the SGM.

12. CLOSE OF BUSINESS

There being no further business the chair closed the meeting at approximately 4.32 pm (Melbourne time).

Confirmed and signed as a true and correct record:

Chair

Date