

HONG KONG INTERNET REGISTRATION CORPORATION LIMITED

BOARD CHARTER

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Hong Kong Internet Registration Corporation Limited (the “Company”)

BOARD CHARTER

This Board Charter (“Charter”) is designed to provide Directors with greater clarity regarding the role of the Board, the requirements of Directors in carrying out their role and discharging their duties to the Company, and the Board's operating practices.

In adhering to the responsibilities set out in this Charter, Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law.

It should be noted that this Charter serves as a reference to the Board members in executing their responsibilities. The provisions contained in this Charter neither replace nor supersede the laws of the Hong Kong Special Administration Region or the applicable regulatory frameworks.

The Charter reads as follows: -

1. Introduction

The Board of Directors (“Board”) is responsible for the stewardship and oversight of the management of the Company’s business and affairs.

The provisions contained in this Charter are complementary to the requirements regarding the board and board members contained in the Companies Ordinance (Cap. 622), the Articles of Association of the Company and the provisions governing the relationship between the committees and the board as contained in the Charters of the committees.

2. Responsibilities of the Board

The Board is responsible to lead and control the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company and its stakeholders.

The Board is principally responsible for:

2.1 Strategy Setting

The Board’s main role is to review and approve strategic or business plans, financial objectives, major capital and operating budget and matters of policy proposed by the Management Team.

The Board would monitor the management’s performance in implementing the adopted strategies and provide relevant direction and advice where necessary to ensure the achievement of the Company’s objectives.

2.2 **Management of the Company**

The Board must oversee the performance of the management, ensuring that the Company is properly managed.

2.3 **Risk Management**

The Board is responsible to ensure that principal risks are identified and adequate mitigating action plans are put in place.

2.4 **Succession Planning**

The Board is responsible to ensure candidates for the post of CEO and other key roles are of highest caliber. The Board shall have in place a succession planning strategy in replacing senior management, when necessary.

2.5 **Integrity of Internal Control**

The Board shall review the adequacy and integrity of the Company's internal control system on a regular basis and ensure that there is an effective and satisfactory framework for reporting internal financial controls and regulatory compliance. In addition, the Board is expected to establish and ensure the effective functioning of an Audit Committee.

3. **Powers of the Board**

- 3.1 The Directors may exercise all such powers and do all such things as are not required by the Ordinance or the Articles of Association of the Company to be exercised or done by the Company in general meeting, subject nevertheless to the provisions of the Ordinance and the Articles and to any regulations prescribed by the Company in general meeting, provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
- 3.2 All cheques drawn on the Company's bank account or accounts, all orders for payment and other negotiable instruments made or issued by the Company, all receipts for moneys paid to the Company and all other contracts entered into by the Company in the ordinary course of business, shall be signed, drawn, accepted, endorsed, or otherwise executed as the case may be, in such manner as the Directors shall from time to time by resolution determine.
- 3.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, or any part thereof.
- 3.4 The Directors shall have power to employ and dismiss staff of the Company and to make provision for pensions, gratuities, retirement and other benefits for such staff.

- 3.5 The Directors may delegate in writing any of their powers to committees or sub-committees to be appointed by it, consisting of such persons as the Directors may think fit, and may from time to time revoke such delegation or revoke the appointment of and discharge any such committee or sub-committee either wholly or in part and either as to persons or purposes.
- 3.6 The Directors shall have power from time to time to make, amend and repeal all such rules as it may deem necessary or convenient for the carrying out of the objects of the Company and for the proper conduct and management of the Company. No rules shall be inconsistent with, nor shall they affect or repeal anything contained in the Memorandum or Articles of Association and any rule may be repealed by an ordinary resolution passed at a general meeting of the Company.
- 3.7 The Directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of the Director and of any committee or sub-committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors and of any committee or sub-committee of the Directors.
- 3.8 The Company's Consultative and Advisory Panel ("CAP") is to advise the Board on major ccTLD issues and facilitates the interaction of the Board with the stakeholders in general and with specific interest groups. The Board shall take into account (but shall not be obliged to follow) the recommendations of CAP. However, the Board shall, if required by any Member of the CAP, account for its decision in the event that it decides not to follow the recommendations of CAP.

4. Board Composition

The Board of Directors shall consist of not less than 4 and not more than 8 persons. Notwithstanding any provision herein, 4 of the Directors shall be Appointed by the HKSAR Government ("Appointed Directors"). The Directors, other than the Appointed Directors, shall be elected by the Members at a general meeting of the Company in accordance with the provisions of Article 40 of the Articles of Association.

5. Election and Appointment of the Board

The Directors of the Board, except the Government Director, shall be elected in the following manner:

- 5.1 The Members of each class shall elect such number of Directors (as may from time

to time be determined by the Directors) to the Board to represent them in each of such classes.

- 5.2 Each candidate standing for election to the Board for each class of Members must be a natural person proposed by an existing Member of the Company and seconded by another existing Member of the Company. Both of the proposer and the seconder must be from the same class of Members as the class for which the candidate is standing for election.
- 5.3 A candidate for election to the Board cannot stand for more than one class of Members at the same election.
- 5.4 In accordance with the procedures set out in Article 40 of the Articles of Association, if on the close of the nomination period, the number of candidates standing for election to the Board for a class is equal to or less than the number of vacancies for such class, the nominated candidates shall be deemed to be elected. If there is any vacancy in the Board for any classes of Members, such vacancy shall be filled by a by-election by the Members of such class within one month of the occurrence of such vacancy.
- 5.5 If the number of candidates standing for election to the Board for a class is greater than the number of vacancies in the Board for such class, the election to the Board shall be made by way of a ballot.
- 5.6 Each Member of a class is entitled to a number of votes which is equal to the number of vacancies to the Board for the relevant class. No Member so voting may cast more than one (1) vote in favour of each candidate.
- 5.7 The candidates receiving the greatest number of votes in their favour within their classes will be declared to be elected to the Board for such class. In the case of an equality of votes, the election shall be decided by way of lot.
- 5.8 With the exception of the Appointed Director, the term of office of a Director elected shall be three years.

