Treasury Report
July 2020
(closing summary, includes future
802 planning ad hoc)

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7/24/2020 10:50 AM

(in-meeting update, fixed typo on slide 10 to correctly indicate March 2020 plenary is model, not 2021)
### 2020 Session Results Actuals

<table>
<thead>
<tr>
<th>Session Result</th>
<th>March 2020 T1</th>
<th>July 2020 T2</th>
<th>TOTAL YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACTUAL AS OF DATE</strong></td>
<td>2020-04-03</td>
<td>2020-07-01</td>
<td>2020-07-01</td>
</tr>
<tr>
<td>Session Income</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Session Expense</td>
<td>-$76,275.98</td>
<td>-$36,178.17</td>
<td>-$112,444.15</td>
</tr>
<tr>
<td>Session Surplus/Loss</td>
<td>-$76,275.98</td>
<td>-$36,178.17</td>
<td>-$112,444.15</td>
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<tr>
<td>Sponsorships</td>
<td>$0.00</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td>Net Session Surplus/Loss</td>
<td>-$76,275.98</td>
<td>-$36,178.17</td>
<td>-$112,444.15</td>
</tr>
</tbody>
</table>

**NOTE – MARCH 2020 CANCELLATION FEE OF $175,000 WAS CONVERTED TO A NONREFUNDABLE DEPOSIT**

- March 2020 $20,000 deposit for Aquarium/social transferred to 2023
- March 2020 expense includes $1582.90 in F2F airfares usable in the future
- July 2020 Hotel rebooked – contract not yet signed

- March 2020 serves as a model for a last-minute cancellation with negotiated hotel relief
- July 2020 serves as a model for a 3-6 month out cancellation with negotiated hotel relief
Cancellation Fee status as of 7/2020

If we cancelled all the contracts today... ($1.83M)

Hotel Cancellation fees as of 7/20

<table>
<thead>
<tr>
<th>Frequency</th>
<th>$0-$100k</th>
<th>$100-$150k</th>
<th>$150-$200k</th>
<th>$200-$250k</th>
<th>$250-$300k</th>
<th>$300-$350k</th>
<th>$350-$400k</th>
<th>$400-$450k</th>
<th>$450-$500k</th>
<th>$500-$550k</th>
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<tbody>
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</tbody>
</table>
# Cancellations Impact Uncommitted Reserve

<table>
<thead>
<tr>
<th>Total reserve as of end of 2019:</th>
<th>$1,149,202.39</th>
<th>Reserve remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total loss for Atlanta</td>
<td>-$76,275.98</td>
<td>$1,072,926.41</td>
</tr>
<tr>
<td>Total loss for Montreal</td>
<td>-$36,178.17</td>
<td>$1,036,748.24</td>
</tr>
<tr>
<td>Misc. Expense through June 30 (outreach, 40th ann)</td>
<td>-$57,813.82</td>
<td>$978,934.42</td>
</tr>
<tr>
<td>Misc. Income through June 30 (interest)</td>
<td>+$5,721.97</td>
<td>$984,656.39</td>
</tr>
<tr>
<td>Committed funds as of June 30 (Atlanta 2023/25 + Bangkok deposit)</td>
<td>-$228,148.86</td>
<td>$756,507.53</td>
</tr>
<tr>
<td>Cancellation penalty for Nov 2020 if not rescheduled/negotiated</td>
<td>-$114,407.98</td>
<td>$642,099.55</td>
</tr>
<tr>
<td>Potential Cancellation for March 2021</td>
<td>-$268,650 (by Dec 31)</td>
<td>$373,449.55</td>
</tr>
<tr>
<td>Potential Cancellation for November 2021 (currently under contract, note July is not contracted yet)</td>
<td>-$28,042 (by Nov 10) -70,106 (by Mar 10)</td>
<td>$345,407.55 $303,343.55</td>
</tr>
</tbody>
</table>
Survey Responses from Working Groups
Survey Results Impression: Fee-willingness

- 802.1: Consensus on $150-$300 among WG members
  - (nonmembers want < $150)
- 802.3: Strong consensus on $150-$300
  - (25% unwilling to pay, and 7% willing to pay more)
- 802.11: About 2/3 willing to pay, discussion of $50-$150
- 802.18: Strong consensus $150-$300 (with emphasis on low end)
- 802.19: Consensus $150-$300 with some willingness for $300-$500
Survey Impressions: In-person meetings

