

Draft Minutes of AFRINIC Annual General Members' Meeting

**Date: Friday 6 June 2014 at 14 00 hrs Venue:
Plenary Room, Kempinski Hotel, Djibouti**

Present: Mr Adiel A Akplogan Chief Executive Officer
Mr Badru Ntege Chairman
Me Ashok Radhakisson Legal Counsel
AFRINIC Board of Directors
AFRINIC Management Team
AFRINIC Members
AFRINIC Community members as Observers

AGENDA

- 1.0 Welcome and Agenda Review
- 2.0 Approval of last AGMM minutes dated 21 June 2013 held in Zambia
- 3.0 Board Activity Update
- 4.0 Activities Update
 - 4.1 Member Services
 - 4.2 HR
 - 4.3 IT & Engineering
 - 4.4 Questions & Answers
- 5.0 Financial Update
 - 5.1 2013 Audited Report
 - 5.2 Appointment of Auditor for 2014
 - 5.3 Presentation of 2014 Budget
 - 5.4 2014 Budget Execution
 - 5.5 Questions & Answers
- 6.0 Proposals for Bylaws Review
 - 6.1 Bylaws Revisions proposed by the Board

- 6.2 Special Resolution Proposal by Member on Bylaws revision
- 7.0 Board Election
 - 7.1 Presentation of Candidates
 - 7.2 Vote
- 8.0 AOB and Questions & Answers
- 9.0 Election Result
- 10.0 Closure

MATTERS ARISING

1.0 Welcome and Agenda Review

The AFRINIC Board Chairman Badru Ntege welcomed the Members and Observers present, and opened the AFRINIC Annual General Members Meeting at 14 30 hrs.

A review of the Agenda was carried out by the Chairman and invited amendments from the members, if any.

Fiona Asonga proposed to consider Agenda Item No. 7.0 Board Election earlier than scheduled because some members are to leave the meeting for the airport at the given time (16 00 hrs Local Time) and will thus not be able to vote accordingly. She pointed out that the e-voting is already closed and as such, the members cannot do the e-voting.

Andrew Alston seconded Fiona Asonga's proposal.

The Chair invited the members to vote for the motion as proposed by Fiona Asonga. There as only one objection, and the Chair agreed to accommodate the Agenda Item No 7.0 Board Election before the Coffee Break.

2.0 Approval of last AGMM minutes dated 21 June 2013 held in Zambia

The Chair, BN, invited for any addendum or comments from the Members on the last notes of meetings dated 21 June 2013 held in Zambia. There were no comments or objections from Members.

Resolution [AGMM201402-01]:

The minutes of the AGMM held on 21 June 2014 in Lusaka, Zambia was approved as presented by the AFRINIC Secretariat.

Mark Elkins Proposed and Seconded by Fiona Asonga.

3.0 Board Activity Update

The Chairman, BN, made a presentation on the Board's activity and for the year under review. He outlined the Board Structure and Composition, and each Board members were invited to introduce themselves to the floor. [http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/board_update_badru.pptx]

A brief on the different Sub-Committees to the Board and its constitution was made; namely

- (i) Finance Committee
- (ii) Audit Committee
- (iii) Remuneration and Compensation Committee

The Members were informed that a Board Retreat was organised in January 2014 in Mauritius to work on the Strategic Plan 2015 – 2020 and a first draft report will be published soon for comments.

There were no questions from members, and the Chairman proceeded with the meeting.

The Chairman also informed Members that a resolution was taken by the Board to publish all resolutions and minutes online on the website; and will be made available shortly.

4.0 Activities Update

The Chief Executive Officer, Adiel Akplogan, Introduced the session on Activities update and informed the Members that the Activities Update reflect the operations carried out for the year 2013 – mid-2014. He explained that AFRINC's first years of operations (2004 – 2008) were dedicated to the implementation of the objective set by the Board and the community to obtain ICANN accreditation as Regional Internet Registry and make sure that the registration of number resources by Africans for Africans is effective. The organisation managed to handle this incubation period successfully, and execute 90 % of the business plan as approved by the Board in 2004. Then, there was a new Strategic Plan developed in 2009 – 2011 with the aim at institutionalising the organisation, and evolved it to a well structured and processed-base organisation to be fully sustainable, that Strategic Plan and the related Activity Plan was also executed at 90%, and now a new Strategic Plan is being worked up to define new strategies and goals for the future. He pointed out that the community will be involved in defining the new Strategic Plan, their comments will be taken into

consideration and the members' survey in 2012 was a very important inputs to the process.

