

*Extraordinary General
Meeting*

20 November 2019

afnic

On 20 November 2019 at 2.10 pm, AFNIC members met in extraordinary general meeting at the offices of AFNIC at 1, Rue Stephenson, 78180 Montigny-le-Bretonneux.

Convocation to the meeting, containing the agenda, has been sent on 29 October 2019, digitally, to all members.

The date and place of the assembly, the agenda and the working documents (the proposed amendment to the statutes), were available for consultation in the members' area <https://members.afnic.fr>

Agenda

1. Amendment of Article: 14 "Board of Trustees – functioning" of the Articles of association,
2. Setting of a maximum annual budget to cover trustees' compensation for 2020.

Upon entry to the meeting, each member signed an attendance form, which can be consulted at the AFNIC Members service.

Attendees

33 members were present or represented, 31 of whom were entitled to vote:

1 founding member, represented by 2 AFNIC trustees:

- INRIA, represented by Mr Godefroy BEAUVALLET
- INRIA, represented by Mr Luc SACCAVINI

7 Registrar members:

- DOMAINIUM, represented by Mr Philippe BATREAU having given power to Mr Eric LANTONNET
- DOMAINOO, represented by Ms Emilie DESSENS having given power to Mr Eric LANTONNET
- GANDI, represented by Mr Arnaud FRANQUINET
- NAMEBAY, represented by Mr Eric LANTONNET
- NORDNET, represented by Mr Francis PIET having given power to Mr Scott JUNG
- ORANGE, represented by Mr Matthew DEVAUX, having given power to Ms Sophie JEAN-GILLES
- ORDIPAT, represented by Mr Olivier BARLOY having given power to Ms Sylvie DESTENAVE
- SAFEBRANDS, represented by Mr Frédéric GUILLEMAUT

5 user members, corporations:

- Association E-seniors, represented by Ms Anne-Marie BACHOLLET
- CCI Métropolitaine Bretagne Ouest represented by Mr Franck BELLION having given power to Ms Anne-Marie BACHOLLET
- CIGREF represented by Mr Henri d'AGRAIN having given power to Mr Godefroy BEAUVALLET
- Fédération Française du Bâtiment represented by Mr Clément VUILLEMIN having given power to Ms Anne-Marie BACHOLLET
- ISOC France, represented by Mr Nicolas CHAGNY

11 user members, individuals:

- Mr Hervé AUDIC having given power to Mr Antoine BOUTIGNON
- Mr Sébastien BACHOLLET
- Mr Antoine BOUTIGNON
- Mr Nicolas CHAGNY
- Ms Eugénie CHAUMONT having given power to Mr Antoine BOUTIGNON
- Mr Clément GENTY giving power to Mr Sébastien BACHOLLET
- Mr Benjamin LOUIS
- Ms Yuliya MORENETS having given power to Mr Benjamin LOUIS
- Ms Elisabeth PORTENEUVE
- Mr Jean-Benoit RICHARD having given power to Ms Elisabeth PORTENEUVE
- Mr David-Irving TAYER having given power to Ms Elisabeth PORTENEUVE

6 corresponding members of the International College:

- CAMTEL represented by Mr Oumarou MOUNPOUBEYI, having given power to Mr Sébastien BACHOLLET
- CNI represented by Mr Félix NDAYIRUKIYE, having given power to Mr Nicolas CHAGNY
- COMORES TELECOM represented by Mr Ali Hadji MMADI, having given power to Mr Souleymane OUMTANAGA
- IT-NUM represented by Mr Wilfried QUENUM, having given power to Mr Frédéric GUILLEMAUT
- INPHB, represented by Mr Souleymane OUMTANAGA
- JENY SAS represented by Mr Jacob AKINOCHO, having given power to Mr Souleymane OUMTANAGA

2 honorary members (without voting rights):

- Mr Jean-Yves BABONNEAU
- Ms Annie RENARD

Also attending the General Meeting:

- Mr Pierre BONIS, CEO of AFNIC
- Ms Sophie CANAC, Member Services Manager, AFNIC
- Ms Clémence DAVOUST, Events Communication Manager, AFNIC

Minutes

1. Opening by the Chair

The ordinary general meeting lawfully convened, the Chair Mr Godefroy Beauvallet opened the session. He welcomed participants and reminded them that, in accordance with the statutes, an Extraordinary General Meeting had first been called for 28 October 2019. The quorum not having been met, the General Meeting was convened today at second call. An amendment to the statutes must be approved by three quarters of the members present and represented.

