

*Annual General
Meeting*

June 12, 2015

afnic

Afnic members met on June 12, 2015 at 10:00 a.m. at the Centre de Conférences Étoile Saint Honoré, 21-25 rue Balzac, Paris 8ème for the ordinary general meeting.

Notice of the meeting, which included the agenda, had been sent electronically to all the members on May 21, 2015.

The date and place of the meeting, the agenda as well as the working papers were available in the members' area of the Afnic website.

Agenda

1. Opening speech by the Chairman
2. Appointment of a Recording Secretary and a scrutineer
3. 2014 Annual Report
4. Presentation of the Financial Statements
5. Statutory Auditor's Report
6. Approval of the financial statements for 2014 and appropriation of income
7. Afnic Foundation for Digital Solidarity
8. Renewal of the Association

Attendees

On entering the meeting room, each member signed an attendance sheet, available at the Afnic's Member Services department.

44 members were present or represented, including 39 entitled to take part in the voting.

2 founding members, represented by 2 Board members:

- ✓ INRIA, represented by Mr. Emmanuel Sartorius, Chairman of the Board
- ✓ The Ministry of electronic communications, represented by Mr Geoffroy HERMANN

8 registrar members :

- ✓ 4X SAS, represented by Mr. Tristan COLOMBET (non-voting)
- ✓ CSC CORPORATE DOMAINS INC., represented by Mr. Mark SMYTH, having mandated Mr. Patrick HAUSS



- ✓ EPISTROPHE, represented by Mr. Philippe BATREAU
- ✓ FRANCE TELECOM ORANGE, represented by Mr. Didier DEALBRE, having mandated Mrs. Sophie JEAN-GILLES
- ✓ MAILCLUB, represented by Mr. Frédéric GUILLEMAUT
- ✓ NAMEBAY, represented by Mr. Éric LANTONNET
- ✓ ORDIPAT, represented by Mr. Olivier BARLOY, having mandated Mr. Eric LANTONNET
- ✓ RAPIDOMAINE, represented by Mr. Alexandre BADELON

5 user members, legal entities:

- ✓ ASSOCIATION E-SENIORS, represented by Mrs. Monique EPSTEIN, having mandated Mr. Sébastien BACHOLLET
- ✓ ASSOCIATION WWW.BZH, represented by Mr. David LESVENAN
- ✓ CIGREF, represented by Mr. Jean-François PEPIN, having mandated Mr. Emmanuel SARTORIUS
- ✓ INPI, represented by Mrs. Michelle PAGES
- ✓ ISOC France, represented by Mr. Nicolas CHAGNY

10 individual user members:

- ✓ Mr. Sébastien BACHOLLET
- ✓ Mr. Sourakatou BIAOU, having mandated Mr. David-Irving TAYER
- ✓ Mrs. Yinglu LIU, having mandated Mr. François VIGNERON
- ✓ Mr. Benjamin LOUIS (non-voting)
- ✓ Mr. Abdel M'CHATET (non-voting)
- ✓ Mrs. Elisabeth PORTENEUVE
- ✓ Mr. Jean-Luc SCHALLER (non-voting)
- ✓ Mrs. Rina SINGER, having mandated Mr. Sébastien BACHOLLET
- ✓ Mr. David-Irving TAYER
- ✓ Mr. François VIGNERON



1 honorary member (non-voting):

- ✓ Mr. Pierre VASSOUT

18 corresponding members : International College:

- ✓ ACNIC, represented by Mr. Davy SILOU
- ✓ AGNIC, represented by Mr. Famo YOULA
- ✓ ARCEP Burkina Faso, represented by Mr. Serge Roland SANOU
- ✓ BENIN TELECOMS, represented by Mr. Abdoul-Akim ADJIBOLA
- ✓ CAMTEL, represented by Mr. Oumarou MOUNPOUBEYI
- ✓ CDNIC, represented by Mr. Chris Kamukoko TSHIMANGA
- ✓ CNI, represented by Mr. Félix NDAYIRUKIYE
- ✓ CENTRE RESAUTIC, represented by Mr. Nicolas Raft RAZAFINDRAKOTO
- ✓ COMORES TELECOMS, represented by Mr. Hadji MMadi ALI
- ✓ COMMUNICATION AND INFORMATION INSTITUTE, represented by Mr. Vojo SPAHIU
- ✓ IT-NUM, represented by Mr. Wilfried QUENUM
- ✓ INPHB, represented by Mr. Souleymane OUMTANAGA
- ✓ NATIONAL INFORMATION TECHNOLOGY AGENCY, represented by Mr. Eric AKUMIAH
- ✓ NIC MADAGASCAR, represented by Mr. Lala ANDRIAMAMPIANINA
- ✓ NIC MAURITANIE, represented by Mr. Ahmedou OULD HAUBA
- ✓ NV CONSULTING, represented by Mr. Victor NDOUNANG
- ✓ SAN, represented by Mr. Agim CAMI
- ✓ SECNET represented by Mr. Janvier NNGOULAYE