4.1 Member Services

Anne-Rachel Inne, Chief Operations Officer presented the Members services activity Update and informed the AGMM that a full presentation on the Operations and Member Services was made in the morning. She reiterated that some of the key issues to consolidate are effective communications to members and exchange of information, make AFRINIC more visible on the continent, the New Member Portal, the implementation of the Secured Document Management System and the appropriate infrastructure for business continuity.

She pointed out to Members that AFRINIC is at their service and recognises that there have been some drawbacks with regards to signature of Registration Service Agreement, delays in replying to requests and payments. As such, she invited Members to make comments and observations as to what they will like AFRINIC to do, to improve the situation.

Fiona Asonga proposed the constitution of a Governance Committee which will assist in the review of operational issues that are affecting services to Members. She was of the view that we are not clear on the procedures and the Bylaws, and there is a need to have consultation and guidance for a smooth delivery of services, and thus a Corporate Governance Committee can fulfill this role. She apprised the Board to consider next year the implementation of such a committee.

Andrew Alston agreed to the proposal of Fiona Asonga. He stated that there is the need to align all the Guidelines such as the Election Guidelines, the Bylaws and the Companies Act, and determine a common approach and ensure that there is no conflicts. He agreed that a Corporate Governance Committee will help to ascertain such conformity.

He also proposed to have a definite timeline for how actions are progressing and will be finalised by AFRINIC. For instance, Andrew Alston advised that the ticketing processes advised that it takes 24 hours to reply to Members, and there have been delays of 48 hours. He argued that if the processes are to be taken longer time, there should be proper communication to Members informing them of the delay.

Anne-Rachel Inne thanked the above Members for their comments and informed that necessary actions will be taken. She also encouraged Members to send any further comments for improvements by email.

4.2 HR

Christian Fanchette, Director of Human Resources & Administration, made an update on the Human Resources of AFRINIC. He presented the Organisation Structure and informed members of the status of employees and recruitment at AFRINIC as at December 2013. Members were informed of the different projects that have been completed and ongoing. The HR report is available at [http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/hr_christian_fanchette.pdf] for reference.

4.3 IT & Engineering

Neriah Sossou, Head IT & Engineering, made a presentation on the activities carried out in 2013 to improve the service delivery level and enhance the resiliency of the infrastructure. Activities done in mid-2014 is a continuity of these activities. The strategy adopted by AFRINIC for its infrastructure development is based on the full virtualization of its servers, which will help reduce cost and optimize of resources allocation. The services are run from 3 datacenters: Mauritius, Johannesburg and Cape Town with a recovery center in in Egypt to be revamped. The end objectives is to have a distributed architecture across the continent, and we are welcoming offer from the community to be hosted.

Work in progress are around RPKI, DNSS Services, Routing registry, the deployment of the New Member registration portal, Secured Document Management System, Ipv6 testbed, new website Learn2.0

He also made an overview of the new WHOIS architecture, the challenges that are being faced and its production timeline. He apologised to the Community for having not been able to abide to the waiver asked for the implementation of latest policies. There was a need to have a well documented functionality before completing the development. A beta version of the WHOIS in on staging and expected to be completed by end of July 2014. He encouraged the Members to help in testing the WHOIS and send related comments.

The full IT & Engineering report is available at [http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/it_neriah.pdf] for reference.

4.4 Questions & Answers

The Members were invited to ask questions on the activities updates made.

Andrew Alston asked the status of requests received for route objects registration at AFRINIC.

Neriah Sossou replied that as announced in Lusaka, the AFRINIC routing registry is operational. Now we are working one to one with members to migrate / replicate their routing objects from the RIPE NCC to that of AFRINIC.

He also advised that an announcement will be sent to share the link for Members to use it.

Boubakar Barry asked whether HR can shared the results of the salary survey and if any recommendations were made out of the results.

Christian Fanchette stated that he cannot gave details of the figures but affirm that the salary offered to staff are in line with the practice in the ICT sector in Mauritius.

One Member Adam Nelson asked which application is being used to develop the new WHOIS software if it is an existing software which is being adapted for AFRINIC purpose if it is going to be an open source or a licenced application.

Neriah Sossou confirmed that the WHOIS is an open source version.

