

Ordinary General Meeting

June 9, 2017

Minutes

afnic

Afnic members held an ordinary general meeting in the premises of "La Compagnie", 5 rue Taylor 75010 Paris on June 9, 2017 at 9:30 am.

Notice of the meeting, which included the agenda, had been sent electronically to all the members on May 17, 2017.

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

- ✓ Opening speech by the Chair
- ✓ Appointment of a Recording Secretary and a Scrutineer
- ✓ 2016 Annual Report
- ✓ Presentation of the Annual Accounts
- ✓ Statutory Auditor's Report
- ✓ Approval of the financial statements for 2016 and appropriation of income

Attendees

On entering the meeting, each member signed an attendance sheet, which can be consulted at the Afnic's association service.

39 members were present or represented, including 36 entitled to take part in the voting.

2 founding members, represented by 3 Afnic trustees:

1. INRIA, represented by Mr. Emmanuel Sartorius
2. INRIA, represented by Mr. Luc Saccavini
3. The Ministry of Electronic Communications, represented by Mr. Geoffroy Hermann

7 Registrar members:

1. CONNECTION SAS, represented by Mr. Thierry Wilhelm, having given power of attorney to Mr. Jean-Benoît Richard
2. DOMRAIDER (4X SAS), represented by Mr. Tristan Colombet
3. EPISTROPHE, represented by Philippe Batreau
4. NAMEBAY, represented by Mr. Eric Lantonnet
5. NORDNET, represented by Mr. Francis Piet, having given power of attorney to Mr. Scott Jung
6. ORANGE, represented by Mr. Matthieu Devaux, having given power of attorney to Ms. Sophie Jean-Gilles
7. ORDIPAT, represented by Mr. Olivier Barloy, having given power of attorney to Ms. Sylvie Destenave

4 user members, corporations:

1. ASSOCIATION E-SENIORS, represented by Ms. Monique Epstein, having given power of attorney to Ms. Anne-Marie Bachollet

2. METROPOLITAINE BRETAGNE OUEST Chamber of Commerce and Industry, represented by Mr. Franck Bellion, having given power of attorney to Mr. Sébastien Bachollet
3. INPI, represented by Ms. Michelle Pages
4. ISOC France, represented by Mr. Nicolas Chagny, having given power of attorney to Mr. David-Irving Tayer

7 user members, individuals:

1. Mr. Sébastien Bachollet
2. Mr. Sourakatou Biao
3. Mr. Nicolas Chagny, having given proxy to Ms. Michelle Pages
4. Ms. Agnès Frapy (non-voting)
5. Ms. Julie Laurent-Ledoux
6. Mr. Benjamin Louis
7. Mr. David-Irving Tayer

2 honorary members (non-voting):

1. Ms. Annie Renard
2. Mr. Jean-Yves Babonneau

16 corresponding members of the International College:

1. ARCEP Burkina Faso, represented by Mr. Serge Roland Sanou
2. ARTCI, represented by Mr. Landry Kouadio
3. ARTEC Madagascar, represented by Mr. Jean Rakotomalala
4. CAMTEL, represented by Mr. Oumarou Mounpoubeyi
5. CDNIC, represented by Mr. Chris Kamukoko Tshimanga
6. CNI, represented by Mr. Félix Ndayirukiye
7. RESAUTIC CENTER, represented by Mr. Nicolas Raft Razafindrakoto
8. COMOROS TELECOMS, represented by Mr. Hadji MMadi Ali
9. COMMUNICATION AND INFORMATION INSTITUTE, represented by Mr. Vojo Spahiu
10. INPHB, represented by Mr. Souleymane Uttanaga
11. NIC MADAGASCAR, represented by Mr. Lala Andriamampianina for the "International" college.
12. NIC MAURITANIA, represented by Mr. Ahmedou Ould Haouba
13. NIC SENEGAL, represented by Mr. Alex Corenthin
14. SAN, represented by Mr. Agim Cami
15. SECNET, represented by Mr. Janvier Ngnoulaye
16. WEBNETAFRICA, represented by Ms. Ntumba Rita Tshimanga