The Government shall be entitled to appoint any Appointed Directors to the Board at any time and give a notice to the Company after such appointment.

6. Removal of Directors

- 6.1 Save for any Appointed Director(s), the Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles.
- 6.2 The Government shall be entitled to remove any Appointed Directors from the Board and appoint another person to fill the vacancy of the Appointed Director in the Board of the

Directors at any time and give a notice of removal and appointment to the Company after such removal and appointment.

6.3 Any casual vacancy of Non-Appointed Director in the Board of Directors or a vacancy resulting from the removal of a Non-Appointed Director under Article 63 may be filled by a Non-Appointed Director nominated by the class of Members which originally appointed the director removed by the Company in accordance with the procedures set out in Article 40. Any person so appointed shall serve only for the unexpired term of the Non-Appointed Director whom he has replaced but shall be eligible for re-election in accordance with Article 38. The unexpired term served by such replacement Non-Appointed Director shall, for the purposes of Article 38, be counted as one full term.

7. Disqualification of Members of the Board

The office of a Director shall be vacated if such Director:

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (b) becomes prohibited by law or court order from being a director of a company; or
- (c) is subject to an order which is made by a court claiming jurisdiction for that purpose on the ground of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his property or affairs; or
- (d) resigns his office by notice in writing to the Company given in accordance with section 157D(3)(a) of the Ordinance; or
- (e) in the case of an Appointed Director, is removed by the Government;
- (f) shall for more than 6 months have been absent without permission of the Directors from meetings of the Directors held during that period; or
- (g) is directly or indirectly interested in any contract (being a contract of significance in relation to the Company's business) with the Company and, if his interest in the contract is material, fails to declare the nature of his interest in manner required by section 162 of the Ordinance;
- (h) fails to observe and comply with the "Code of Conduct for the Board of Directors" of the Company prevailing at the time.

8. Election of Chairman of the Board

8.1 The Directors may elect a Chairman from among themselves in connection with such duties as the Directors shall decide. The Chairman shall cease to hold the office of Chairman when he ceases to be a Director of the Company.

- 8.2 All Directors who participate in the first Board Meeting held after every Annual General Meeting (AGM) for the purpose of electing the Chairman of the Board are eligible for participating in the election of the Chairman of the Board.
- 8.3 Nomination of the Chairman of the Board shall be called for at this first Board Meeting. All nominations shall be proposed and seconded orally by different Directors present.
- 8.4 If more than one nomination is received, an election by show of hands or secret ballot as the Board shall determine, shall be held.
- 8.5 Each Director of the Board present at the meeting held for the purpose of electing the Chairman shall have a vote.
- 8.6 The result of the election shall be determined by simple majority of the votes. If there are equal votes on both sides, re-voting using secret ballot will be needed. If re-voting results in a tie again, the Chairmanship will be determined by a random draw.
- 8.7 The Board should also elect two or more Director(s) to act in the place of the Chairman during his temporary absence. The elected Directors shall be put on an Acting Roster in a specific order as agreed by the Board. In the event that no Chairman is elected, the Government shall be entitled to appoint a Director to be the Chairman.

9. Temporary Absence of Chairman

- 9.1 If the Chairman is unable to perform the functions of his office for any period due to absence from Hong Kong or any other reason, a Director on the Acting Roster elected according to Board Charter No. 6.7 shall be picked in a rotary basis to act in his place for the duration of that period. All Directors on the Acting Roster List will take turn to act in place of the Chairman in case he is absent.
- 9.2 The Chairman shall inform the Board and the CEO in writing or via-email prior to his absence. All correspondences or e-mails regarding the Board matters handled by the acting Chairman during the absence of the Chairman should be copied to all Directors for information.
- 9.3 In the unlikely case that the Chairman and all acting Director(s) on the Acting Roster are absent at the same time, an urgent Board meeting would be called to resolve the matters concerned.

10. Absence of Directors in a Meeting

Any Director who is unable to attend a meeting of the Board and of any of its Committees of which he is a member shall inform the Company Secretary as early as possible.

11. Responsibilities of Directors

To effectively discharge their duties, the Directors are responsible to:

- 11.1 Be proactive in seeking more information within the Company and the industry, in an effort to have knowledge so as to participate and contribute effectively in the meetings.
- 11.2 Maintain confidentiality on Board deliberations and all confidential information received by a Director unless the disclosure has been authorized by the Board or required by law.
- 11.3 Exercise independent judgement when making decisions and act strictly in the best interest of the Company and its Members generally and not in the interest of any one Member or group of Members.
- 11.4 Seek professional independent advice at the Company's expense, as and when required. The Director must ensure that the costs are reasonable and must discuss with the Chairman before the advice is obtained. Procedure for taking independent professional advice is stated in Board Charter No. 20.
- 11.5 Disclose in writing according to Board Charter No. 11 to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist, and in addition take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty.
- 11.6 Continuously educate themselves to maintain the necessary depth and breadth of knowledge and skills.
- 11.7 Ensure that high standards of corporate governance are applied.