Seun Ojedeji asked why hosting of services is concentrated in one region only, for instance there are two datacenters in South Africa alone. He was of the view that bandwidth is no longer a major issue in most countries and there is the need to take into consideration that a change in the law may occur resulting in a high risk for the capture of our data.

Neriah Sossou said that we are inviting hosting environment , the hosting in South Africa are being done freely. We are on limited budget and we are welcoming invitation from the West, we count on your help to gradually move toward the West.

5. Election (moved to before the break)

Seun Ojedeji appealed to the Chairman to verify the structure of the Nomination Committee and the relationship between Nomination Committee and Election Committee including the roles that the Chairman of the Nomination Committee plays in the Election Committee. The Bylaws does not allow such oversight, and he suggested that the requirements of the Bylaws be observed and the Election Committee be represented by the staff alone.

The Chairman advised that the Board will look into the above and revert back.

Seun Ojedeji stated that there is 40 staff and only 3 are actually doing AFRINIC's core services that are servicing the 1200 Members, and he asked what the other staff are doing and if this can be translated to the Member Services which is the key operations of AFRINIC.

The Chief Executive Officer, Adiel Akplogan, replied that the Member Services comprises of the Registration Services and the Billing Services, which are supported by other Departments like the Development Team. For instance, all the work of the Development Team is related to Registration Service, almost 80% of the activities are related to Member Services. Moreover, the number of staff has increased through the years, and the service to members should be seen realistically and is not serviced by only the 4 staff.

A member added that the Kenya Internet Exchange Point Tinga Tinga project is also hosted in Kenya.

5.0 Financial Update

5.1 2013 Audited Report

Paulos Nyirenda, Chairman of the Audit Committee, made an overview of the Audit Committee as per the Charter approved in Lusaka, Zambia and the work carried out in 2013 and mid-2014, among others the recruitment of a new Auditor and review of the financial statements.

He elaborated on the process for the external Audit that was carried out in 2014 and timeline. The Audit Report 2013 was presented to the Members and it was signed by the Directors and Auditors, and certified by the Company Secretary.

He also explained the issues and risks that the Audit Committee has noted and addressed to the Management for corrective actions as follows;

- To have full inventory of the Plant and equipment at the end of every year
- Adequate reserves to be built to cover liabilities
- Monitoring of Administrative expenditure
- The company is showing sign of recovery from previous year 2012 and is having a surplus this year
- There is credit and liquidity risks to consider
- The Board has asked the company to make an application to the Registrar for the presentation of its accounts in USD

The full report of the 2013 Audited Report is available at [\[http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/audit_committee_paulos.pptx\]](http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/audit_committee_paulos.pptx) for reference.

5.2 Appointment of Auditor for 2014

The Chairman of the Audit Committee briefed on the processes carried out for the Request for Proposal for the appointment of the Auditor for 2014. See [http://internetsummitafrica.org/images/AIS14_assets/poerpoint_template/AGMM/appointment_auditor_paulos.pptx] for reference.

RFP was sent to 44 Audit Firms, and after review by the Audit Committee, it recommends that the a first offer should go to KPMG, in the event that KPMG does not agree to the proposal, the offer be made to PWC, and subsequently to Ernst & Young if no agreement is reached to PWC.

As such, the Board agreed to the recommendations of the Audit Committee and recommends to the AGMM that KPMG be appointed as the next AFRINIC External Auditor as per Section 7.6 (vii) of the Bylaws.

The Chair of the Audit Committee, Dr Paulos Nyirenda, proposed the following resolution for approval to Members at the AGMM;

Proposed Resolution:

It is resolved at the AFRINIC 2014 AGMM to hereby appoint KPMG as AFRINIC External Auditor for the years 2015 – 2017 and to carry out audit for the 2014 financial year.

Fiona Asonga queried on the proper procedures on approving the financial statements, she highlighted that inputs from the Members on the financial and their expectations moving forward should been collected, so that when there is a change of Auditors there is the inputs of the Members and take same into consideration for decision. She was of the view that the resolution should have been tabled after discussion with Members for comments as a community-driven organisation.

Sunday Folayan stated that the need to change Auditors is governed by the fact that there is the need to have auditor rotation and the previous Auditor was in office for 10 years. The proposal is being forward not to hide any issues but to be compliance to the Corporate Governance.