Also attending the general meeting were:

- ✓ Mr. Christophe Rambeau, Auditor, Audit France
- ✓ Afnic:
 - ✓ Mr. Pierre Bonis, Deputy CEO
 - ✓ Ms. Sophie Canac, Member Services Manager
 - ✓ Ms. Clémence Davoust, Event Manager
 - ✓ Ms. Pascale Gatti, Chief Administrative and Financial Officer
 - ✓ Ms. Sylvie Lacey, Director, Excellence and Security
 - ✓ Mr. Régis Masse, Technical Director
 - ✓ Mr. Mickael Vigreux, Sales Manager

Minutes

1. Opening speech by the Chair

The ordinary general meeting being regularly constituted, the Chair, Mr. Emmanuel Sartorius, opened the meeting. He welcomed the participants and announced the agenda.

Although the General Assembly was devoted to examining what happened at Afnic in 2016, Emmanuel Sartorius wished to review 2 events of 2017 that had significantly affected the association.

The first event was the renewal of Afnic as the Registry for the .fr TLD in April, which was good news because Afnic's mandate was extended for 5 years.

The other event that affected Afnic was the unexpected departure of Mathieu Weill, who was appointed to high office in the Ministry of the Economy as Head of the Digital Economy department as of May 1, 2017. The Board of Trustees, having noted the departure of Mathieu Weill, decided to appoint Pierre Bonis as Acting Chief Executive Officer pending the recruitment of a new CEO, which should take place at the beginning of the school year.

2. Appointment of a Recording Secretary and a Scrutineer

Ms. Sophie Canac, Director of Member Services, and Mr. Sébastien Bachollet, member of the User's College, were respectively appointed Recording Secretary and Scrutineer

3. 2016 Annual Report

Pierre Bonis welcomed the participants, and thanked them for attending the meeting.

He began by recalling the [issues of 2016](#) as they had been identified a year ago:

- ✓ [The renewal of Afnic as the Registry for the .fr TLD](#). It was enacted in 2017 after a public consultation that had been launched in July 2016 by the Ministry of Industry.
- ✓ [Confirm the return to profitability](#). In 2015, Afnic had posted a profit, it was important to maintain that dynamic, and even to amplify it. That objective had been achieved.
- ✓ [Operational excellence](#), Afnic had been committed to a quality improvement initiative for more than 3 years. The initiative had been reinforced in 2016 and Afnic's progress was confirmed by obtaining the EFQM R4E 4* certificate.
- ✓ [Online presence](#) by developing Afnic's actions with respect to VSEs, SMEs and individuals to help the one million SMEs that did not yet have an online presence in France to have one. The action had not been led by Afnic alone but with its registrars and partners.

The association had undertaken a [continuous improvement process](#) which had also been illustrated by:

- ✓ Obtaining [ISO 27001 certification](#) for the information systems management system, in particular as regards the .fr TLD. It was one of the registry's commitments to the State.
- ✓ [Adapting the organization and responsibilities within the ISD](#) for better agility; in particular by deploying SCRUM development methods.
- ✓ One of the results of the initiative was the [continuous decrease in the production costs of the .fr](#).

The [growth rate of the .fr](#) stood at 2.1% in 2016, which was slightly above the European average, despite a renewal rate which had dropped compared with previous year, and now stood at just over 81%. This was mainly due to massive domain name deletes in April 2016, when a registrar cleaned up its portfolio. But despite the more than 40,000 deletes not foreseen in our road-map, the .fr had been growing.

Thanks to that growth, we crossed the symbolic [3 million .fr](#) mark in December 2016. That goal had also been achieved thanks to the [réussir-en.fr](#) promotion campaign, which had helped to maintain a rather satisfactory level of create operations.