• 802.1: Split 50/50 between 3-4 meetings and 6 meetings/year
• 802.3: Split 60/40 between 3-4 meetings and 6 meetings/year
• 802.11: (no input on meeting numbers)
• 802.18: Split 50/50 between 3-4 meetings and 6 meetings/year
• 802.19: Split 50/50 between 3-4 meetings and 6 meetings/year
802 Planning Ad Hoc
Overview of 802 Planning ad hoc

- Considered financial planning for 4 scenarios:
  - Last minute cancellations (with possibility of Force Majeure)
  - Considering a go/no-go decision 3-6 months out
  - Re-planning for 2 in-person (+1 electronic) plenary meetings per year
  - Re-planning for 1 in-person (+2 electronic) plenary meetings per year

- NOT for decision today
  - For consideration and discussion today – food for thought
  - Some decisions will need to be made prior to November to take some options
    - Nearest term is whether to conclude a contract for July 2021 (decision August 4)
    - Others can be made at the October 6 or November 3 EC calls
Scenario 1: Last Minute Cancellation

• Force Majeure generally requires waiting until the last minute to cancel, requires joint agreement
  • Only really clear in case of venue closure or local governmental restriction

• Best case – only pay pre-meeting & cancellation fees to vendors (total ~75,000)
  • March 2020 is a good example of this, without the $175,000 pre-deposit
    • Includes charges for cancelling registered attendees ($50/attendee)
    • On top of pre-meeting vendor fees -> total: $62-$72,000
    • Other fees (Credit card, other expenses): (~10,000)

• Worst case – risk last-minute cancellation fee on hotel (see next page)
  • Varies, most are $350,000 to $450,000
Scenario 1: Last minute / Force Majeure Risk

- In addition to planner/vendor + expenses of ~$75k

- Total Hotel Risk:
  - $3.90 M Cancellation fees
  - $208K deposits
  - $3.70 M net of deposits

- Risk per meeting:
  - Typically $425k-$525k
  - ~$600 to $1000/attendee
Scenario 2: 3 to 6 month out cancellation

- Assume – fully cancelled, no rebook arrangement
- Immediate actions - NONE
- Pre-meeting expenses (~$35,000 per meeting)
  - No registration opened, so no cancellation or CC fees
  - Meeting planner, vendor pre-meeting and site visit expenses
- Hotel cancellation fees typically $180k-$280k per meeting
- ~$300 - $630 / attendee
Scenario 3: Move to 2 In-person and one Electronic Plenary per Year

- Assumption: a planned transition, we can pick the meeting
  - Note – only ONE existing contract has cancellation < $100,000 today

- Costs:
  - No new hotel cancellation fees (we have one meeting uncontracted per year)
  - Cost related to Nov 2020 cancellation ($146,381 - $33,149 deposit paid = $113,232 net)
  - Negotiate meeting planner pre-meeting fees based on pre-planning work
    - Estimate < $25,000 total (some venue selection, site visits and other planning work, no registration or venue interaction on room assignments or finalizing F&B, etc.)
  - Total ~ $140,000 impact to uncommitted reserve

- Immediate actions required:
  - Terminate discussions for July 2021 venue contract
  - Terminate discussion for Nov 2022 Bangkok rebook
  - Decide which meeting in 2024 to be electronic, and, if necessary, terminate discussion
  - Need to consider rules revisions regarding non-North American meetings
Scenario 4: Re-plan to 1 In-person per Year (and 2 Electronic)

- Take actions in Scenario 3 – don’t contract new meetings through 2024
- Additionally choose meeting to cancel based on financial considerations
  - 2021: $28,050 [NOTE – THIS IS NOT MARCH 2021, WHICH IS HIGH RISK]
  - 2022: $214,697
  - 2023: $112,050
- Impact: $140,000 + $354,797 = ~$495k to uncommitted reserve
  - If March 2021 were planned out, increase impact by $141k
BACKUP – Information on Current Penalties and Commitments
Contract Flexibility is ~1 mtg/yr until 2024

- Meetings without contract:
  - 7/21 – Madrid – in process, not contracted as of today
  - 11/22 – possible Bangkok reschedule to avoid penalties
  - 7/23 – Berlin
  - 3/24 – Chicago
  - 7/24 – possible Montreal reschedule
  - 11/24 - no venue selected
  - 7/25 and later, except for 11/27

- Penalty < $100k: 11/22 – until 3/21
- Penalty $100k-$200k: 3/23, 3/25, 11/27
- Penalty $200-300k: 3/21, 7/22, 11/23
- Penalty > $300k: 3/22 ($521k)