

Ordinary General Meeting

June 8, 2018

Minutes

afnic

Afnic members held an ordinary general meeting in the premises of "L'Espace Vinci", 25 rue des Jeuneurs 75002 Paris on June 8, 2018 at 10:00.

Notice of the meeting, which included the agenda, had been sent electronically to all the members on May 15, 2018.

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
- ✓ 2017 Annual Report
- ✓ Presentation of the Annual Accounts
- ✓ Statutory Auditor's Report
- ✓ Approval of the financial statements for 2017 and appropriation of income
- ✓ Election of a trustee representing the Users and a trustee representing the Registrars
- ✓ Miscellaneous

Attendees

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

40 members were present or represented, including 37 entitled to take part in the voting.

1 founding member, represented by 2 Afnic trustees:

1. INRIA, represented by Mr. Emmanuel Sartorius
2. INRIA, represented by Mr. Luc Saccavini

8 Registrar members:

1. CLARANET, represented by Ms. Sophie Pacave
2. DATAXY, represented by Mr. Bernard Dulac
3. DOMAINOO, represented by Ms. Emilie Dessens having authorized Mr. Eric LANTONNET to act on her behalf
4. DOMRAIDER, represented by Mr. Tristan Colombet
5. EPISTROPHE, represented by Philippe Batreau
6. NAMEBAY, represented by Mr. Eric Lantonnet
7. ORANGE, represented by Mr. Matthieu Devaux, having given power of attorney to Ms Sophie Jean-Gilles
8. SAFEBRANDS, represented by Mr Frédéric Guillemaut

6 user members, corporations:

1. ASSOCIATION E-SENIORS, represented by Mrs Anne-Marie Bachollet
2. BIBLIOTHEQUE NATIONALE DE FRANCE, represented by Mr. Pascal Tanesie
3. PARIS IDF REGION chamber of commerce and industry, represented by Mrs Sandrine Rol
4. CIGREF, represented by Mr. Henri d'Agrain
5. FEDERATION FRANCAISE DU BATIMENT, represented by Mr Clément Vuillemin
6. ISOC France, represented by Mr Nicolas Chagny

6 user members, individuals:

1. Mr. Sébastien Bachollet
2. Mr Sourakatou Ramanou Biaou
3. Mr Nicolas Chagny
4. Mr. Benjamin Louis
5. Ms Elisabeth Porteneuve
6. Mr David-Irving Tayer, having given power of attorney to Mr Benjamin Louis

2 honorary members (non-voters):

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

16 correspondent members of the International College:

1. ARCEP Burkina Faso, represented by Mr. Serge Roland Sanou
2. ARPCE, represented by Mr Jean Philémon Kissangou (non-voting)
3. ARTCI, represented by Mr. Landry Kouadio
4. ARTEC Madagascar, represented by Mr. Jean Rakotomalala
5. CAMTEL, represented by Mr. Oumarou Mounpoubeyi
6. CNI, represented by Mr. Félix Ndayirukiye
7. RESAUTIC CENTER, represented by Mr. Nicolas Raft Razafindrakoto
8. COMMUNICATION AND INFORMATION INSTITUTE, represented by Mr. Vojo Spahiu
9. IT-NUM, represented by Mr Wilfried Quenum
10. INPHB, represented by Mr. Souleymane Uttanaga
11. NIC MADAGASCAR, represented by Mr. Lala Andriamampianina
12. NIC MAURITANIA, represented by Mr Ahmed-Salem Cheikh
13. NIC SENEGAL, represented by Mr Boubakar Barry
14. SAN, represented by Mr. Agim Cami
15. SECNET, represented by Mr. Janvier Ngnoulaye
16. WEBNETAFRICA, represented by Ms. Ntumba Rita Tshimanga

Also attended the general assembly:

- ✓ Mr. Olivier Souillard, Statutory Auditor, AUDIT France
- ✓ Mr Georges Fischer, as Chair of the Nomination Validation Committee

Afnic:

- ✓ Mr. Pierre Bonis, CEO
- ✓ Ms. Sophie Canac, Member Services Manager
- ✓ Ms. Clémence Davoust, Event Manager
- ✓ Mrs Maëlle Dong, communication officer
- ✓ Ms. Pascale Gatti, Purchasing and Finance Director
- ✓ Mr. Hervé Martin, Director Human Resources, QVT and Legal Affairs
- ✓ Ms Isabel Toutaud, delegate to the Afnic Foundation for Digital Solidarity
- ✓ Mr Pascal Vella, Digital Community Manager

Minutes

Preamble

Although the general assembly was devoted to examining what happened to Afnic in 2017, Emmanuel Sartorius gave the floor to Pierre Bonis who paid homage to Stéphane Van Gelder, who died in 2018 and who had been an Afnic trustee from 2004 to 2010.