12. Responsibilities of the Chairman.

- 12.1 The Chairman carries out a leadership role in the conduct of the Board and its relations with Members and other stakeholders.
- 12.2 He maintains a close professional relationship with the CEO and his management team.

12.3 He chairs Board meetings, as well as general meetings of Members, and concerns himself with the good order and effectiveness of the Board and its processes.

12.4 The Chairman acts as a facilitator at Board meetings and ensures that no Board members dominates the discussions.

12.5 The Chairman shall also encourage all Directors to participate in the affairs of the Board and be given adequate opportunity to express their views.

13. Interest of Directors

13.1 All Directors, should complete and sign the following documents:

- (i) Declaration of Interests by Directors (*Appendix II*)
- (ii) Handling and Disposal of Confidential Information and Documents of HKIRC (*Appendix III*)

13.2 Directors should provide updated conflict of interest declaration wherever necessary.

13.3 When a matter is discussed in Board or Committee meeting, with which a Director has a conflict of interest irrespective of whether that conflict has been previously declared or not, the Director should declare his conflict of interest in accordance with Board Charter No. 14.10.

13.4 Directors are expected to act in accordance with the Company's Code of Conduct (*Appendix I*)

14. Proceedings of the Board of Directors

14.1 The Directors may meet and regulate its business as they think fit.

14.2 The quorum for a meeting of the Directors shall be not less than half of the Directors (which must include at least one Appointed Director) for the time being provided that if, within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall be adjourned to such other day, time and place as those present may determine and if, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, two Directors (which must include at least one Appointed Director), shall be a quorum.

14.3 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the Board shall have a casting vote.

14.4 A Director may and the Secretary at any time, on the requisition of a Director, shall convene a meeting of the Directors. It shall not be necessary to give notice of a

meeting of the Directors to any Director for the time being absent from Hong Kong.

- 14.5 The continuing Directors may continue to act, and to carry out all the functions of the Directors notwithstanding any vacancy.
- 14.6 If, at any meeting of the Directors, the Chairman is not present at the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of the meeting.
- 14.7 A director may attend a meeting of the Directors in person, or via available electronic means including telephone conference or video conference.
- 14.8 A resolution in writing (which shall include a facsimile transmission) signed by all Directors shall be as effective as a resolution passed at a meeting of Directors duly convened and held and may consist of several counterparts, each signed by one or more of the Directors.
- 14.9 All acts done at any meeting of Directors or of a committee or sub-committee of the Directors or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Member of the Board.
- 14.10 (a) A Director who is, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature and extent of his interest at a Board meeting at which the question of entering into such contract is first taken into consideration or, if the Director was not at the date of that meeting interested in such contract, at the next Board meeting held after he became interested. If the Director becomes interested in a contract after it is made, the declaration shall be made at the first Board meeting held after he became interested. If the Director is interested in a contract which was made before he was appointed a Director, the declaration shall be made at the first Board meeting held after he is appointed.
- (b) A general notice given to the Board by a Director that:
- (i) he is a member of a specified company or firm and is to be regarded as interested in any contract with which, after the date of the notice, the Company is made with such company or firm; or
 - (ii) he is to be regarded as interested in any contract with which, after the date of the notice, the Company is made with a specified person who is connected with him; shall (if such Director gives the notice at a Board meeting or takes reasonable steps to secure that the notice is brought up and read at the next Board meeting after the notice is given) be deemed a sufficient declaration of interest in relation to the contract.

- (c) In Article 61 of the M&A of the Company, a reference to a contract shall include a transaction or arrangement, whether or not constitute a contract.

14.11 A Director shall not vote (but shall be counted towards the quorum present at the meeting) in respect of any contract in which he is interested or any matter arising therefrom, and if he does so vote his vote shall not be counted.

15. Appointment of Committees and Conveners

15.1 The Chairman may establish such Committees for the better performance of its duties and exercise of its powers as it thinks fit. The Board shall remain collectively responsible for the decisions and actions taken by any committee. A Committee may only perform the tasks delegated to it by the board and may not exceed the authority or powers of the board as a whole. Decision that, by law, must be taken by the board may not be delegated to a committee.

15.2 If the Chairman decides to establish Committees, the Board shall appoint to each of the Committees a Convener who shall be nominated and elected by the Board from among its Directors.

15.3 Nominations of the Convener of the Committee shall be called for at the meeting held by the Board for the purpose of electing the Committee Convener. All nominations shall be proposed and seconded orally by different Directors present.

15.4 If more than one nomination is received, an election by show of hands or secret ballot as the Board shall determine, shall be held.

15.5 Each Director of the Board present at the meeting held for the purpose of electing the Committee Convener shall have a vote.

15.6 The result of the election shall be determined by simple majority of the votes.

16. Appointment of Committee Members

16.1 All Directors are eligible to join all Committees established under the Board by notifying the Conveners of Committees.

16.2 Convener of a Committee shall have the right to confirm its Committee members and submit it to the Board for endorsement.

16.3 Resignation of Committee member must be notified to the Convener.

16.4 Changes in the membership list of Committees shall be approved by that Committee and endorsed by the Board.

17. Temporary absence of Convener

The Convener shall inform the Board and the CEO in writing or via e-mail prior to his absence.

