

**.au Domain Administration Limited**  
**ACN 079 009 340 (auDA)**

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

<b>Date/Time:</b>	Friday, 23 November 2018 11.32 am – 5.05 pm (Melbourne Time) following the 2018 AGM	
<b>Venue:</b>	In person at the Mercure Melbourne Treasury Gardens Hotel, Melbourne, Vic, 3000	
<b>Directors:</b>	Chris Leptos AM (CL) Erhan Karabardak (EK) James Deck (JD) Sandra Hook (SH) Joe Manariti (JM) Nigel Phair (NP) Damian Smith (DS) Holly Raiche (HR) Suzanne Ewart (SE) Grant Wiltshire (GW)	Independent Director and Chairman Director Director, by phone Independent Director, by phone Director Director Director Director Independent Director Director, by phone
<b>Attendees:</b>	Richard Bullock Cameron Boardman (CB) James Shady Alister Paterson	Board observer – DoCA auDA CEO auDA CFO / preparation of minutes auDA Government Relations
<b>Chairman:</b>	Chris Leptos AM (CL)	
<b>Apologies:</b>	Hasaka Martin (HM)	Company Secretary

**1. OPENING REMARKS**

CL **NOTED** that a quorum, being a majority of directors, was present and declared the meeting open at 11.32 am (Melbourne time).

**2. DECLARATION OF INTEREST**

CL enquired whether any directors had interests to declare:

JM advised the meeting that he had recently been appointed Vice-President of the Kensington Precinct Business Association.

In respect of the policy discussion EK noted that he controlled and had an interest in a portfolio of domain names.

CL confirmed that he has been invited to be Chairman of SEA Electric. The board **NOTED** CL's email of 26 October 2018 (Item 2.2) advising of the invitation to become Chairman of SEA Electric.

**3. MINUTES FOR APPROVAL**

Minutes of the Board meeting held on 16 October 2018 (Item 3) were tabled.

The Board **RESOLVED** to approve the minutes and redactions of the meeting held on 16 October 2018.

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

CL led a review of the Action items.

*Action item: New/updated privacy policy incorporating GDPR principles is being developed (CB)*

*Action item: CEO KPI paper to be circulated to the Governance Committee (SH/GW)*

**5. DIRECTOR UPDATES**

5.1. Board development

The CRK proposal was tabled for discussion by the Chairman.

The board's consensus was that the CRK proposal for board development would be most valuable for the newly appointed board.

CB proposed that the board conduct a strategy day in early 2019.

It was **AGREED** that a facilitated board workshop should proceed in February 2019.

**Action item** – *Date of board workshop to be agreed. Directors to provide suggestions on possible facilitators*

5.2. Policy updates

GDPR was deleted from the agenda.

Participation at ICANN and other international fora was discussed. It was noted that the roles of board members and the executive should be clarified.

Domain disputes and complaint resolution processes were discussed. It was noted that a policy review may be required, including a process to review panel appointments and panellist performance.

The board **AGREED** to consider a process to review the effectiveness of auDRP

**Action item** – *CEO to present policy recommendation on ICANN participation to February 2019 board meeting, paper to consider whether board should form an "international" committee*

**Action item** – *ICANN background to be included in director induction program*

**Action item** – *Paper to be prepared on review of auDRP processes and draft terms of reference for board consideration*

5.3. ICANN64

The timing and participation of directors in ICANN64 – Kobe were discussed. CL requested that directors interested in attending ICANN64, and participating in the ICANN pre-meeting briefing sessions, should provide a written EOI to the CEO.

**Action item** – *Directors to submit ICANN64 EOI*

**Action item** – *Paper on the different international fora (ICANN, APTLD, CENTR etc) to be prepared outlining auDA role and benefits of participation*

5.4. ICANN63

The board discussed how JM and JD could best report on their attendance at ICANN63. There was consensus that learnings from JM and JD should be fully shared with the board, accordingly a presentation and written submission should be prepared.

It was **AGREED** that JM and JD would provide the presentation (supported by written summary) at a dinner to proceed the February 2019 board meeting, or at an earlier meeting if it can be arranged.

**Action item** – *JD/JM to prepare presentation and written summary of ICANN63 and to prepare and submit travel diaries*

**Action item** – *Board dinner to be booked for 17 February 2019. JD and JM to present*

[REDACTED]

[REDACTED]

5.6. auDA Foundation

The board discussed potential actions to enliven the auDA Foundation and whether these actions should be taken by the current auDA Foundation board or left for a newly appointed Foundation board.

The actions to enliven the auDA Foundation were noted as being:

- Preparatory work for the appointment of new directors to auDA Foundation, including a skills-matrix for the Foundation board
- Settle the administrative and staff requirements of the auDA Foundation
- Identify potential areas of philanthropic activity that the auDA Foundation will support
- Consider the process and rules for awarding grants.