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.

2. Appointment of a Recording Secretary and a Scrutineer

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

3. 2017 Annual Report

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

He began by recalling the [issues of 2017](#) as identified one year ago:

- ✓ Completing Afnic's plan and making the association a reference player in consulting and support for online presence, in particular with the new *réussir avec le web* system.
- ✓ Relaunch the dynamic of *.fr* creations in order to reinforce the growth of the national extension.
- ✓ Integrate a new TLD, the intention being to develop the portfolio of gTLDs operated by Afnic without waiting for the next Ican round.

The priorities for 2017 were as follows:

- ✓ [Free time and resources](#) by continuing cost control and increasing work on continuous improvement by targeting internal efficiency.
- ✓ [Maintain the vitality of business](#) by consolidating efforts to promote the *.fr* in order to relaunch creations (more than 1,000 creations in addition to Afnic's monthly average for the *.fr*) and by strengthening the commercial presence around gTLDs to extend our customer portfolio.
- ✓ [Prepare for tomorrow's growth](#) by focusing on 3 areas:
 - Establish and validate the *.fr* development plan for 2017-2022: this work is currently being finalized.
 - Build a competitive SRS, launch work on the renewal and modernization of our information system.
 - Innovate in the Internet of Things sector, which has been a priority of our R&D work for the past 2 years.

In terms of [Cost control](#), there was a decrease in costs for gTLDs in 2017 and a relative stability of costs for the *.fr*.

Regarding the continuation of the work on the [modernization of the Information System](#), this is done through a major project over several years aimed at an in-depth modification of our registration system.

Finally, [the renewal of the ISO 27001 certification](#) for the *.fr* information system in 2017, in parallel with the continuous improvement and progressive reduction of risks that are part of the day-to-day work of the teams, are contributing to make the *.fr* more stable and secure.

The *.fr* grew 5.2% in 2017, the renewal rate was 83% which was a very good rate for the *.fr* which in general was more around 81%. This meant the *.fr* saw the strongest growth of all the ccTLDs in Europe.

2017 was therefore a year in which Afnic regained the registration vitality it had not seen for four years.

The *réussir avec le web* system had been thought out and discussed with the members during the consultation committees for several months. It was launched in September 2017. This system works through partnerships. It is a self-diagnostic tool offered to our registrar partners in the first place and then to Chambers of Commerce and Industry, Chambers of Trades and Crafts, professional associations and government services. The tool is intended to assess digital maturity and is specifically designed for very small businesses, craft workers and retailers.

For example *the Digitizers*, an initiative of the chambers of commerce and industry to assess and support companies in their digital transformation, had adopted the *réussir avec le web* tool as part of their assignment.

Afnic continued its awareness-raising activities for VSEs and SMEs through workshops such as *foliweb* but also through its presence at fairs such as the Salon des entrepreneurs. Afnic succeeded to raise the awareness of more than 12000 VSEs in 2017, thus achieving the goal it had set itself to raise awareness about online presence and the usefulness of domain names for over 1000 VSEs / SMEs per month. The *foliweb* organized 2 to 3 times a month workshops in Paris and in the provinces.

2017 had been a good year for the *.fr* and consequently for the Afnic Foundation for Digital Solidarity and the projects it will have to select in the future.

gTLD activity experienced a decline in revenue of 6%, mainly due to a sluggish year for the *.Paris* extension. The *.Paris* should see an upswing in 2018. The *.ovh* was the first extension in terms of volume and was relatively volatile because it was inexpensive. One of the extensions that had experienced very strong growth is the *.bzh*, which grew more than 10% in 2017. The growth reservoir of geoTLDs is still large even if they were not progressing as fast as one might like. Their renewal rate showed the stability of these extensions compared with the other new extensions.

Afnic expanded its gTLD portfolio at the end of 2017 by recovering the management of the *.museum*. If Afnic had already accompanied customers in opening a new extension, this was the first time that Afnic had recovered the management of an extension from another back-end registry. In addition to having convinced the customer, it demonstrated Afnic's ability to offer a technical registry operator solution that was competitive compared with those of its competitors.

