

*Annual General
Meeting*

June 7, 2013

afnic

AFNIC members met on June 7, 2013 at 10:00 a.m. at the Centre de Conférences Étoile Saint Honoré, 21-25 rue Balzac, Paris 8^{ème} for their annual general meeting.

Notice of the meeting, which included the agenda, had been sent electronically to all the members on May 15, 2013.

The date and place of the meeting, the agenda as well as the working papers (including the 2012 activity report and the financial statements for the year ended 12/31/2012) were available in the members area of the Afnic website (<http://www.afnic.fr>).

Agenda

- ✓ Opening speech by the Chairman
- ✓ Appointment of a Recording Secretary and a scrutineer
- ✓ 2012 annual report
- ✓ Presentation of the financial statements
- ✓ Auditor's report
- ✓ Approval of the financial statements for 2012 and appropriation of operating surplus
- ✓ Presentation of/discussion on the Support fund for the development of the Internet
- ✓ Elections

On entering the meeting room, each member signed an attendance sheet, available at the Afnic Secretariat, and was provided with an electronic version of the 2012 annual report.

Attendees

55 members were present or represented, including 47 entitled to take part in the voting.

- ✓ **1 founding member, represented by 2 Board members:**
 - INRIA, represented by Jean-Pierre Dardayrol, Chairman of the Board
 - INRIA, represented by Stéphane Ubéda

- ✓ **16 registrar members:**
 - Ascio Technologies Inc., represented by Eric Lantonnet
 - Business Domains, represented by Fabien Riehl
 - Connection SA, represented by M. Thierry Wilhelm, who had given a proxy to Jean-Benoît Richard
 - Dataxy, represented by Bernard Dulac



- Epistrophe, represented by Philippe Batreau
 - EuroDNS SA, represented by Lutz Berneke, who had given a proxy to Luc Seufer
 - France Telecom Orange, represented by Didier Delabre, who had given a proxy to Sophie Jean Gilles
 - IP Twins SA, represented by Sylvain Hirsch, who had given a proxy to Sophie Jean-Gilles
 - Key Systems GmbH, represented by Alexander Siffrin, who had given a proxy to Luc Seufer
 - Mailclub, represented by Frédéric Guillemaut
 - Namebay, represented by Jean-Paul Bechu, who had given a proxy to Emmanuelle Heuleux
 - Nameshield, represented by Jean-Paul Bechu, who had given a proxy to Emmanuelle Heuleux
 - Nordnet, represented by Francis Piet, who had given a proxy to Eric Lantonnet
 - PagesJaunes, represented by Thibault De Rochegond, who had given a proxy to Richard Coffre
 - SFR, represented by Serge Ribeiro
 - Viaduc, represented by Mickael Esnault, who had given a proxy to Luc Seufer
- ✓ **11 user members, legal entities:**
- 3SI, represented by Béatrice Defosse, who had given a proxy to Jean-Claude Gorichon
 - ACFCI, represented by Thierry Hinfray
 - ACSEL, represented by Gérard Ladoux, who had given a proxy to Georges Fischer
 - BNF, represented by Clément Oury
 - CCIR Paris Ile-de-France, represented by Georges Fischer
 - CIGREF, represented by Jean-François Pépin, who had given a proxy to Sébastien Bachollet
 - FFB, represented by Patrick Duchateau, who had given a proxy to David-Irving Tayer
 - GESTE, represented by Laure de Lataillade, who had given a proxy to Gérard Dantec