1. Other participants:

- ✓ Mr. Christophe RAMBEAU, Statutory Auditor, AUDIT France
- ✓ Mr. Alain BOUDOT, certified public accountant, GMBA
- ✓ AFNIC : Mr. Pierre BONIS, deputy CEO – Ms. Clémence DAVOUST, Event Communication Manager - Mrs. Pascale GATTI, CFO - Mrs. Sylvie LACEP, Excellence and Security Director - Mr. Régis MASSE, CTO - Mr. Julien NAILLET, Communications



Director - Ms. Virginie NAVAILLES, Membership Services Manager - Mrs. Isabel TOUTAUD, Legal Director - Mr. Mathieu WEILL, CEO

Minutes

1. Opening speech by the Chair

The Annual General Meeting being regularly constituted, the Chair, Mr. Emmanuel Sartorius, opened the meeting. He welcomed the participants.

The Chair recalled that in addition to the formal agenda presented in the documents, after dealing with item 8 "renewal of the Association," feedback would be provided on the questionnaire on member categories that had been sent to members. The feedback would be followed by a discussion on the development of the association. The morning would end with the remittance of the EFQM certificate by AFNOR.

2. Appointment of a Recording Secretary and a Scrutineer

Ms. Virginie Navailles, Director of Member Services, and Mr. Sébastien Bachollet, member of the Board, were respectively appointed Recording Secretary and Scrutineer

3. 2014 Annual Report

Mathieu Weill outlined the annual report which had been submitted to the members and would be published after the meeting. At year-end 2013, Afnic managed the *.fr* TLD and the 5 French overseas ccTLDs but had not yet entered the gTLD market. This major change, which was the result of several years of work, took place in 2014 such that Afnic was now a multi-registry operator. At year-end 2014, Afnic managed more gTLD domain names than overseas ccTLDs.

2014 was a year of launches. Afnic supported the openings of the *.frogans* (the 1st TLD it opened), *.ovh*, *.bzh*, *.paris*, and *.alsace* gTLDs. The launches marked the year and had a significant impact on the association's structure and organization, since the changes needed to launch these new activities had to be implemented first of all.

The *.fr* TLD was not put aside in 2014, and remains the association's core business. A great deal of work was done in 2014, including a 5% drop in prices as of 1 July in accordance with the commitment in the State agreement. Significant work was also carried out in relation to the Afnic Foundation for Digital Solidarity (the specific topic would be covered later in the morning).



In-house work on establishing an information security management system in order to be certified ISO 27001 was also launched in 2014, and would be the largest project for 2015.

The launch of registrations of domain names with 1 & 2 characters was also finalized in 2014.

The *réussir-en.fr* campaign was launched after the strategy to promote the *.fr* TLD was approved by the minister. Afnic selected providers and designed with them a campaign that was innovative in many ways. The campaign was carried out in conjunction with the registrars that wished to be involved, and its performance is being monitored. Afnic analyses the conversion rates together with the registrars. The information is very useful for the *.fr* TLD and market stakeholders in general.

In 2014, Afnic moved, and also produced and published its first carbon assessment (Bilan Carbone®). Measures were taken in-house to reduce greenhouse gas emissions, in particular those caused by travelling and consumption. This corresponds to the implementation of another commitment in the State agreement but also to one of the employees' expectations to act responsibly in line with Afnic's values.

To conclude, Afnic had raised its role as a leader of the Internet community to a level that it had never reached before. The Communications Department had been very active and equally successful during the year, highlights being the co-organization of the 1st IGF France meeting (the second was held on June 2, 2015 in Paris). Afnic welcomed in Paris for a three-day Jamboree more than 100 of its counterparts in all the working groups of the Council of European National Top Level Domain Registries (CENTR).

This event was immediately followed by the launch of the *.paris* gTLD, providing a major communication opportunity for Afnic. In October, the association organized a special consultative committee meeting on the supervision of the domain name root after the announcement by the US government of its withdrawal. On the international level, the association also took part in all of the ICANN meetings, as well as the NetMundial in São Paulo, Eurodig and the IGF. This would continue, since Mathieu Weill is also co-chair of one of the three working groups on the transition oversight of the IANA function.