It was **AGREED** by the board that auDA Foundation should proceed to enliven its activities in preparation for making grants in the second half of calendar 2019.

**Action item** – *Preparatory work (skills-matrix, etc) for the appointment of new directors to the auDA Foundation*

**Action item** – *Recommend administrative and staff requirements of the auDA Foundation*

**Action item** – *Identify potential areas of philanthropic activity that auDA Foundation will support*

#### 5.7. Company secretarial appointment

The board received an update on company secretarial arrangements from CB. Management has requested details of potential candidates from recruitment advisers.

CB advised the board that creation of a combined Company Secretary/General Counsel position was not necessary as matters requiring legal advice were generally specialist in nature, and other queries were within the knowledge base of two admitted legal practitioners within auDA's existing team.

CL canvassed the views of the board on the company secretarial role.

The board **AGREED** that a Company Secretary appointed by auDA will also support the auDA Foundation board, all auDA board committees, and the Nomination Committee.

#### 5.8. Public interest policy

The board debated merits and difficulties of the introduction of "public interest policy" in respect of domain name licences for community information purposes.

**Action item** – *CEO to prepare memorandum for the Board on the risks and benefits of having a public interest policy in respect of domain name licences for community information purposes.*

### 6. PRP UPDATE AND PROCESS FOR PUBLIC CONSULTATION

The board received an update from CB on the Policy Review Panel's (PRP) activities. The following documents were tabled for noting by the board: Item 6.1 - Letter from the PRP dated 16 November 2018, Item 6.2 - Draft implementation model, Item 6.3 - Registrant policy recommendations, Item 6.4 - Report on working groups and Item 6.5 - Communications and engagement plan for public consultation.

The board **AGREED** that the papers prepared by the PRP (Items 6.1 to 6.4) and preparation for introduction of domain licenses within the .au name space at the second level should proceed to the further consultation phases (Phases 1 through 5) outlined in Item 6.5.

The board **AGREED** that further consultation should be prefaced with a communication from the CEO advising that auDA's board is continuing to assess the merits of introducing domain licenses within the .au name space at the second level, and is expecting to make a decision on this matter in the second half of 2019.

*Action item – CEO to prepare covering letter to release documentation for Phases 1 to 5 of the Communications and engagement plan*

*Action item – Financial/economic impact assessment to be prepared for the March 2019 board meeting, inclusive of a decision matrix to assist the board assessment of the merits of the introduction of domain licenses within the .au name space at the second level*

## 7. ADOPTION OF CORPORATE DOCUMENTS

Item 7.1 – Board approval of corporate documents was taken as read and the following documents were tabled for approval: Item 7.2 - Nomination Committee Charter, Item 7.3 - Enterprise Security Strategy (**ESS**), Item 7.4 - Corporate Policy - Process for the Development and Review of auDA published policies, Item 7.5 - Corporate Policy - DNSSEC Practice Statement, Item 7.6 - Published Policy - Mandatory Terms and Conditions Applying to .au Domain Name Licences and Item 7.7 - Published Policy - Domain, Renewal Expiry and Deletion Policy.

HR raised a query concerning GDPR compliance. CB clarified auDA's position regarding GDPR compliance. EK noted (a) legislative references to Trade Practices Act 1974 needed to be updated as this had been repealed; and (b) the ESS contained sensitive security information and ought not to be published.

The Board **RESOLVED** to approve Item 7.2 - Nomination Committee Charter, Item 7.4 - Process for the Development and Review of auDA published policies, Item 7.5 - DNSSEC Practice Statement, Item 7.6 - Mandatory Terms and Conditions Applying to .au Domain Name Licences subject to clarification / modernisation of the reference at paragraph 7.3 to the *Trade Practices Act 1974* and for Item 7.7 - Domain, Renewal Expiry and Deletion Policy to approve the amendment of paragraph 2.1 (c) as set out in the relevant Explanatory Statement published for public comment in September 2018 and that Published Policies on the auDA website come into effect 30 days after their publication.

The board **RESOLVED** to approve Item 7.3 Enterprise Security Strategy.

It was **AGREED** further discussion to be held with DOCA on the requirement to publicly publish the ESS, which is not viewed as best practice for management of security. The ESS is not approved for publication until further consideration by the board.

*Action item – further discussion to be held by auDA with DOCA on auDA's terms of endorsement and the requirement to publicly publish the ESS.*

*Action item – Updated policies to be published*

Item 7.8 – auDA Political Donations Policy – Guidelines and Principles was taken as read.

The board **ACCEPTED** the principles outlined in Item 7.8.

*Action item – auDA Political Donations Policy to be presented to February 2019 board meeting for adoption*

Item 7.9 – Stakeholder Engagement Strategy 2018-2023.

The stakeholder engagement strategy paper was tabled for consideration.

CL noted that endorsement of the board was being sought to release the proposed strategy for public comment, prior to embarking upon implementation.