- Haas Avocats, represented by Gérard Haas, who had given a proxy to Laurent Goutorbe
 - INPI, represented by Fabrice Claireau, who had given a proxy to Michelle Pagès
 - ISOC France, represented by Gérard Dantec
- ✓ **7 individual user members:**
- Sébastien Bachollet
 - Florian Maury
 - Elisabeth Porteneuve, who had given a proxy to Jean-Christophe Vignes
 - Rina Singer, who had given a proxy to David-Irving Tayer
 - David-Irving Tayer
 - François Vigneron
 - Jean-Christophe Vignes (non-voting)
- ✓ **3 honorary members (non-voting) :**
- Annie Renard, former IT Manager of Afnic
 - Jean-Claude Gorichon, former chairman of the Board of Afnic
 - M. Jean-Yves Babonneau, Former CEO of Afnic, who had given a proxy to Mathieu Weill
- ✓ **17 members correspondents of the international College:**
- AGNIC, represented by Abdoulaye Diakité
 - ARCEP Burkina Faso, represented by Serge Roland Sanou (non-voting)
 - Bénin Télécoms, represented by M. Abdoul-Akim Adjibola (non-voting)
 - CAMNET, represented by Oumarou Mounpoubeyi
 - CNI, represented by Félix Ndayirukiye
 - Centre Resautic, represented by Nicolas Raft Razafindrakoto
 - Comores Télécoms, represented by Ali Hadji MMadi, who had given a proxy to Alex Corenthin

- Communication and Information Institute, represented by Vojo Spahiu
 - IT-NUM, represented by Wilfried Quenum (non-voting)
 - NIC Madagascar, represented by Lala Andriamampianina,
 - NIC Mauritanie, represented by Ahmedou Ould Haouba
 - NIC Niger, represented by Adamou Iro
 - NIC Sénégal, represented by Alex Corenthin
 - NV Consulting, represented by Victor Ndonnang
 - SAN, represented by Agim Cami
 - SECNET, represented by Janvier Ngnoulaye (non-voting)
 - SOTEL, represented by Albéchir Djékalé Koumdé
- ✓ **Other participants:**
- INRIA, represented by Emmanuel Sartorius
 - Christian Detré, auditor
 - Afnic: Mathieu Weill - CEO, Pierre Bonis, Alain Caristan, Marine Chantreau, Isabelle Loupot, Virginie Navailles, Isabel Toutaud
- ✓ **Excused:**
- AMF: Véronique Picard
 - Peter Cousyn
 - Gandi, Stephan Ramoin
 - Icodia: Raphaël Angleraux
 - UDA: Claudie Volland-Rivet

Report

1. Opening speech by the Chairman

The Annual General Meeting being regularly constituted, the Chairman, Mr. Jean-Pierre Dardayrol, opened the meeting and indicated the agenda.

2. Appointment of a Recording Secretary and a scrutineer

Ms. Virginia Navailles, executive secretary, and Ms. Marine Chantreau, assistant administration and finance manager, were respectively appointed Recording Secretary and scrutineer.

3. 2012 Annual Report

Mathieu Weill recalled the assignment and purpose of Afnic: to develop the Internet in France by providing safe and stable services, which operate continuously and not only allow for the development of innovation but also enable the French Internet community to be a leader in the global competition.

2012 was marked by three major events:

a) In July 2012 Afnic's appointment as the registry for the .fr TLD was renewed for a period of 5 years.

The main commitments of the Agreement signed with the State were, firstly, the creation of a Support fund for the development of the Internet (FSDI), to which 90% of the profits from the .fr were to be appropriated in accordance with the assignment of Afnic. A specific Security Protocol was also jointly signed with the French National Agency for the Security of Information Systems (ANSSI), recalling that the goal for Afnic was to develop the .fr TLD and the market, but above all to provide permanent and resilient services. Various studies were underway in conjunction with ANSSI. In 2012, the report of the Internet Resilience Observatory was jointly published.

The year was also marked by the following events: the availability of 24/7 customer support; the adoption of a DNSSEC deployment plan for the .fr TLD; the reduction of the update time for the .fr namespace to every 10 minutes; the large-scale work on the new WIPO dispute resolution procedure in conjunction with experts; and the opening of registration to domain names with accented characters (IDN).

b) As a technical registry operator, AFNIC supported 17 gTLD project leaders.