2. Appointment of a Recording Secretary and a Scrutineer

Ms Sophie Canac, Member Services Manager, and Ms Clémence Davoust, Events Communication Manager, were appointed as secretary to the meeting and scrutineer respectively.

3. Explanations

Godefroy Beauvallet reminded the meeting of the context leading to the proposal to amend the articles of association. The Association had indeed made increasing demands of the trustees over the years, the workload was substantial and committees had been put in place to cope with this workload and the growing number of studies associated with the Association's evolving obligations. The proposed compensation would also strengthen the attractiveness of the AFNIC Board, while the sums were reasonable and did not call into question the disinterested nature of the trustees' management of AFNIC.

In 2018 and 2019, several discussions had taken place within the Board, the Consultative Committee and the General Meeting concerning the attractiveness of the Association and in particular of its Board.

- Meeting of the Consultative Committee of 12 October 2018
- Meeting of the Consultative Committee of 2 April 2019
- General Meeting of 14 June 2019

It was on the basis of members' opinions expressed in these various bodies and of the legal, accounting and tax analyses provided by AFNIC's law firm and auditors that, in its meeting of 26 September 2019, the Board had decided to submit to the General Meeting this proposed amendment to the articles (Article 14) and establishment of a maximum annual budget for compensation of the trustees.

Godefroy Beauvallet reminded members of the main principles agreed upon concerning the establishment of trustees' compensation:

- Compensation would only be for elected board members (not founding members) i.e. for 50% of trustees
- Compensation would not exceed $\frac{3}{4}$ of the SMIC (French legal minimum wage)
- Compensation would be based on an assessment of the number of working days asked of trustees
- Compensation is subject to the trustees' diligence
- The principle and limit of this compensation would be validated by the General Meeting, while the Board of Directors would decide on the precise methods of implementation.
- The cost will be included when preparing the 2020 budget. The cost is limited and deductible.

Pierre Bonis informed members of the benchmarking data that he had managed to obtain on the basis of informal discussions with his counterparts in other European registries. These data showed that there was no standard practice among registries but that several of them did compensate their trustees. For reasons of confidentiality, the details would not be reported in the minutes.

Pierre Bonis then presented the methods of implementation of the AFNIC trustees' compensation should the General Meeting of members pass the proposed resolutions submitted to it today. These details had been the subject of an explanatory note sent to members together with the convocation for the General Meeting.

In order for this compensation for elected trustees to be put in place it was necessary that the General Meeting of members of the Association pass both proposed resolutions in order, on the one hand, to amend Article 14 of the articles so as to make trustees' compensation possible and, on the other, to establish the overall maximum amount to be allocated to this compensation for the year 2020.

If the General Meeting voted in favour, then the Board would have to validate an amendment to the Rules of Procedure to set out the details of its implementation.

The following explanations, complementary to those already provided in the Ordinary General Meeting of 14 June 2019, should enable members to make an informed decision and to understand the proposed methods, which would be described in the Rules of Procedure.

Establishment of a maximum annual budget by resolution of the General Meeting

AFNIC may compensate elected trustees who so request within a maximum budget of €52,500 excl. tax approved by the Annual General Meeting called to ratify the financial statements. The amount approved is to be equitably distributed among the trustees so requesting and subject to their diligence. None of the five elected trustees may receive more than one fifth of this budgeted amount.

It is proposed that the Extraordinary General Meeting approves a budget of €52,500 excl. tax for the year 2020.

The Ordinary General Meeting of June 2020 would establish the maximum budget for the year 2021.

On the occasion of the approval of the financial statements, all compensation received by the trustees concerned shall be reported to the members of the association. This information will appear in the statutory auditor's report which is issued before each Ordinary General Meeting in June.

Methods of calculating the maximum annual budget

The budget proposed for approval by the General Meeting has been calculated as follows:

- Estimate of the charge of 15 man days per year corresponding to 5 Board members (10 days), 2 Consultative Committee (CC) members (3 days), or one International College (IC) member for the representative of the international corresponding members who are not part of the CC (3 days), 1 seminar (2 days).