Afnic's internal organization also had to evolve in 2017 following the change in Chief Executive Officer. The Management Committee had been strengthened by the creation of two new departments:

- ✓ **The Partnerships and Innovation Department**, demonstrating Afnic's intention to identify and embody innovation beyond R&D and to assert the fundamentally partnership nature of innovation initiatives. This department also cover the development of Afnic's consulting services. This business was developing slowly, focusing on gTLD registries, but also more recently on ccTLD registries, particularly on the African continent. (For information, Benoit Ampeau was appointed Director of Partnerships and Innovation in April 2018).
- ✓ The changes of Afnic's activities, but also major projects such as the upgrade of the association's information system, meant that Afnic had to have better skills management and career development, to ensure the attractiveness of Afnic as an employer in a highly competitive market. **The HR, Quality of Life at Work and Legal Affairs department** was created to give a more strategic dimension to this activity. (For information, Hervé Martin was hired in May 2018 as Director of the Human Resources, Quality of Life at Work and Legal Affairs department).

The project to modernize Afnic's information system, named the **AVENIR project**, started in 2017.

Our high-performance information system worked well and remained attractive even after 20 years. The question arose as to whether it was better to change step by step by reducing the technical debt or to start with a blank page to do something with Afnic's business skills and to release a new, more agile information system. The decision was taken to develop a new operating system on which business activities would, at some point, be switched.

The project had 3 main objectives:

- Reduce the costs of the Registry System and its operational operation.
- Respond to market developments by improving the flexibility of the roadmap and reducing delivery times.
- Strengthen the resilience of the system and its capacity for growth, both in terms of its architecture and in adapting to the requirements and expectations of our ecosystem (Security, I&L, NIS, etc.). Taking security and privacy protection into account by design.

In 2017, Afnic worked on several hypotheses and possibilities for this project. Discussions were held with counterparts, which allowed us to learn from many who had already embarked on the redesign of their information system. Work with partners was also considered. The decision was finally made at the end of 2017 to undertake internal developments, which would rely as much as necessary (in addition to the work of Afnic teams) on external providers, such as for web interfaces.

The [Afnic Foundation for Digital Solidarity](#), which is hosted by the Fondation de France, is managed independently of Afnic. The second call for projects took place in 2017 and the third is ongoing. In 2 years, 650 applications had been received and 70 projects selected were funded for a total amount of € 1,745,000.

The main topics selected to select the projects were:

- ✓ Digital technology to strengthen social cohesion
- ✓ Digital technology to support the changes in our society
- ✓ Access to digital technology to promote the social or professional integration of isolated population groups
- ✓ Digital technology, as a means to improve the effectiveness of operations

Some projects could be funded over several years.

Afnic donated 90% of the profits generated by its Registry business to the Foundation, representing an appropriation of some 1,594,895 euros for the 2017 financial year, once the general assembly has approved the accounts.

Emmanuel Sartorius gave the floor to Pascale Gatti for the presentation of the 2017 accounts.

4. Presentation of the Annual Accounts

Pascale Gatti presented the figures for 2017. Afnic's annual accounts and tax returns were sent to the members before the general meeting.

Operating income was growing and sales revenue had stabilized at around € 16 million at the end of 2017. 2017 was marked by strong growth in the *.fr* but sluggish growth in gTLDs and consultancy services.

With regard to operating expenses, on-going cost control helped to stabilize and even reduce these costs. It should be noted in 2017 a high turn-over and recruitment difficulties had led to a decrease in the payroll, as well as a tax effect on the discontinuation of exceptional depreciation.

Afnic realized a profit on closing its annual accounts with a net profit of 532,842 euros accounting for 3.2% of operating income.

The *.fr* had experienced a 1.9% growth in sales revenue while that of the ccTLDs for Overseas France had decreased by 6.6%. Regarding gTLDs, despite a decrease of 6.5% in sales revenue, good cost control resulted in a figure for operating income that was close to equilibrium. The gTLD segment accounted for 6.5% of Afnic's sales revenue.

ISD investments in 2017 mainly concerned infrastructures designed to enhance the security and stability of the Internet domain, and the renewal of computer equipment to a lesser extent. Investments remained stable and related operating expenses increased by 2.6% in 2017.

Headcount remained stable but this did not reflect the reality of recruitment activities. In 2017, Afnic had a historic turnover of 11.5%. 9 employees left in 2017, their positions being filled by internal promotion and the hiring of employees despite difficulties in recruitment.