In terms of governance, the association welcomed three new directors: Geoffrey Hermann, representing the French Ministry in charge of electronic communications, Eric Lantonnet, elected as the registrar representative at the general meeting in June and Loïc Dufлот, representing the French Ministry for Industry.

The Board also selected an external service provider to carry out a full assessment of its own performance during the summer. The results had been communicated to the members during the latest consultative committee meetings. The findings concerning the directors' professionalism and commitment were largely positive and indicated some pointers for improvement that are currently being followed by the Board.



Afnic now had some 80 employees. The new organization set up in 2014 allowed the association to launch the multi-registry business efficiently and operationally. Significant investments were also made in terms of the professional training of sales and marketing teams, the latest functions to be added to the association. Late in 2014 and early in 2015 this resulted in the launch of new products and services including consultancy, management of market data or abuse reports.

Finally, Mathieu Weill discussed the slowdown in the domain name market. Reaching the objective of 5% growth in the *.fr* TLD in 2014 had been complicated. The days of 2-digit growth were over. This reinforced the need to control performance, to be properly structured in order to be able to adjust to these changes and to have as responsible a cost management system as possible. A cost control initiative had been undertaken in 2012 and fully paid off in 2014.

A participant asked if Afnic would be prepared to provide technical assistance for backers of gTLD projects abroad. Mathieu Weill confirmed that for the time being the gTLD customers were all French, but Afnic had no constraints about supporting other project backers provided there was a close relationship (not necessarily geographical) so that the association could understand their expectations and effectively support them, perhaps more effectively than other players that had a global vision and greater difficulty in understanding the specific requirements of French stakeholders. ICANN was very Anglo-Saxon in nature and French stakeholders might find it difficult to understand all the goings-on in an environment highly permeated by American legal culture.

4. Presentation of the Annual Accounts

Pascale Gatti presented the highlights of 2014 as reflected in the accounts. Worth noting was the 10% growth in turnover, which was equally due to the 5% growth of the *.fr* TLD (+ 607 k €) and the beginnings of the installed base of gTLD domain names (turnover had multiplied by 3 to + 698 k€).

The second highlight was the cost control initiative, which allowed the growth of € 1.2 million in revenue to be retained in the operating income (expense) item. 2014 operating expenses were at the same level as in 2013 while the operating income was much higher. The accounting income item posted a loss but the return to a balanced budget was well underway.

2014 had been a year of investment, in new premises, in the infrastructure to benefit gTLDs, in strengthening the *.fr* TLD, and above all in security.

The average number of full time equivalents in 2014 was 76.2 versus 73.4 in 2013, or an increase of 3.8%. In 2014 Afnic had pursued its recruitment policy, focusing on key skills and a quasi-stable workforce of around 80 employees. Where new hires were concerned, Afnic strived to form pairs to integrate the newcomers. Internal mobility was also strongly supported.

Operating income before payment to the Afnic Foundation for Digital Solidarity was 1,679 k€ and over budget. The growth in turnover, the efforts made in terms of operational excellence and efficient cost management had been the causes for the improvement. Net



income for 2014 continued to post a loss (-189 k€), but the loss was smaller than that for 2013 (-541 k€).

The loss was compliant with the multiannual plan presented by the Association in 2012, and Afnic was well on the way to returning to a balanced budget, scheduled for 2015.

A question was asked about the financing capacity of the Afnic Foundation for Digital Solidarity despite the loss. Pascale Gatti explained that the payment to the Foundation (90% of the operating income from the .fr TLD) was an individual calculation made before calculating the operating income, and stated that the .fr TLD continued to make a profit: it was the gTLDs that were making a loss and had yet to post a balanced budget.

5. Statutory Auditor's Report

See the general report of the statutory auditor on the annual accounts closed on 31/12/2014 published on the Afnic website:

<https://www.afnic.fr/fr/mon-afnic/mes-documents/vie-associative/assemblee-generale/documents-preparatoires-4.html>

The statutory auditor, Mr. Christophe Rambeau, certified that the annual accounts for 2014:

✓	Balance-sheet total	18,150,651 euros
✓	Income statement, showing a loss of	188,494 euros

constituted a true and fair view of Afnic's financial position and assets as at the end of the financial year.

Mr. Christophe Rambeau informed the General Meeting of the conclusions of the statutory auditor's special report on regulated agreements for the previous financial year to be submitted for approval to the General Meeting, pursuant to the provisions of Article L612-6 of the French code of commercial law.

In June 2014, in agreement with Mr. Emmanuel Sartorius, Chair of the Association, Mr. Mathieu Weill, Afnic CEO, became a director of the Netnod Company, an Afnic service provider. The amount allocated for same during the year was 128,799 euros. The auditor had verified the consistency of the information with the source documents from which it derived.