18. Meetings of Committees

- 18.1 The ordinary meeting of a Committee shall be held on a day and at a time and place according to a schedule of meetings agreed by members of the Committee.
- 18.2 The Convener of the Committee may decide to postpone or adjourn any ordinary meeting of the Committee.
- 18.3 The Convener of the Committee may call for and appoint the time and place of an extraordinary meeting of the Committee.
- 18.4 At any ordinary or extraordinary meeting of the Committee, half of the membership but in any case not less than 2 members shall be a quorum.
- 18.5 If a quorum is not present within 30 minutes after the time appointed for the meeting, the Committee Convener may adjourn the meeting.
- 18.6 In case the Convener is absent from the meeting at which a quorum is present, the members present shall elect among themselves one member to preside the meeting.
- 18.7 Nominations of the Convener under paragraph (6) shall be called for at the meeting. All nominations shall require to be proposed and seconded orally by different Committee members present.
- 18.8 In the case of more than one nomination being received, an election by show of hands or secret ballot, as the Committee shall determine, shall be held.
- 18.9 Each Committee member present at the meeting shall have a vote.
- 18.10 The result of the election shall be determined by simple majority of the votes. If there were equal votes on both sides, re-voting using secret ballot is needed. If re-voting results in a tie again, the meeting will have to be adjourned eventually.
- 18.11 A Committee may deal with matters by circulation of papers or electronic mails; and a resolution signed by all the members of the Committee for the time being present in Hong Kong is as valid and effective as if it had been passed at a meeting by the votes of the members so signing.

- 18.12 Any member of the Committee may request discussion of a circulation paper and such discussion shall be arranged by the Convener of the Committee.
- 18.13 Matters relevant to the functions of the Committee may be referred by the Chairman of the Board or, upon a motion duly passed by the Board, to the Committee.
- 18.14 A director of the Board who has proposed a motion which has been referred to a Committee of which he is not a member shall be entitled to attend and address the Committee at its meeting scheduled to consider the motion for the purpose of explaining it. He shall not, however, act as a member of the Committee.
- 18.15 A matter which is or has been under consideration by a Committee may be referred to the Board by the Convener of the Committee or upon a motion duly passed by the Committee.

19. Remuneration

- 19.1 No member of the Board of the Company shall be appointed to any salaried office of the Company, or any office of the Company paid by fees and no remuneration or other benefit in money or money's worth (except as provided in 17.2 below) shall be given by the Company to any member of the Board.
- 19.2 Nothing herein shall prevent the payment, in good faith, by the Company:
- (a) to any member of the Board of out-of-pocket expenses;
 - (b) of interest on money lent by any member of the Board at a rate per year not exceeding 2% above the prime rate prescribed for the time being by the Hong Kong and Shanghai Banking Corporation Limited for Hong Kong dollar loans;
 - (c) of reasonable and proper rent for premises demised or let by any member of the Board; and
 - (d) of remuneration or other benefit in money or money's worth to a body corporate in which a member of the Board is interested solely by virtue of being a member of that body corporate by holding not more than one-hundredth part of its capital or controlling not more than a one-hundredth part of its votes.

20. Indemnification and Directors and Officers insurance

Every Director of the Company shall not have any personal liability for any act performed in his or her capacity as a Director of the Company except for such acts as would constitute

a violation of the laws of Hong Kong. In addition, to the extent permitted by the laws of Hong Kong, the Company shall indemnify every Director of the Company against any and all expenses, judgements, fines, settlements and other amounts actually and reasonably incurred by him or her in connection with any threatened, pending or completed action, suit or proceedings, whether civil, administrative or investigative, to which he or she may be subjected in the fulfillment of his or her duties, except in respect of wilful misconduct or gross negligence.

Without prejudice to the foregoing provision and subject to the provisions of the Companies Ordinance, the Directors may purchase and maintain insurance at the expense of the Company for the benefit of the Directors and other officers and auditors of the Company against any liability attached to any of them or any loss or expenditure incurred by them in relation to anything done or omitted or alleged to have been done or omitted as Directors, officers or auditors.

21. Delegation of Authority Policy

21.1 This Delegation of Authority Policy is established to:

- Set out matters specifically reserved for determination by the Board and those matters delegated to management;
- Set out matters reserved for specific roles in the Company;
- Establish expense approval limits by role.

The functions exercised by the Board and those delegated to management are subject to ongoing review to ensure that the division of functions remains appropriate.

21.2 Matters reserved for the Board:

Matters specifically reserved for the Board include:

- Matters involving financial amounts above a certain limit;
- Approval of or changes to the annual budget and operating plan;
- Appointment and the terms of employment of the CEO;
- Establishment or discontinuance of subsidiary companies;
- Purchase or sale of real estate;
- Delegations of the powers of the Executive Committee to others; and
- Amending this Board Charter

21.3 Matters delegated to CEO / Role and Responsibilities of CEO:

- Work closely with the Board in formulating policy and strategy to achieve the mission and objects of the company;
- Provide leadership and management for the day-to-day operations of HKIRC, adopt best practice in operational and quality management and building a motivated, professional and high performance team. Develop, improve and adopt best practices in risk management and corporate governance;
- Responsible for the achievement of the Annual Operating Plan as approved by the Board;
- Actively promote the wider adoption and usage of the .hk domain name for businesses and individuals. Effective management of third party channels to promote the sale and registration of .hk domain names;
- Develop close working relationship with other regional and international organizations of Internet domain names. Work closely with our global counterparts and industry partners to shape, exchange and adopt industry best practice and standard;
- Actively participate in community CSR programs.

21.4 Matters delegated to management:

Other than as expressly provided in this policy, all matters not specifically reserved for the Board and necessary for the day-to-day management of the organization, and the implementation of corporate objectives, are delegated to management. Management may sub-delegate where appropriate. The Company's policies and procedures provide guidance on the execution of specific roles and responsibilities.