The [réussir-en.fr](#) box, launched 3 years ago, was based on partnerships with registrars who could provide special promotion offers when registering a domain name under the .fr TLD.

Afnic had wanted to go further in 2016 by participating even more actively in the highly practical workshops for small- and medium-sized businesses through new [partnerships for on-line presence](#):

- ✓ [The Foliweb](#) (a group of organizations of which Afnic is part via the réussir-en.fr system), which organizes dozens of workshops throughout France dedicated to VSEs, offering them a whole range of suggestions and solutions to develop their online presence
- ✓ With [Neocamino](#), also within the framework of the Foliweb
- ✓ The partnership with [Digital journey](#) will lead to the launch of a new product "*succeeding with the web*", a self-diagnostic tool with which to assess a company's digital maturity.
- ✓ Afnic actively participated in drafting the "[Connected Growth](#)" [Report of the National Council for the Digital Economy \(CNUM\)](#). Mr. Amal Taleb, Vice-President of the CNUM, was also present at the Afnic Forum 2017 to explain to stakeholders that the report was to be put into effect by Mr. Mounir Madjoubi (former CNUM President), the new Minister of State for the Digital Sector, and which would be used to identify relays and ambassadors within France.

In 2016, Afnic had launched new services:

- ✓ The development of [consultancy business](#) for our ccTLD counterparts, notably consultancy services for the Mauritanian .mr TLD, represented in the meeting room by Mr. Ahmedould Haouba, resulting in the provision of support for its modernization, its new organization and its automation.
- ✓ The setting-up of a [solution for the acquisition of expired domain names FR RUSH](#). The product had been launched as a result of feedback from the consultative committees and the setting-up of an operational working group. The creation of this new service had also made it possible to improve the level of service on the conventional system.
- ✓ In response to recurring requests from certain members for transfers of domain names between registrants, a [simplification of the transfers of .fr domain names](#) had been implemented. Since Afnic no longer intervened in the verification process, which took place at the level of the registrars, the service was no longer billed.

[gTLD activity](#) had undergone strong growth in 2016 with an increase of +26% in the installed base of gTLD domain names.

Afnic had also developed complementary products that had contributed greatly to the profitability of this activity. Examples included the sale of [premiums for the .paris gTLD](#) and the provision of an "[Abuse report](#) making it possible to generate reports, compatible with Icnan's requests on fraud and abuse management in domain names.

2016 had been decisive for the [governance of the Internet](#) with the completion of the work undertaken on ICANN reform over the last several years - strengthening the checks and balances of power within ICANN - and the withdrawal of the US government from the oversight of the root of the domain name system.

Afnic had participated in this work through the co-chairmanship of the working group on ICANN accountability, which had been ensured that year once again by Mathieu Weill, the representation of the users through Sébastien Bachollet, and the involvement of Afnic members.

Work still remained to be done but progress had been sufficient to allow the US government to hand over the oversight to ICANN: [A successful transition!](#)

Afnic remained committed, alongside the Ministry of Foreign Affairs and the Ministry for the Economy and Finance, to [advancing diversity within ICANN](#):

- ✓ North America was still over-represented
- ✓ Linguistic diversity was very poor, with a predominance of English at all levels
- ✓ Africa, Asia and Latin America were under-represented
- ✓ Gender diversity had to be further developed

In 2016 Afnic continued its [CSR initiative](#) (Societal and Environmental Responsibility), notably through:

- ✓ The second [Bilan Carbone®](#) [carbon audit] with a 9% decline in emissions over 3 years, confirmed by an external audit, the target being a 20% decrease over 10 years.
- ✓ The pursuit of the [activities of the Afnic international college](#) with the establishment of the [observatory for African ccTLDs](#), which provided an objective basis for discussion on the development of Internet registries in Africa and the [creation of the "I2N" group](#) which had set up communication tools and could support all of its members in their communication operations (promotion, institutional and crisis).