Seun Ojedeji queried on whether the statement is the audited report or the financial report, he stated that he was expecting more details if it was a financial report and detailed breakdowns on how the fund was spent than a only the lump sum. He said that the financial report is what should be presented and discussed. He also pointed out that the Bylaws states that the Auditor should

be appointed at every AGMM and setting a set of years as appointment is not appropriate.

Alan Barrett agreed with Fiona Asonga and added that Section 7 (vii) of the Bylaw stipulates that the auditor of the Company to hold office should be appointed at each AGMM till the next AGMM. He advised that the financials should be discussed in more details before appointing the auditor for next year, since the discussion may affect Members' decision to appoint the Auditors.

The Chair of the Audit Committee, Paulos Nyirenda, pointed out that the Financial Statements are available online and was hoping that specific questions from Members will be taken under the Q &A. The presentation made was based on the time allocation.

The Chair Badru Ntege opened the floor for questions.

One member, Frank from Tanzania ISPA asked whether the financials and auditor's report need to be approved by Members, if in the affirmative then it should be discussed before the resolution for the appointment of the next Auditor.

Andrew Alston made a comparison on the figures related to foreign exchange change with respect to the comprehensive income which shows a surplus in the report, however he pointed out that AFRINIC does not engage in foreign exchange trading and the surplus cannot be considered as such and that the company is rather in deficit for the year, deficit last year 2012 as well as in 2011 and 2010 which he needs to confirm. If the current foreign exchange market is not favourable, the account will have shown a deficit. He stated that even though, there account is showing a deficit in term of expenditures versus income from members. He asked the Board whether they considered this situation to be acceptable and sustainable for the company.

Andrew Alston also queried on the salary increase which represent 17.2% compared to an increase in salary benefits which represent 88.5%, he asked the Board to explain and provide details on 'Other Benefits'.

Andrew Alston also asked for details on what is 'Other Incomes'.

The Chairman, Badru Ntege, recalled to Members that in Lusaka last year, the Board agreed that there was a deficit and the goal this year was to reflect a positive balance and to recover. He pointed out that incomes are received in

USD and expenditures in MRU, as well as reporting in USD. Thus the request to be made to the Registrar of Mauritius to report in USD

The CEO said that one of the reason for the increase is that the Auditor has requested that instead of accounting the recruitment cost separately, which represent travel cost and expenses (accommodation) for interviews / recruitment of international staff 2012/2013, to account them in HR cost as other cost. The Auditors have requested to add in the HR cost which was not in 2012.

Patrisse Deesse, Director of Finance and Accounting, intervened and explained that the other benefits are all benefits accrued to staff, non-payroll benefits which include allowances, housing, transport etc. The Other Incomes represent the late payment penalties that were imposed on Members and the amount that was recovered for late payment last year.

Alan Barrett proposed that such explanations should be mentioned on the financial statement as Notes.

Andrew Alston also proposed that benefits should be breakdown in the future, and that cost for interviews of potential staff but not hired is not a benefit cost and should not be included under benefits.

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Seun Odejeji thanked the Board for having met with the expectations of announced in Lusaka to recover the negative balance in 2 years, which is now a positive balance achieved within one year. However he noted that in 2012 and 2013, there was an increase in membership and payment, and the income received was definitely higher. He queried on how the extra revenue received has been invested in, whether in Human Resources, conferences, capacity building, or for enhancing services to members. He highlighted that as a member he wants to see what the money is used for whether for the benefits and progress of the organisation.

The Chairman, Badru Ntege, confirmed that AFRINIC is in track to recover from the deficit experienced and to be back to profitability. However, the recovery is subjective if we do consider the exchange gain. He reminded Members that there was a common request made by the community that there is the need to have diversity of staff in the organisation and unfortunately, AFRINIC has tried to implement the request but it comes with a higher costs Moreover, the additional money received went to fix part of the deficit and the report does give the details of how the money was spent.

The CEO also added that some of the increase went in reinforcing areas of the organization which was weak, namely the Billing and the Registration Service.

Seun Odejeji proposed that presentations are made available to Members before the AGMM in order to make better and useful contribution.

Andrew Alston proposed a motion to conduct the election now instead of the scheduled time because of the number of Members who have to leave to the airport and to defer further discussion on the approval of the Financial Statements and resolution after the election

Douglas Oyango and Adam Nelson seconded the motion.

The Chairman, Badru Ntege, proceeded with a vote and the majority of Members voted in favor of the motion of Andrew Alston. The meeting continued with Agenda Item 7.0 Board Election.