ICANN had determined the starting order. The teams worked hard to develop the infrastructure and operations of the .fr TLD to accommodate the new TLDs. It was Afnic as a whole – and not just its technical teams – that had to adapt to new customers, i.e. local authorities, businesses, etc. The changes were significant, but they were to benefit the .fr TLD because the gTLD standards were to be applied back to the .fr TLD. 17 customers were still in the race. The .paris and .bzh applications had passed the initial assessment phase, thereby validating Afnic's technical proposal which was identical for all the applications.



c) This development dynamic was complemented by the implementation of a global risk management process and enhanced governance, particularly within the Board of Directors.

Three committees were set up within the Board of Directors. Two thematic committees: "Finance and Risks" which, among its other duties, was responsible for approving accounts and cost accounting, and was informed of any changes in risk management; "Registry policies", which prepared work for the Board in relation to registry policies; a "Commitments" committee was soon to be set up to monitor Afnic's purchases exceeding a defined amount. The Board of Directors was becoming increasingly professional and involved.

The risk management initiative was launched in spring 2012. Afnic worked with an external consultant to map the various types of risks. A Board seminar conducted in September 2012 identified the main risks and considered ways to prevent and manage them. The details were available in the annual report.

Mathieu Weill recalled the composition of the Board as of 12/31/2012:

The Government officials appointed by the State were Jean-Pierre Dardayrol (Chairman) and Stéphane Ubéda (who replaced Bruno Sportisse in 2012) for the French National Institute for Research in Computer Sciences and Automation (INRIA); Mireille Campana and Anne-Lise Thouroude for the Ministry for Industrial Recovery and Patrick Donath for the Ministry for Research. The elected representatives were ASCIO (Eric Lantonnet who replaced Peter Cousyn in 2012) and MailClub (Frédéric Guillemaut) for the "Registrars" college; ACFCI (Thierry Hinfray) and ISOC France (Gérard Dantec) for the "Users" college; and the University of Conakry (Abdoulaye Diakité) for the "International" college.

Following a question asked by Georges Fischer (CCIR Paris Ile-de-France) on the appropriation to the FSDI, Mathieu Weill explained the distinction between Afnic profits and the profits from the .fr TLD. The Agreement required separate accounting for the profits of the .fr TLD so that 90% of them could be allocated to the FSDI, the remaining 10% being allocated to a precautionary reserve for the .fr TLD. The operating procedures of the FSDI were explained by Pierre Bonis at the end of the General Meeting.

There was no news to-date of the ten tenders for overseas domains. The law provided for continuity of service for the domains currently managed by Afnic.

4. Presentation of the Financial Statements

2012 was marked by a strong upswing in revenues exceeding 20%, which was due to the opening to Europe, the opening of IDNs and the gTLDs. Expenses had also increased by 14.8% resulting from a 12% increase in staff in order to manage the gTLDs as well as the security and stability requirements for the .fr TLD, the opening of the second datacenter and the use of support service providers. These expenses had been anticipated and accounts remained consistent with the budget, plus or minus 1%.

The .fr TLD was highly dynamic in 2012 with an approximate growth of 15% in the number of domain names managed, despite a global market that was experiencing a slowdown and in which the average growth rate was approximately 7%. The .fr TLD was the most dynamic



TLD, tying with the .pt TLD. The growth rate could be explained by the impact of the opening of the .fr TLD to Europe in December 2011, and to a lesser extent by the opening of IDNs in July (approximately 32,000 domain names), but, given the market, could probably not be maintained without promotional operations.

Revenue resulted from services related to domain names, memberships, transfers, SQUAW and SYRELI procedures, R&D subsidies and gTLDs (for which applications had been billed for an overall amount exceeding € 500,000).

Net income for the year increased up to € 1.1 million (€ 1.3 million before FSDI), against € 770K in 2011. This amount – before appropriation to the FSDI – represented 10% of the turnover, which meant that 2012 was a very good year. Thanks to these positive results, Afnic reserves remained above the management objective. The proposed appropriation of income would bring the reserves to 113% of the management objective set by the Board, i.e. one year of personnel and rental expenses. The appropriation to the FSDI seemed low for 2012 because it was calculated on the income from the second half of 2012, while revenue mainly resulted from invoices issued in the 1st half.