College	Q1	Q2	Q3	Q4
Registrars/Users	3.5 dd	4.5 dd	3.5 dd	3.5 dd
IC	2 dd	7 dd	4 dd	2 dd

Diligence expected (validated by attendance sheets, Board attendance = 2 dd, CC attendance = 1.5 dd, IC attendance = 3 days)

- Participation in the various Board committees is included within the 10 Board days.
- Attendance at the General Meeting does not form part of the all-in calculation, since a Board meeting is systematically held on the same day.
- The all-in compensation per day is estimated at €700 excl. tax, corresponding to an average senior flat fee.

The maximum sum that can be paid to a trustee is therefore €10,500 excl. tax

Payment may be made quarterly, giving a maximum of €2,625 per quarter.

By default, payment will be made at the end of each quarter, unless the Chair decides otherwise (see obligation of diligence).

Obligation of diligence

The Chair, after verification of attendance sheets, may decide to:

- withhold 20% of the amount to be paid at the end of the quarter in the event of inexcused absence and not having assigned power of representation at one of the quarterly meetings.
- withdraw quarterly payments in the event of inexcused absence and not having assigned power of representation at two or more of the quarterly meetings.
- In this case, the trustee shall be individually informed of this decision by the Chair by email.

Means of payment

AFNIC will recognise this expense under the heading “fees”. The trustees receiving this compensation must account for it as *Bénéfices non commerciaux* (BNC, or non-commercial earnings). The trustees concerned shall make arrangements to pay any taxes and social contributions due in this respect.

Godefroy Beauvallet noted that the international benchmarking had revealed a wide range of different practices and added that the proposal submitted to members represented a balanced middle way. He then invited members so wishing to take the floor.

Jean-Yves Babonneau, former CEO of AFNIC and honorary member of the Association without voting rights said he wished to confirm his position as already stated to members in the Ordinary General Meeting of June 2019. He confirmed that the implementation of compensation for trustees seemed to him complex and unnecessary and that he was opposed to the proposals submitted to members’ vote.

Godefroy Beauvallet replied that the proposal made to compensate the work performed by the trustees was reasonable and ethical in both amount and form.

Nicolas Chagny, Chairman of ISOC (Internet Society) France, member of the AFNIC “Users” Consultative Committee, added that the problem raised was fairly representative of the issues faced generally by associations in France. He said that he had found, being directly involved in ISOC France, that one of the limits encountered was the time that people were able to devote to their office, and that this time had a cost for them. The proposal made was extremely reasonable and allowed people who spent time and effort on AFNIC to be compensated. He supported the proposals made and would vote in favour.

As no other member asked to speak, Godefroy Beauvallet put the proposed resolutions to the vote.

The majority required for an amendment of the articles by this General Meeting was three quarters of the members present and represented. 33 members were present and represented, 31 of them with voting rights. It was decided to count votes against and abstentions by a show of hands.

4. Amendment of Article 14 “Board of Trustees – functioning” of the Articles of association

It was proposed to:

delete the present last paragraph:

“Board members may not receive any compensation in respect of the functions entrusted to them. Expenses may be reimbursed against presentation of supporting documentation.”

and replace it with:

“The elected board members may receive compensation for the functions entrusted to them, within the limits set annually by the Association's General Assembly. This compensation must be requested. Its payment is subject to the attendance of the elected board members under the control of the President. The terms and conditions of this remuneration are specified in the Afnic rules of procedure. Expense reimbursements are possible for all board members, upon presentation of supporting documents.”

Godefroy Beauvallet submitted the proposed resolution to members' vote.

Resolution 1

Having taken due note of the documents provided and following additional oral explanations, the General Meeting approved the new version of the AFNIC articles of association as presented.

There were no votes against, one abstention and thirty votes in favour. This resolution was duly adopted.

5. Setting of a maximum annual budget to cover trustees' compensation for 2020

Godefroy Beauvallet submitted the proposed resolution to members' vote.

Resolution 2

Having taken due note of the documents provided and following additional oral explanations, the General Meeting set the maximum budget for the compensation of elected trustees so requesting at €52,500 excl. tax for the year 2020. The amount is to be equitably distributed among the trustees so requesting and subject to their diligence. None of the five elected trustees may receive more than one fifth of this budgeted amount.

There were no votes against, one abstention and thirty votes in favour. This resolution was duly adopted.

The agenda being completed, the meeting ended at 3pm.

Drawn up in Montigny-le-Bretonneux, on 20 November 2019.

Godefroy BEAUVALLET
President of AFNIC

Clémence DAVOUST
Scrutineer

Sophie CANAC
Session Secretary