7.0 Board Election

7.1 Presentation of Candidates

7.2 Vote

Allan Barret asked in what capacity Mark Elkins is chairing the Election, he highlighted that the Bylaws requires that the Election Committee be comprised of only AFRINIC Staff.

Mark Elkins confirmed that he is heading the Election as Chair of the Election Committee, and that last year, there was a precedence, the Chair of the NomCom was the Chair of the Election Committee, and it is written in the Election Guidelines and the Bylaw support the mechanism of the Election Guidelines.

Allan Barret was of the view that the Guidelines cannot overwrite or contradict the Bylaws. If something was done wrongly last year, it should be corrected and go according to the Bylaws.

The Legal Counsel, Me Ashok Radhakisson was requested to advise on the issue. Me Ashok Radhakisson pointed out that Section 13.2 of the Bylaws states that the Election of the Directors of the Company shall be carried out by the Election process approved by the Board. He mentioned that the Bylaws requested that the chairman of the NomCom serves as liaison to the Election Committee. He also say if the Board has approved the the Guideline as per the Bylaws, then it becomes an integral part of the process and can not be read in

contradiction of the Bylaws but instead as a complement. The Bylaws has precedence on any other legal instruments except of the Companies Act.

Allan Barret proposed a motion that the election continued with Mark Elkins as Chairman of the Election Committee in the interest of time and to address the issue of contradictions between the Guidelines and Bylaws after the meeting.

Fiona Asonga seconded the motion.

The Chairman Badru Ntege proceeded with an election, and there was no objection from Members for the election to continue under the Chairmanship of Mark Elkins.

The Chairman of the Election Committee, Mark Elkins, explained the election and voting procedures that is used to elect the members of the Board, and the present requirements of the Bylaw for the election. The voting procedures are available at <http://www.afrinic.net/en/community/elections>.

The AFRINIC Board election during this AGMM was for the seats 3 & 4 (i.e the Indian Ocean and Central Africa Region) currently filled respectively by Lala Andriamampianina (with Kris Seeburn as Alternate) and Janvier Ngnoulaye (with Christian Bope as Alternate). Also according to the second seat 8 for a non-regional Director is also being opened for election.

The list of candidates were as follows:

INDIAN OCEAN (Seat 3):

Krishna Seeburn (Mauritius)
Subramanian Moonesamy (Mauritius)

CENTRAL AFRICA (Seat 4):

Antoine Joseph Junior Tonye (Cameroon)
Christian Domilongo Bope (Democratic Republic of Congo)
Janvier Ngnoulaye (Cameroon)

NON-REGIONAL/GEOGRAPHICAL (Seat 8):

Andrew Kenningale Alston (Kenya)
Boubakar Barry (Senegal)
Hajanirina RamboasaLama (Madagascar)
Serge Kabwika Ilunga (Democratic Republic of Congo)

The candidates who were present at the AGMM introduced themselves to the members whereas Subramanian Moonesamy was not present onsite but a statement from him was read by Mark Elkins.

Voting for this election took place in front of the floor. A member of the Election Committee called out each member who registered for voting to receive the ballots and cast their votes.

The representatives of the different RIRs onsite assist in the counting of the ballots.

The Election Committee Member plus the scrutinees went for vote counting while the trustees went to do the unlocking / evoting counting in the presence of Observers from other RIRs for transparency.

9.0 Election Result

The paper ballots and electronic votes were tallied and the following candidates were elected to sit on the AFRINIC Board were announced as follows:

INDIAN OCEAN (Seat 3):
Krishna Seeburn (Mauritius)

CENTRAL AFRICA (Seat 4):
Christian Domilongo Bope (Democratic Republic of Congo)

NON-REGIONAL/GEOGRAPHICAL (Seat 8):
Andrew Kenningale Alston (Kenya)

The Chairman, Badru Ntege congratulated the newly elected Directors and re-opened the AGMM with discussion on the pending Items i.e. 5.2 to 5.5, 6.0 and 8.0

5.0 Financial Update (Continued)

5.1 2013 Audited Report

Prior to start the discussion on the financial Statements, Andrew Alston asked confirmation as whether all the proceedings of the AGMM is being held according to the Bylaws and whether the Bylaws is registered in Mauritius under

the Companies Act, if not registered, reasons as to why the Bylaws has not yet been registered.