In 2013, the appropriation to the FSDI was to be around € 1.2 million and since income from the gTLDs was still expected to be low, it was therefore reassuring to have these reserve funds; furthermore, caution should be exercised and the Board of Directors should engage in discussions to manage Afnic, control spending and promote its activities.

In reply to Sébastien Bachollet's question on choosing 2015 as a strategic deadline, despite the fact that the renewal for the .fr TLD was only to occur in 2017, Mathieu Weill said that as of 2015 the Ministry would have to engage in discussions on the publication of a new call for tenders or the renewal of Afnic's term of office. For its part, Afnic was held to meet its commitments and be capable of proposing a clear vision of the evolution of the .fr TLD for the next five years.

5. Statutory Auditor's Report

See the statutory auditor's general report and special report on regulated agreements, as well as the 2012 financial statements 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. Christian Detré, certified that the 2012 financial statements:

- | | |
|--|----------------|
| ✓ Balance-sheet total of | EUR 14,550,829 |
| ✓ Income statement yielding a surplus of | EUR 1,108,359 |

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

In addition, Mr. Christian Detré stated that he had not been advised of any agreement entered into in the past – or during the year – to be submitted for the approval of the General Meeting pursuant to the provisions of Article L612-6 of the French commercial code.



6. Approval of the Financial Statements for 2012 and Appropriation of Operating Surplus

In accordance with the articles of association, the General Meeting was to make its decisions by a simple majority of the members present or represented.

Approval of the financial statements for 2012

The General Meeting, having heard the report of the auditor and the additional oral explanations provided, approved the financial statements as presented for the year ended December 31, 2012

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

→ The resolution was unanimously adopted

Appropriation of operating surplus:

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

- ✓ To appropriate € 18,359.8 to the precautionary reserve for the .fr TLD in accordance with the State-Afnic Agreement*
- ✓ To appropriate € 1,089,999 (1,108,359 – 18,360) to the "Other reserves" item*

→ The resolution was unanimously adopted

7. Presentation of/discussion on the Support Fund for the Development of the Internet

Mathieu Weill presented Pierre Bonis, Deputy CEO of Afnic since October 2012, who among other things, was responsible for implementing the commitments contained in the State-Afnic Agreement, including the Support fund for the development of the Internet (FSDI).

The FSDI was a proposal made by Afnic within the framework of the request for applications for the .fr registry. It was a commitment Afnic made to the State and the French Internet community. Afnic had a competitive advantage over its competitors, as it was a non-profit association; it could therefore more easily reinvest its profits into a Fund, which also corresponded to its stated purpose. In addition, the Fund focused exclusively on research projects for the development of the Internet, which strongly reflected the origins of Afnic and INRIA.

The purpose of the FSDI was to fund research projects at the national level. It was to be funded by 90% of the profits from the .fr TLD. Afnic was to be accountable for the use of the fund's resources. The composition of the FSDI, its operation, its arbitration bodies, etc., were



subject to the approval of the Ministry for Industrial Recovery, and had already been discussed. The presentation made to-date was not final because the entire governance of the fund had to be approved by the Minister.

Pierre Bonis specified that the FSDI was not the fund for the "International" college, which was international in scope and had a co-development approach. The scope described in the Agreement, i.e. "research on the development of the Internet in France", was wide-ranging, since it encompassed traditions, sociology, economics, technologies, to name but a few. Afnic, however, had undertaken that the Fund would not support any collaborative research projects in which Afnic was involved (DNS, ONS, naming, registry activity, etc.), since it already had an R&D budget for this purpose. The FSDI was to have independent governance whose decisions concerning the allocation of funds were to be taken by a foundation, since the selection and funding of projects were not part of Afnic's roles and responsibilities.

The search for an independent public interest foundation then began. Afnic and the Ministry for Industrial Recovery were to define the policy options of the Fund and the selection criteria, and submit them to public consultation, as was the procedure with all issues of major importance.