6. Approval of the financial statements for 2014 and allocation to the "other reserves and working capital" item

In accordance with its Articles of Association, the General Meeting decides by a simple majority of the members present or represented.



Approval of the accounts for the 2013 financial period:

The General Meeting, having heard the report of the statutory auditor and the additional oral explanations provided, approved the financial statements as presented for the year ended December 31, 2014

The General Meeting gave discharge to the directors for the performance of their duties during the past financial year.

→ *This resolution was adopted unanimously*

Allocation to the "other reserves and working capital" item:

The General Assembly, on the proposal of the Board of Directors, made the following decisions:

- ✓ Allocate to the "other reserves and working capital" item the net loss of € 188,494.*

→ *This resolution was adopted unanimously*

7. Afnic Foundation for Digital Solidarity

Mr. Pierre Bonis recalled that the ordinary and extraordinary general meetings of June 2014 had enabled the creation of the Afnic Foundation for Digital Solidarity by changing the Articles of Association and starting negotiations with the Fondation de France to place the Afnic Foundation under the umbrella of the Fondation de France.

This meant that the Afnic Foundation would be under the legal and corporate responsibility of the Fondation de France. Afnic would assume executive responsibility, operational responsibility being entrusted to a service provider who would soon be selected, assisted if necessary by the Fondation de France staff and Afnic.

Discussions about the type of actions that the Afnic Foundation might carry out had been held since the General Meeting in June 2014, in particular with the organization of a roundtable on Digital Solidarity during the inauguration in November 2014 of the new premises of the Afnic by Axelle Lemaire, French Secretary of State for the Digital Economy, which brought together potential beneficiaries such as BrailleNet and Emmaus Connect, as well as stakeholders experienced in mounting digital solidarity projects.

On April 10, 2015, the presidents of Afnic and the Fondation de France signed the agreement creating the Afnic Foundation, with an Executive Committee consisting amongst others of Afnic Board members Messrs. Emmanuel Sartorius, David-Irving Tayer, Lala Andriamampianina and Eric Lantonnet. Mr. Mathieu Weill and Ms. Marine Chantreau would also be members of the Executive Committee of the Foundation, as well as three suitably qualified persons to be appointed during the first Executive Committee meeting on June 29, 2015.

The first funds were donated to the Foundation for the second half of 2012 and the 2013 fiscal period, representing just under one million euros. The accounts having just been approved, the payment in respect of 2014 was to be made shortly.



The next steps consisted in selecting the management service provider and defining the Foundation's operating procedures for launching calls for projects, convening selection committees and interaction between the Executive Committee and the Scientific and Steering Committee, mostly consisting part of academics, specialists and experts. The Foundation's rules of procedure would be subject to approval by Secretary of State Axelle Lemaire under the terms of the State/Afnic agreement.

The Foundation's scope of action covered metropolitan and overseas France. Afnic's activities abroad would be maintained through the operations of the International College. The first calls for projects and project selections were expected for Q4 2015.

Questions concerned the profile of the requisite management service provider and the members of the Scientific and Steering Committee.

Pierre Bonis replied that, initially, the provider would probably be specialists in mounting calls for projects in order to draft the documentary resources (call for project files, selection procedures, etc.), and therefore people used to working with the Fondation de France because interaction between the two foundations would be very close, or people with experience in mounting projects for large associations and/or foundations. It would also be crucial to pick projects in the field and have the Afnic Foundation promoted by small-scale, operational stakeholders, in accordance with the Foundation's purpose.

As for the Scientific and Steering Committee, an initial list had been drawn up, mainly consisting of personalities from the academic world. It could be supplemented by representatives appointed by the State to keep it informed of public policy priorities in terms of development of the Internet so that the committee's recommendations would allow the Foundation to fit in with government plans, for example through close interaction with the Digital Economy Agency.

8. Renewal of the Association

Mathieu Weill recalled that the Association was created in 1997 for a term of six years, renewable by decision of the general meeting in accordance with Article 3 of the Articles of Association. He pointed out that this period was atypical for an association and a change might have to be considered. For the time being, the proposed term of renewal was six years.

With regard to Article 3 of the Afnic articles of association, the general meeting decides to extend the association for a period of six (6) years from 1 July 2015.

→ This resolution was adopted unanimously

There being no further items on the agenda, the meeting was closed at 12:00.

Drawn up, this day, in Saint-Quentin-en-Yvelines, on June 12, 2015.

Emmanuel Sartorius

Second signatory

Virginie Navailles

Afnic Chair

Afnic member

Recording Secretary