The Chairman, Badru Ntege, stated that as per Section 39 of the Companies Act, there is no obligation for AFRINIC to file the Bylaws with the Companies Act.

Andrew Alston sought confirmation that the Members have legal standing in AFRINIC besides the RSA and proposed a resolution to the Board to file the Bylaws within 7 days. He argued that the community was made to believe that they are operating under Bylaws that have legal standing for Members, and he believed that the community has presently no legal standing unless the Bylaws is registered.

The CEO replied that the Bylaws guide the proceedings of the AGMM, whether it is registered or not registered. The Bylaws was not registered pursuant to a Board decision because of the specificity of the organisation and not to be a legal risk to the organisation, but it is still binding for AFRINIC towards its Members.

Sunday Folayan highlighted that Members should make the distinction between the power to ask certain things to be done, the responsibilities that it should be realized and the law is clear how thing should be. He explained that AFRINIC is operating as a company with limited liability but we are a members-based organization and is evolving over time, as such we must be careful that whatever we are bringing up should not hamper the development of the organization. He advised that the Board has discussed the issue of registering the Bylaws or not. As for the proposal of Andrew Alston, Sunday Folayan said that it should be reviewed in line with processed to take major decisions are reviewed in most organisation, it should be proposed, discussed, the impact and risks assessed. If there are risks that Members felt for not having registered the Bylaws, members were invited to inform the AGMM accordingly than being compelled to register the Bylaws.

Andrew Alston further proposed the Board to prepare a report for the Members on what are the risks and the legal implications for AFRINIC to file the Bylaws with the Registrar of Companies.

The Chairman Badru Ntege asked the Legal Counsel to respond.

Me Ashok Radhakisson intervened that the Bylaws was not registered with the Registrar not because AFRINIC is not following the provision of the law, but because the law states that a company has the option of not registering. He brought to the attention of the Members Section 39 & 41 of the Companies Act. He explained that if a company has a constitution, and it is not registered, it is

the Companies Act which applies in case of any prejudice or dispute. He highlighted that AFRINIC is not a shareholders' company where there is higher risk, there is no obligation on the company to file the Bylaws but the obligation should act within the provisions of the Companies Act. The Members were also recalled that the Board gave instructions for the Bylaws to reflect the community as an Internet Community, there are derogations from the Companies Act in order for the Bylaws to reflect what AFRINIC do; the existence of a community, the Policy Development Process, the NomCom is reflected in the Bylaws.

Viv Padayatchy commented that while recognising Andrew Alston's concern that Members should have legal standing, he appealed to Members to recognize that the Board is transitional but AFRINIC is an institution which is here to stay and Members should protect the organization and not undermine it. He suggested that the proposal made by Andrew Alston be noted and no decision taken in the present AGMM since all the related factors should be taken into consideration and thoroughly examined, as well as having other legal opinions.

The Chairman Badru Ntege affirmed that the issue will be taken back to the Board and the Board will come back to the community.

The meeting continued with discussion on the Financial Statements as per questions raised by Andrew Alston.

Viv Padayatchy proposed that the accounts has been presented as a statement of comprehensive income and based on the number of comments and doubts raised from Members, it may be appropriate to consider reviewing the reporting format in which AFRINIC needs to present its accounts; from a statement of comprehensive income to a statement of profit & loss.

Fiona Asonga and Seun Odeji proposed that the financial statements can be circulated earlier in future and members may be able to query accordingly.

The Chairman Badru Ntege asked for a vote for the approval of the Financial Statements / 2013 Audited Report. There was unanimous vote, no objection against the approval of the Financial Statements / Audited Report.

Resolution [AGMM201402-02]:

It is resolved at the AFRINIC 2014 AGMM that the Financial Statements/ 2013 Audited Report is approved by Members as presented by the Secretariat.

5.2 Appointment of Auditor for 2014

The resolution proposed by the Chairman of the Audit Committee was amended as requested by Members in previous discussions related above.

The Chairman Badru Ntege proceeded with a vote for the adoption of the resolution. There was no objection.

Resolution [AGMM201402-03]:

It is resolved at the AFRINIC 2014 AGMM to hereby appoint KPMG as AFRINIC External Auditor for the year 2015 and to carry out audit for the 2014 financial year.