Management shall be responsible for:

- Ensuring that the organization's day-to-day operations including patient care are carried out in accordance with all legal and regulatory requirements;
- Ensure that the Company's policies, practices and decisions are undertaken in a manner that is prudent, equitable and consistent with commonly accepted business practices and professional ethics;
- Ensure that the Company's assets are protected, adequately maintained and not placed at unnecessary risk;
- Ensure that Board approved priorities are reflected in the allocation of resources;
- Ensure that budgeting is based on generally accepted accounting principles and that budgets are balanced;
- Promote a healthy work environment for staff that is consistent with the Company's values;

- Represent the Company externally to the community, government, media and other stakeholders in ways that enhance the public image and credibility of the Company.

21.5 Reporting by Management to the Board:

As part of the framework established by this policy, management is required to report regularly to the Board concerning the authority exercised. Reports by management shall cover such areas as marketing and business development, technical performance, financial performance, risk management, human resource issues and other items related to HKIRC's operations.

Management must report to the Board on a regular basis on serious occurrences or staff complaints.

21.6 Expenditure Approval Policy:

Board approval shall be required for:

- All capital and/or operating expenditures in excess of HK\$200,000 and up to HK\$1,000,000. An Evaluation Panel consisting of at least 2 staff and the CEO will be set up to evaluate the proposals and recommend the selected vendor to the Executive Committee / the Board for approval.
- The Company will call for tenders for purchases over HK\$1,000,000. An Evaluation Panel consisting at least 1 Director, 2 staff and the CEO will be set up to evaluate the proposals and recommend the selected vendor to the Executive Committee / the Board for approval.
- Bank cheque signing arrangement:

Amount	Arrangement
Any sum up to HKD50,000 or equivalent	Any two in Group A, B or C
Any sum up to HKD200,000 or equivalent	One in Group B or C and one in Group A, B or C
Any sum up to HKD500,000 or equivalent	One in Group B or C and one in Group C
Any amount without limit	Two in Group C

- Group A: Head of Finance, Head of IT,
Head of Marketing & Business Development
- Group B: Chief Executive Officer, Deputy Chief Executive Officer
- Group C: Directors

Board approval must be sought whenever the individuals in the above mentioned three groups (A, B and C) are changed.

- iv. Staff hires or contracts outside of the approved budget.
- v. Opening of new bank accounts.

22. **Procedure for Taking Independent Professional Advice:**

Subject to the following procedures and limitations, the Directors of the Company shall, both individually or collectively, have the right to seek independent professional advice on matters where there may be material risk to the Company or where the board members may be in breach of their duties. This shall cover advice on and not limited to legal, accounting, financial and other regulatory matters. The professional fee will be at the Company's expenses in furtherance of their duties as Directors of the Company.

- A Director shall give notice in writing to the chairman of his intention to seek independent professional advice under this procedure and shall provide the following details of :
 - a) the nature of the independent professional advice;
 - b) the likely cost of seeking the independent professional advice; and
 - c) details of the independent adviser he or she proposes to instruct.
- The Director concerned shall be provided a written acknowledgement of receipt of the notification which shall state whether the fees for the professional advice sought are payable by the Company under this procedure;
- All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the Director in his or her capacity as a Director of the Company. The right to advice does not extend to advice concerning matters of a personal or private nature;
- Any advice obtained under this procedure shall be feed back to the Board by the Director concerned and made available to the other members of the Board upon request;
- The Director concerned and the rest of board members should be advised of an approval granted by the chairman to seek independent professional advice or of any declined request for a Director to obtain advice.

23. Review of Board Charter

The Board Charter shall be reviewed periodically.

Any updates to the principles and practices set out in this Board Charter shall be made available on the corporate website.

Dated: 18 June 2019

Appendix I

Code of Conduct for the Board of Directors (“Code”)

1. Introduction

Hong Kong Internet Registration Corporation Limited together with all its majority-owned subsidiaries (hereinafter referred to as “HKIRC”) believes that honesty, integrity and fair play are important company assets in business. All directors of HKIRC (hereinafter referred to as “Directors”) have to ensure that HKIRC’s reputation is not tarnished by dishonesty or corruption. This Code sets out the basic standard of conduct expected of the Directors and HKIRC policies on acceptance of advantages and declaration of conflict of interest by the Directors in connection with their official duties.

2. Mission

HKIRC is a not-for-profit organization that is committed to providing, and supervising the provision of .hk and .香港 Internet domain names registration, resolution and related services in an uninterrupted, effective, customer-centric and sustainable manner. In addition, HKIRC promotes Hong Kong as an inclusive, secure, innovative and international city for the Internet and encourages the use of Internet and the related technologies.

3. Core Values

HKIRC has the following core values: (a) Pursuit of excellence, (b) Effectiveness, (c) Integrity, (d) Care, (e) Innovation, (f) Leadership (foresight)

4. General Standards

- 4.1 A Director shall ensure that his conduct would not bring HKIRC into disrepute.
- 4.2 A Director shall not at any time or in any respect do anything which may compromise or impair his integrity, impartially, objectivity or ability to perform HKIRC duties.
- 4.3 A Director shall adhere to the spirit and the letter of any rules or orders made for HKIRC’s practices and procedures or for Directors’ behavior in relation to the business of HKIRC.