EK enquired whether implementation of the strategy was incorporated in auDA's FY19 budget. It was noted that implementation of the proposed strategy would need to be incorporated into the financial forecasts.

It was noted that DOCA had some suggested inclusions for the strategy paper.

**Action item** – Stakeholder Engagement Strategy to be published after incorporating comments from DoCA and final review by the CEO.

## 8. CEO REPORT

The CEO report dated 23 November 2018 and annexures A through H were tabled for consideration.

CB highlighted:

- The success of the recent registrar summit; this was endorsed by SH who had attended the event
- Operational priorities for auDA during 2019. It was noted that the operational priorities required refinement
- The Memorandum of Understanding (**MOU**) proposed in relation to providing support to Christmas Island Domain Administration Ltd (**cxDA**) and Norfolk Island Data Services (**NIDS**)
- Re-development of auDA's website. CB noted that an RFP should be available for approval at the February 2019 board meeting
- Rollout of new CRM system is proceeding which is aimed at improving complaints handling processes and managing member/associate member engagement

Board members raised the possibility of also auDA supporting .pg.

The board **ENDORSED** auDA proceeding with the cxDA/ NIDS MOU, so long as the support provided is not contrary to auDA's constitutional objects.

**Action item** – Confirm entry into MOU is consistent with auDA's objects

**Action item** - Provision of support to .pg to be explored with DOCA and consideration whether potential activity is within auDA's objects

**Action item** – Develop website RFP for board approval

## 9. FINANCE UPDATE

Items 9.1 - Minutes of FAC held 9 October 2018, Item 9.3 – Management report, Item 9.4 – YTD profit and loss v budget, Item 9.5 – September 2018 profit and loss v budget, Item 9.6 – Investment portfolio – auDA and Item 9.7 – Investment portfolio – auDA Foundation were tabled for noting.

Item 9.2 – Finance report September 2018 was tabled for adoption.

The CFO provided a brief response to board member queries regarding financial performance year to date including an update on the revenue recognition methodology applied from 1 July 2018 for management reporting and the improved cash generation of auDA highlighted in Section 5 Cashflow on page 7 of Item 9.2 – Finance report September 2018.

The board **ADOPTED** Item 9.2 the Finance Report for September 2018.

## 10. MARKETING FUND APPLICATIONS

Item 10.1 - a listing of marketing fund applications was tabled for noting. The board was also provided with copies of auDA's template agreements for grant and voucher scheme funding for noting.

Item 10.2 application for a marketing grant was tabled for approval.

The board discussed the marketing fund guidelines and general requirements for measuring return on investment (**ROI**); the board agreed the general principles that funding must be targeted

to grow the .au name space and that auDA should continue to refine the guidelines for awarding funding and metrics for measuring ROI outcomes.

The board **APPROVED** the application for funding as set out in the application.

*Action item – Develop framework for evaluation of program effectiveness*

*Action item – Review guidelines for awarding grant funding*

**11. CHANGE IN CONTROL OF AFILIAS AUSTRALIA PTY LTD**

Item 11.1 – Board approval of Afilias Australia Pty Ltd change in control was tabled for consideration with Item 11.2; a presentation on the changes in the Afilias Group's structure.

The board **APPROVED** auDA providing formal consent to the change in control of Afilias Australia Pty Ltd from Afilias Plc to Afilias, Inc, Delaware, USA.

*Action item – Consent letter to Afilias Australia Pty Ltd to be drafted and issued in accordance with terms of the RLA*

**12. OTHER BUSINESS**

Two items were tabled by board members for consideration.

EK raised the matter of the Australian Strategic Policy Institute (ASPI) project.

*Action item – Paper on ASPI project to be prepared by EK, JD and NP for consideration by the board*

CL noted that the CFO has submitted a request to the Finance and Audit Committee (**FAC**) in respect of a capital acquisition not included in the FY19 budget, being the purchase of three (3) new Hardware Signing Modules (**HSM**).

The CFO provided a brief overview of the reasons for the replacement of the existing hardware, the use of the HSMs and the expenditure.

The board **APPROVED** capital expenditure of \$75,000 (excluding GST) for the purchase of three (3) HSMs as outlined in the paper submitted to the FAC.

*Action item – Purchase order for acquisition to be raised by IT team and approved*

**13. REVIEW MEETING – FEEDBACK TO THE CHAIR**

It was noted that this item would be deferred to the next meeting.

**14. BOARD CALENDAR AND NEXT MEETING**

**Item 14.1 Next Board meeting**

The next Board meeting is presently scheduled for Monday 18 February 2019.

The Board **AGREED** that the next Board meeting would be Monday, 18 February 2019.

*Action item – Placeholders to be sent to directors in respect of 2019 meeting schedule – JRS/SB*

**15. IN CAMERA SESSION**

An *in camera* session was not held

**16. CLOSE OF BUSINESS**

There being no further business the chair closed the meeting at 5.05 pm (Melbourne time).

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

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**Chair**

**Date**