The [Afnic Foundation for Digital Solidarity](#) had entered its active phase in 2016. The first call for projects had been a success with more than 200 applications filed. [35 projects](#) had been selected and financed for a total amount of more than € 850,000.

Afnic donated 90% of the profit generated by its Registry business to the Foundation, representing an appropriation of some 1,489,137 euros for the 2016 financial year, once the general assembly had approved the accounts, which would help finance many more projects.

Ms. Isabel Toutaud had been delegated within the Foundation alongside Mr. Denis Pansu to organize the calls for projects, select applications and follow-up on the actions decided by the executive committee.

One member wanted to know what resources Afnic had made available to the Foundation. Pierre Bonis indicated that Isabel Toutaud was allocated to the Foundation on a part-time basis. There were no other special staff allocations within Afnic except as a member of the Foundation's Executive Committee, which was the case of Ms. Marine Chantreau. At the same time, the Foundation allocated itself the resources it needed, such as Denis Pansu as a service provider, and financed them with the appropriation.

4. Presentation of the Annual Accounts

Pascale Gatti presented the figures for 2016. Revenues had been steadily growing over the past five years, reaching € 16 million in 2016. For the second year in a row, Afnic posted a profit, closing the accounts with a net book income of 559,401 euros, i.e. 3.5% of turnover. The strategic objectives of rebuilding Afnic's reserves and limiting the loss caused by gTLDs had been attained.

This had been achieved thanks to growth in turnover in all business sectors - growth of 1.4% for the .fr TLD, 6.3% for gTLDs and 40% for MUs - and continued cost containment, which had helped reduce the loss on gTLDs.

ISD investments in 2016 mainly concerned infrastructures designed to enhance the security and stability of the Internet domain, and the renewal of computer equipment to a lesser extent.

The number of employees had remained stable over the previous three years thanks to a human resources policy which ensured the renewal of departures and expanded the possibilities for internal transfers (3 to 4 in 2016 after departures).

Afnic was completing the reconstruction of its accumulated surplus, which had become higher than its 2012 level and covered the costs for approximately one year of salaries, charges and lease fees.

The profits of the previous two years illustrated the persistence of the vitality of the .fr and the involvement of all its partners (registrars, owners, Internet community) in the growth of the TLD suffix and the build-up and control of the "multi-registry" business model. These results had been obtained while maintaining a high level of customer satisfaction, as evidenced by our latest satisfaction survey.

Afnic had the means to achieve its objectives in terms of financing digital solidarity, and substantially replenishing the Foundation.

5. Statutory Auditor's Report

See the general report of the statutory auditor on the annual accounts closed on 31/12/2016 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 the annual accounts for 2016:

- | | |
|--|------------------|
| ✓ Balance-sheet total | 21,124,780 euros |
| ✓ Income statement indicating a surplus of | 559,401 euros |

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

Mr. Christophe Rambeau informed the Ordinary 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 Ordinary General Meeting, pursuant to the provisions of Article L612-6 of the French code of commercial law.

As from the General Meeting of June 10, 2016, Mr. Benjamin Louis was elected to the User College for a two-year term. In addition to his duties as trustee, Mr. Benjamin Louis facilitated the .alsace gTLD within the Alsace Attractiveness Agency.

Mr. Mathieu Weill, CEO of Afnic for the 2016 financial period, was a director of the Netnod company, an Afnic provider. The amount allocated for same during the year was 1,152,000 Swedish kronas or 141,484 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 2016 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 2016 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, 2016.

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

→ The resolution was unanimously adopted

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

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

Allocate to the "other reserves and working capital" item the net accounting profit of € 559,401.

→ The resolution was unanimously adopted

There being no further items on the agenda, the meeting ended at 10:10.

Drawn up this day in Montigny-le-Bretonneux, on June 9, 2016

Emmanuel Sartorius
Afnic Chair

Second signatory
Afnic member

Sophie Canac
Recording Secretary