5. Specific Standards

5.1 Prevention of Bribery Ordinance

HKIRC is listed on both Scheduled 1 and 2 to the Prevention of Bribery Ordinance (Cap. 201) as one of the “Public Bodies” governed by the Ordinance and Directors are public servants for the purpose of the Ordinance. Under Section 4 of the Ordinance, any public servant who solicits or accepts any advantage in Hong Kong or elsewhere as a reward or inducement for performing any act or expediting, delaying, hindering or preventing the performance of any act in relation to the latter’s business, commits an offence. The person offering the advantage also commits an offence. Director should also note that one may commit an offence under the POBO irrespective of whether he, or any other person acting on his behalf, directly or indirectly solicits or accepts any advantage, and whether for himself or for any other person.

It is also an offence under the Ordinance for any Director to use any document containing false information with the intent to deceive HKIRC.

5.2 Solicitation and Acceptance of Advantages

It is the policy of HKIRC to prohibit all Directors from soliciting or accepting any advantages from any persons or companies having business dealings with HKIRC (e.g. service recipients, suppliers, contractors).

5.2.1 *Gifts/Souvenirs Presented to Directors in Their Capacity As Such*

Directors should as far as possible decline to accept advantages offered/presented to them by virtue of their official position. A gift/souvenir presented to Director in his capacity as such should be regarded as a gift/souvenir to HKIRC (e.g a gift/souvenir presented by the organizers to a Director invited in his capacity as such or representing HKIRC to officiate at ceremonies). The gift/souvenir should be of a nominal value; or subject to a maximum limit of HK\$500 in value.

A Director shall complete the *Form A* for the disposal of gifts/souvenirs received in the above circumstances.

5.2.2 *Sponsorships Offered to Directors in Their Capacity As Such*

Directors may be offered sponsorships in their capacity as such by persons/organizations other than HKIRC itself for official purposes such as attending local/overseas conferences, conventions, product trail activities, etc. Such sponsorships should be regarded as sponsorships offered to HKIRC and referred to Board of HKIRC for consideration of acceptance.

The Board of HKIRC should consider whether it is appropriate to accept the offer based on the following general criteria:

- (a) acceptance of the sponsorship will benefit HKIRC as a whole and not bring HKIRC into any disrepute;
- (b) the sponsorship is not excessive in value or frequency;
- (c) HKIRC will not feel obliged to do something in return for the offeror; and
- (d) acceptance will not give rise to any actual or perceived conflict of interest (e.g. the offeror is a supplier/contractor bidding for HKIRC's contracts).

If the Board of HKIRC decides to accept the sponsorship, it should then select a suitable Director to attend the sponsored activity in its behalf.

5.2.3 Advantages Offered to Directors in Their Private Capacity

Where a Director is offered an advantage in his private capacity, he may accept it if –

- (a) the acceptance will not affect the performance of his duties as a Director; and
- (b) he will not feel obliged to do something in return in connection with HKIRC business for the offeror.

If a Director feels that he would be obliged to reciprocate an advantage by returning to the offeror a favour connected with any Company business, he should decline the offer.

When a Director is in doubt as to whether he should accept an offer of advantage, it is advisable for him to apply the “sunshine test”^{*} and consult the Board of HKIRC.

** In the sunshine test, the person concerned should ask himself if he would not be ashamed to openly discuss with the general public what he is doing. If he feels uncomfortable about that, what he is doing is probably conflicting with the ethical standards generally expected by society.*

6. Acceptance of Entertainment

As defined in Section 2 of the Prevention of Bribery Ordinance, “entertainment” refers to food or drink provided for immediate consumption on the occasion, and of any other entertainment provided at the same time. Although entertainment when offered by way of a favour is not an advantage per se and its acceptance is generally not subject to the POBO, a free entertainment may, in certain circumstances, amount to “a discharge of an obligation to pay” which is an advantage under Section 2 of the POBO. For example, where a public servant visits a restaurant with which he has official dealings and at the end of the meal the restaurant owner waives the bill, this may amount to an acceptance of an advantage.

Directors should not accept lavish, or unreasonably generous or frequent entertainment, or indeed any entertainment which is likely to give rise to any potential or real conflict of interest, put the Directors in an obligatory position in the discharge of their duties, compromise their impartiality or judgement, or bring them or the Company into disrepute bearing in mind public

perception. When offered entertainment, a Director should consider whether the entertainment offered could be regarded as :

- i. excessive – taking into account its value, substance, frequency and nature;
- ii. inappropriate – taking into account the relationship between the Director and the offeror (e.g. whether they have any direct official dealings); or
- iii. undesirable – taking into account the character or reputation of the host or known attendees.

7. Offering of Advantage

Directors are prohibited from offering advantages to any Director, or staff of any company or organization, for the purpose of influencing such person or company in any dealings, or any public official, whether directly or indirectly through a third party, when conducting the business of HKIRC. It is also an offence under the POBO for any person while having dealings with a public body to offer an advantage to the public body's members and employees.

Directors should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. Where it is necessary or unavoidable due to operational, protocol or other reasons, the number of gifts/souvenirs to be bestowed should be kept to a minimum and the exchange of gifts/souvenirs should be made from organization to organization. Gift/souvenir items should not be lavish or extravagant and standard souvenirs inscribed with the Company's logo are preferred.

8. Managing Conflict of Interest

8.1 Conflict of Interest

Directors should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of HKIRC) or the perception of such conflicts. They should not misuse their position or authority in HKIRC to pursue their own interests. Private interest includes both financial and personal interests of the Director and those of his/her connections including family and other relations, personal friends, the clubs and societies to which he/she belongs, and any person to whom he/she owes a favour or obligated in any way.