Afnic continued to reconstruct its association funds, which, after appropriation of profit by the general assembly, would amount to 7.5 million euros, covering 12 months of personnel and accommodation costs (data center and premises).

The profitable results of recent 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 *.fr* and the confidence of the government in Afnic's management of the *.fr*, which had been marked by the renewal of the association's 5-year term of office. These results had been obtained while maintaining a high level of customer satisfaction, as evidenced by the association's latest satisfaction survey.

Afnic was obtaining the means to serve its 2018 objectives of reviving the vitality of the namespaces other than the *.fr*, the renovation of its information system and constant improvement of its multi-register service offering.

5. Statutory Auditor's Report

See the general report of the statutory auditor on the annual accounts closed on 31/12/2017 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. Olivier Souillard, certified that the 2017 financial statements:

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| ✓ Balance-sheet total | 23,047,996 euros |
| ✓ Income statement indicating a surplus of | 532,842 euros |

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

Mr. Olivier Souillard 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.

Mr. Mathieu Weill, CEO of Afnic until April 30, 2017, was a trustee of the Netnod company, an Afnic provider. The amount allocated for same during the year was 1,152,000 Swedish kronas or 119,926 euros.

As from the General Meeting of June 10, 2016, Mr. Benjamin Louis had been elected to the User College for a two-year term. In addition to his duties as trustee, Mr. Benjamin Louis managed the *.alsace* within the Alsace Attractiveness Agency. The amount allocated for same during the year was 2,700 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 2017 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 2017 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, 2017.

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" account:

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

To allocate to the "other reserves and working capital" account the net accounting profit for the year ended December 31, 2017 of 532,842 euros.

→ *The resolution was unanimously adopted*

7. Election of a trustee representing the Users and a trustee representing the Registrars

Emmanuel Sartorius thanked Tristan Colombet who after 2 years on the Afnic Board of Trustees as representative of the registrars did not wish to renew his candidacy in view of his professional activities. The Board of Trustees wished to express its gratitude to him for his contribution.

Two positions are available on the Board of Trustees, one by one representative of the Users' college and one by a representative of the Registrars' college.

Benjamin Louis was candidate to his own succession for the Users' college and Frédéric Guillemaut, representing SafeBrands was a candidate for the registrars' college.

Georges Fischer presented to the members of the association the report of the Application Validation Committee consisting of himself as chair, Sébastien Bachollet, as an elected representative and Loïc Dufлот, as an appointed trustee.

The two applications received fulfilled the necessary formal requirements. On the merits, the two candidates had already been Afnic trustees and the committee had not identified a conflict of interest that could lead to inadmissibility.

The two applications had not been the subject of requests for additional information and were declared admissible. The committee has no reservations about the quality of the candidates and their ability to serve as Afnic trustees.

The candidates took the floor for a few minutes to express their motivation and intentions if elected.

Isoc Society France, user member, took the floor to announce that its Board of Directors supports the candidacy of Benjamin Louis and thanked him for his involvement in representing users for 2 years.

Polling stations were formed and the members of the user and registrar colleges voted for their respective colleges.

Emmanuel Sartorius announced the result of the elections:

For the registrars' college, SAFEBRANDS, represented by Frédéric Guillemaut, was elected after the 1st round of voting for a term of 4 years with 8 votes out of 8 voters.

For the users' college, Benjamin Louis was elected after the 1st round of voting for a term of 4 years with 12 votes out of 12 voters.

The Chair thanked the newly elected trustees for their candidacies and reminded members that it was important for them to be involved in the association.

He reminded those present that at the next General Assembly in 2019, the members of the International College would have to elect their representative on the Afnic Board of Trustees.

Closing

The formal part of the ordinary general assembly being closed, Emmanuel Sartorius indicated that this year Afnic was celebrating its 20th anniversary. The founding members who had accompanied the association since its creation are: INRIA, the ministry in charge of research, the ministry in charge of the economy. Among its current members, 9 members had accompanied Afnic for 20 years: the NIC MAURITANIA, a member of the international college; the Paris Ile de France regional Chamber of Commerce and Industry, CIGREF, the France chamber of commerce and industry and François VIGNERON, user members; CLARANET, NAMESHIELD, NORDNET and RENATER, registrar members. He thanked the members for their loyalty and their participation in the smooth running of the association.

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

Drawn up this day in Paris, on June 8, 2018.

Emmanuel Sartorius
Afnic Chair

Sébastien Bachollet
Scrutineer, Afnic member

Sophie Canac
Recording Secretary