5.3 Presentation of 2014 Budget

Badru Ntege as Chairman of the Finance Committee made a presentation on the 2014 Budget

[\[http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/2014_budget_badru.pptx\]](http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/2014_budget_badru.pptx)

He briefed that on the operational side, the aim is to maintain and improve AFRINIC's services whereas on the revenue side, the revenue will be driven from membership fees and to find better means to do more outreach to increase members and extend our growth. A revision in fee structure will also be carried out in the next 12 months. The activities done in 2013 will be continued in 2014 in terms of forecasting the number of areas to sustain membership and services, and also to work and reduce the level of members that get resources and fail to pay. However, there has been an increase in the collection rate and it is expected to close the year with a positive balance.

The Members were informed that the Training Plan was reviewed early during the year and it is anticipated to recover the training cost.

5.4 2014 Budget Execution

Patrisse Deesse, Director of Finance and Accounting, presented the 2014 Budget Execution

[\[http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/2014_budget_badru.pptx\]](http://internetsummitafrica.org/images/AIS14_assets/powerpoint_template/AGMM/2014_budget_badru.pptx). He pointed out that the Billing exercises started in December 2013 and for the first months of the year; there was enhanced communication with members with the objectives to increase collection. He

showed the revenues collected from existing and new members and informed that the fees collection rate has improved during this quarter compared to the previous rate, based on the late penalty fee which was levied and the creation of a Billing Unit to follow up on fee collection. Moreover, invoices for 2014 was sent via email myafrinic and courier, it was an expensive exercise but has improved the fee collection.

An overview of the operating costs were made.

Members were encouraged to update their contact details on the myafrinic database.

5.5 Questions & Answers

Alan Barrett queried on the fees structure for Members. He believed that there is a large difference on the fees paid by Enduser and LIRs for the same resources and asked the Board to consider accordingly.

The CEO acknowledged the question and advised that there were discussions within the Board. The difference between the enduser and the LIRs, and the reason behind the difference in fees is the operational relationship that exists between AFRINIC and the endusers or LIRs. The endusers are small corporate organization, they come once and get the assignments, the fee is the assignment fee and the membership is for renewal only. They do not use WHOIS or the other services provided by AFRINIC compared to LIRs. The amount of resources dedicated to LIRs are much more than endusers. It is somehow not fair for small organisations to bear the cost of same as LIRs.

Heng Lu stated that there is a gap in the definition of space category and allocation for resources bigger than /21 but smaller than /20. He proposed to rather put exactly the IP allocation size in the definition.

The AGMM debated on the definition of endusers, LIRs and Legacy Members. The Members were encouraged to raise further discussion on the rpd mailing list.

6.0 Proposals for Bylaws Review

6.1 Bylaws Revisions proposed by the Board

Me Ashok Radhakisson made a presentation on the proposed Bylaws review. The community is to consider and comments accordingly during the comments period which will be allotted. He briefed on some of the changes which were made to the Bylaws namely;

- (i) Editorial changes in the Interpretation Section, the definition of Associate Member has been enlarged to include the legacy resources holders.
- (ii) The word 'constitution' has been removed to the term 'adopted Bylaws'
- (iii) A definition has been included for Observers' who attend the AGMM '
- (iv) Section 7.2 (iii) include the process during the AGMM of having Members on one side and Observers on the other side, to be used as a guideline for future meetings.
- (v) A new Section 7.5 to give real existence to Observers what they can do and not can do, for example the Chairman can decide if they are to participate and make comments, otherwise they have strict Observer role
- (vi) There has been deletion of the postal voting from the Bylaws and Section 13.8, it is not applicable.
- (vii) Section 13.7 has been rewritten
- (viii) Section 17.2 which relates to Chief Executive Officer, there is the introduction of a vote of 6 Directors out of 8 to be able to redirect the position. Where the seat of the company othe country is, to be eligible as CEO.

The Bylaws will be submitted to the community for comments as per the process.

6.2 Special Resolution Proposal by Member on Bylaws revision

Andrew Alston who proposed the special resolution, advised that there are other provisions in the Companies Act which covers the proposed resolution but with less stringent criterias. He proposed the resolution because he believed that the Board should be accountable to the community, he advised that with only 16 members present at the AGMM, he is withdrawing the resolution but reserve the right to reinstate the resolution at a future date when there are more members present at the AGMM.

Fiona Asonga seconded the proposal.

8.0 AOB and Questions & Answers

There was no any other business to address.

10.0 Closure

The Chairman Badru Ntege thanked the Members present and adjourned the AGMM at 19 30 hrs (Local Time)