8.2 Avoidance and Declaration of Conflict of Interest

A fundamental integrity requirement that all Directors should avoid situations which may compromise (or be seen to compromise) their personal judgment or integrity at work or lead to conflict of interest.

When a situation involving a conflict of interest cannot be avoided, Directors should as soon as possible make full disclosure of all relevant interests which conflict, may conflict or may be seen to conflict with their official duties. The basic principle to be observed is that Directors' advice should be disinterested and impartial and it is the responsibility of each Director to judge and

decide if the situation warrants a declaration, and to seek a ruling from the Chairman in case of doubt.

There are circumstances in which a tie of kinship or friendship, or some other association or loyalty which does not give rise to a financial interest, can influence the judgement of a Director in discharging his official duties, or may reasonably be perceived as having such an influence. As such, a Director's duty to avoid or declare a conflict of interest goes beyond the disclosure of interests that are definable in pecuniary terms.

8.3 Examples of Conflict of Interest

Some common examples of conflict of interest include:

- (a) A Director involved in the procurement process is closely related to or has beneficial interest in a company which is being considered by HKIRC in the selection of a supplier or service provider;
- (b) one of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the Director responsible for the recruitment or promotion;
- (c) a Director involved in the selection of a supplier for HKIRC engages in frequent or excessive gambling with one of the suppliers under consideration;
- (d) a term contractor whose contract is about to be renewed grants a personal loan to the Director responsible for giving final approval or endorsement to contract negotiation; or
- (e) a Director responsible for evaluating tenders is a part-time consultant of one of the tenderers.

Directors should complete the **Form B** and report to the Board of HKIRC when they believed that there is actual/potential conflict of interest.

8.4 Directors Bidding for the Company's Contracts

As a matter of principle, Directors should avoid entering into any business contract (e.g. for the supply of goods and services) with HKIRC in their personal capacity to prevent the public perception of Directors using their capacity to obtain financial gains from HKIRC. Where this is unavoidable, Directors shall also complete the **Form B** and report to the Board of HKIRC.

9. Misuse of Capacity as a Director

Persons occupying public offices are placed in a position of trust and entrusted with certain powers by the public. Our society expects public officials in such a position to exercise the powers and discretions with integrity and fidelity, and in an incorrupt manner to serve the public

interest, and should not subordinate the public interest to private interests. Directors shall not misuse their official capacity as such to gain benefit for themselves or others, or render favour to any person/organization with whom they have connections. A Director who misconducts himself seriously in relation to his official duties may commit the common law offence of “misconduct in public office” (MIPO).

9.1 Misconduct in Public Office

A Director who misconducts himself in relation to his official duties may commit the common law offence of MIPO. The common law offence of “misconduct in public office” extends the reach of criminal law beyond bribery into various types of misconduct of public officers when discharging their official duties. The elements constituting the offence of MIPO are as follows:

- (a) a public official;
- (b) in the course of or in relations to his public office;
- (c) willfully misconducts himself by act or omission (for example, by willfully neglecting or failing to perform his duty);
- (d) without reasonable excuse or justification; and
- (e) such misconduct is serious, not trivial, having regard to the responsibilities of the office and the office-holder, the importance of the public objects which they serve and the nature and extent of the departure from those responsibilities.

The misconduct must be deliberate rather than accidental in the sense that the official either knows that his conduct is unlawful or willfully disregards the risk that his conduct is unlawful. Willful misconduct without reasonable excuse or justification is culpable.

The essential feature of the offence is an abuse by the public official of the powers, discretions or duties exercisable by virtue of his official position conferred on him for the public benefit. A public officer may commit MIPO even if his misconduct does not involve any bribery or he does not have any pecuniary gains as a result.

Some examples of the past conviction cases are described below:

- i. A department head of a university misused university funds to hire a domestic helper cum driver and covered up a subordinate’s embezzlement.
- ii. A faculty dean of a university failed to declare a conflict of interest arising from his capacity as the dean and as the sole proprietor of a company. He had procured or caused donations totaling HK\$3.8 million that were intended for the university to be paid to his private company.
- iii. A chairman of a public body responsible for considering licence applications improperly discussed with the applicants and their agents before convening board meetings and provided classified documents relating the licence applications to a personal friend working for the applicants. He also failed to declare the conflict of

- interest in respect of his relationship with the licence applicants and their agents when considering their applications.
- iv. A deputy head of a public body dishonestly claimed the cost of return airfares for attending meetings and overseas subsistence allowances to which he was not entitled.
 - v. A doctor in a public hospital had sent out letters advertising the fact that he was leaving to commerce private practice. Those letters contained some confidential personal particulars of patients, including those with whom he had not dealt with personally but simply patients under the management of his team.
 - vi. A civil servant responsible for the award of service contracts had misused his office by exerting improper influence over the award of contracts to a company which was not qualified for tendering for the contracts and in which his relatives had a financial interest.
 - vii. A civil servant responsible for conducting a registration examination assisted a friend in obtaining the registration dishonestly, and provided the latter with classified information relating to the examination.

10. Use of Organisation's Assets and Resources

Directors in charge of or having access to any assets of HKIRC, including funds, property, information, and intellectual property should use them solely for the purpose of conducting HKIRC's business. Unauthorized use to make personal gain is strictly prohibited.