The analysis of the strengths/weaknesses/threats/opportunities largely substantiated the decision to use an umbrella foundation, partly for tax purposes as well as for the speed and flexibility of creation, while ensuring Afnic could oversee the strategic administration of the foundation under its aegis. The risks associated with the selection of beneficiaries were, for the most part, transferred to the umbrella body; the same applied to the legal and accounting responsibility for carrying out the appropriation of funds. Afnic would benefit from the reputation of the umbrella body and be able to develop new partnerships through it.

Pierre Bonis mentioned several public interest foundations as well as their purpose, operating method and scope:

The AlphaOmega Foundation, the purpose of which is to invest in financial and human terms, primarily in France, in order to speed up the development of socially-oriented businesses (associations, social companies, etc.) whose objective is to help disadvantaged people regain economic and financial independence through education or access to employment.

The Fondation de France, which helps people in difficulty by supporting concrete and innovative projects that address the constantly changing needs of our society. The Foundation works in every area of public interest, from solidarity issues to child welfare, health, medical research, culture, and the environment. The Fondation de France also acts as an umbrella for foundations created by benefactors and provides them with advice on their activities.

The ParisTech Foundation, the purpose of which is to help develop scientific and technological training and research, at the French and European levels.

The Institut de France, the purpose of which is to develop arts and sciences from an multidisciplinary viewpoint, as well as manage the one thousand donations, bequests and foundations which it oversees, thereby taking the necessary steps to carry out its primary task.



Afnic considered setting the opening for the first half of 2014 in order to ensure sufficient funding from the start, in order to launch large-scale financing projects soon afterwards, to promote the Fund and ensure that the foundation was operational. The planned initial endowment involved more than one million euros and Afnic ultimately hoped to make an endowment of 2.5 million euros per year from 2015 onwards, if growth for the .fr TLD was in line with forecasts.

Frédéric Guillemaut wished to know whether Afnic had defined a target figure for the endowment in case the actual growth was not in line with forecasts. Pierre Bonis answered that the Agreement did not mention any specific figure, but a commitment to growth for the .fr TLD which could be used to estimate the amounts that the Fund would receive.

Georges Fischer approved the decision to use a foundation, but wished to make sure that Afnic would not withdraw from the fund allocation process. Pierre Bonis explained that the scope of the role of Afnic was to be discussed with the Ministry. Afnic may or may not take part in deliberations. Its role was nevertheless essential upstream, in defining fund allocation criteria.

Philippe Batreau asked whether the applications would be carried out through calls for projects. Pierre Bonis confirmed that there would be calls for projects and several committees, i.e. at least one selection committee and possibly an experts' committee, both of which would be open to qualified experts, as well as a team responsible for promoting the focus areas of the Fund, launching the calls for projects and collecting the proposals.

Emmanuelle Heuleux wished to know whether the research results would be available to Afnic. Frédéric Guillemaut added that they could be shared with, and possibly reserved for members. Pierre Bonis answered that, as a general rule, research results were shared, given that the Fund was not intended for funding research in relation with the core business of Afnic, and the results therefore would not have any actual value in terms of economic development. Given that research projects were significant in size, they were rarely funded by a single organization. It would therefore be difficult to communicate the results to Afnic members only.

Serge Ribeiro mentioned the possibility of Afnic withdrawing from the management of the Fund. Pierre Bonis explained that Afnic was to remain a driving force and a source of proposals since it was to be responsible for defining the action items and selection criteria. Furthermore, choosing a foundation was less expensive in terms of management costs than if Afnic had to create a special department in-house. This ensured more resources for the Fund.

Sébastien Bachollet wished Afnic could broaden the scope of the Fund to more diverse issues than simply research for the development of the Internet. He mentioned gTLDs for which, technical aspects aside, awareness and guidance had been necessary. Pierre Bonis added that the purpose of the Fund could change and that it should be kept in mind that the purpose of Afnic went beyond the FSDI. Expertise transfer was an integral part of the purpose of R&D. The role of Afnic consisted in promoting gTLDs and contributing to a better understanding of the Internet, quite apart from the FSDI.

Mathieu Weill concluded that over and above the scope of action of the Fund, two conclusions emerged from the discussion: Afnic had to be active, visible and influential within

the Fund, and access to research results might constitute a condition for selecting projects. These conclusions were to be recorded and rediscussed, as the implementation of the Fund would presumably require an amendment to the articles of association.

8. Elections

Jean-Pierre Dardayrol took the opportunity to bid farewell to the members, as this General Meeting marked the end of his term of office and he was not running for re-election. He expressed the pleasure he had had in chairing Afnic, working with the staff and the Board of Directors. Mathieu Weill testified to the Chairman's commitment throughout his three-year term, and expressed the pleasure he had had in working with Jean-Pierre Dardayrol. The CEO paid tribute to his integrity, to his focus on enabling discussion within a diverse Board of Directors, the highly professional approach of the Board, in particular with the setting-up of committees, the comprehensiveness with which issues were addressed, the preparatory work carried out on each issue, the great deal of time he invested in managing Afnic, and his respect for people. All of these were Afnic values.

Mathieu Weill welcomed Emmanuel Sartorius, who was appointed by INRIA to replace Jean-Pierre Dardayrol on the Board, and wished the best of success to Jean-Pierre Dardayrol in his new endeavors.

Mathieu Weill recalled the vacancies on the Board of Afnic for the following election, i.e. 2 registrar representatives, 2 user representatives (corporate bodies or individuals) and 1 representative for the "International" college. Each candidate, in alphabetical order, was given a few minutes in which to present their application and answer the various questions. Since Sylvain Hirsch was absent, he was unable to present the application of IPTwins. No questions were asked to the candidates (the applications and statements of intent had been available to all members on the Afnic website since May 17, 2013).

Mathieu Weill thanked Thierry Hinfray (ACFCI), Gérard Dantec (ISOC France) and Abdoulaye Diakité (AGNIC), the 3 administrators who were nearing the end of their terms of office since they were not eligible for re-election, and paid tribute to their involvement on the Board. He hoped that their cooperation with Afnic would continue.

Jean-Claude Gorichon read the minutes of the Application Validation Committee, consisting of himself, Stéphane Ubéda (INRIA) and Thierry Hinfray (ACFCI). Having arrived two days after the deadline for the submission of applications, the application of SECNET, from Cameroun, for the "International" college was rejected. The Application Validation Committee therefore reviewed the eight eligible applications:

- ✓ ASCIO, represented by Eric Lantonnet; EuroDNS, represented by Luc Seufer; IPTwins, represented by Sylvain Hirsch; and MailClub, represented by Frédéric Guillemaut for the "Registrars" college;
- ✓ The Paris Ile-de-France regional chamber of commerce and industry, represented by Georges Fischer, David-Irving Tayer and Sébastien Bachollet for the "Users" college;
- ✓ NIC MADAGASCAR, represented by Mr. Lala Andriamampianina for the "International" college.

The committee immediately approved six applications and requested additional information on the applications of Mr. Sébastien Bachollet and EuroDNS. The latter having provided clear and comprehensive answers, the committee approved their applications.

Marine Chantreau recalled the voting procedures, as stated in Article 3 of the rules of procedure.

For the "International" college, NIC Madagascar, represented by Mr. Lala Andriamampianina, was elected on first ballot with 13 votes out of 13 votes cast.

For the "Users" college, on first ballot, Mr. Sébastien Bachollet was elected with 11 votes and Mr. David-Irving Tayer was elected with 10 votes out of 18 votes cast.

For the "Registrars" college, MailChub was elected on first ballot with 11 votes, and ASCIO and EuroDNS were maintained on second ballot. ASCIO was elected on second ballot with 9 votes against 7 for EuroDNS out of 16 votes cast.

There being no further items on the agenda, the session closed at 12:30 pm.

Signed on June 7, 2013 in Saint-Quentin-en-Yvelines

Jean-Pierre Dardayrol
CEO of Afnic

Second signer
Member of Afnic

Virginie Navailles
Recording Secretary