11. Confidentiality of Information

Directors should not disclose any classified or proprietary information of HKIRC without authorization or misuse any HKIRC's information. Those who have access to or in control of such information should at all times ensure its security and prevent any abuse, unauthorized disclosure or misuse of the information. Special care should be taken when handling any personal data of both the Directors and service recipients to ensure compliance with the Personal Data (Privacy) Ordinance (Cap. 486) and HKIRC's data privacy policy. Examples of misuse include disclosure of information in return for monetary rewards, or use of information for personal gains. All Directors, except the Government Director, shall sign the undertaking titled *"Handling and Disposal of Confidential Information and Documents of HKIRC"* (Form C) upon their first appointment.

Directors should continue to observe their duty of confidentiality after they have left the Company. They should not use, or take advantage of any classified or proprietary information obtained in the course of their official duties.

12. Outside Work

A Director who intends to accept a position with any organization that could lead to a conflict of interest or situation prejudicial to the Company's interests, should discuss the implications of

accepting such a position with the Chairman of the Company. He should consider resigning from the Company if the conflict or the perception of such cannot be avoided.

13. Post-Service Employment/Activities

Directors should avoid taking up employment or providing service in any organizations which might constitute conflict of interest with their former service in the Company.

14. Records, Accounts and Other Documents

Directors should ensure, to the best of their knowledge, that any record, receipt, account or other documents they submit to HKIRC, gives a true representation of the events or transactions reported in the documents. Intentional use of documents containing false information to deceive or mislead HKIRC, regardless of whether the Director may obtain any gain or advantage, may constitute an offence under the Prevention of Bribery Ordinance.

15. Gambling

Directors must not engage in frequent gambling of any kind, including games of mahjong, with persons having official dealings with the Company or over whom they have enforcement responsibilities. In social games of chance with service recipients, they must exercise judgment and withdraw from any high stake games.

16. Loans

Directors must not accept a loan from or through the assistant of, any person or organization having business dealings with HKIRC. There is, however, no restriction on borrowing from a likened bank or financial institution.

17. Indebtedness

Directors should avoid allowing themselves to get into a position where any debts they may have become unmanageable and other financial embarrassment which may bring the Company into disrepute.

Directors are required to notify the Chairman or Chief Executive Officer if proceedings are taken against them with a view to bankruptcy. Directors who become insolvent or bankrupt, even though no proceedings have been taken against them yet, should also report their case to the Company.

18. Use of Public Funds

Directors shall ensure that all public funds are used in a prudent and responsible manner to safeguard public interest. They should only approve funds for any project/activity/expenditure item which falls within the ambit of the funds and can achieve the purpose of the funds.

Directors shall particularly ensure that an open, fair and competitive mechanism is adopted for the procurement of goods/services and recruitment of staff for the Company.

19. Reporting Suspected Criminal Offences and Irregularities

A Director should report, either directly or through the Chief Executive Officer as appropriate, all instances of crime or alleged crime discovered in the course of his official duty to the appropriate law enforcement authority at the first practicable opportunity. He has no discretion in deciding which cases of crime or alleged crime to report. He should avoid making any enquires or taking any action that may hinder or frustrate subsequent investigation by the law enforcement authority concerned.

Attempting to bribe a public servant is a criminal offence under the POBOP. Such attempts should be reported promptly to the ICAC. All such reports should be treated in the strictest confidence.

A Director should also report other irregularities observed in the course of their official duty to Chief Executive Officer. All such reports should be treated in the strictest confidence.

20. Upholding of Corporate Image

Directors should report to the Board on all incidents that may affect the corporate image, reputation or perceived integrity of HKIRC, no matter whether those incidents are of a personal or corporate nature.

21. Compliance with the Code

It is the personal responsibility of every Director to understand and comply with the Code.

Directors must comply with all local laws and regulations when conducting HKIRC's business, and also those in other jurisdictions, when conducting business there.

Any Director who is in breach of the Code will be requested to provide a full explanation of the incident. Appropriate remedial action will be discussed and agreed by the Board of HKIRC. In cases of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate authorities.

Any enquiries about the Code or reports of possible breaches of this Code should be channeled to the Board of HKIRC for advice and action.

This Code is subject to changes from time to time at the discretion of the Board of HKIRC.

Appendix II

**HONG KONG INTERNET REGISTRATION CORPORATION LTD
FORM B2 - DECLARATION OF INTERESTS BY DIRECTORS**

Part A

(Please read the guidance note in the back page before completing this form)

I, _____ (Name), hereby declare, to the best of my knowledge, my interests that may give rise to conflict of interest, real or potential, in the course of conducting and deliberating the business of the Hong Kong Internet Registration Corporation Limited (“the Corporation”) in relation to my appointment as Director of the Corporation:

1. Proprietorships, partnerships or directorships of a public and/or private body in the field of Internet applications, domain name registration and services, information technology or telecommunications, Internet community projects as well as any connection with a private and/or public body providing or in the course of making an offer / tender to provide the Corporation with facilities/services:

2. Shareholdings in a public and/or private body (1% or more of the company’s issued share capital) in the field of Internet applications, domain name registration and services, information technology or telecommunications, Internet community projects as well as any connection with a private and/or public body providing or in the course of making an offer / tender to provide the Corporation with facilities/services:

3. Remunerated employments, offices, trades, professions or vocations in a public and/or private body in the field of Internet applications, domain name registration and services, information technology or telecommunications, Internet community projects as well as any connection with a private and/or public body providing or in the course of making an offer / tender to provide the Corporation with facilities/services:

4. Any other private interests (either business or non-business) which may cause a perceived or actual conflict of interest with the Corporation.

I hereby confirm that the above is declared to the best of my knowledge.

Declared by:

_____ (Signature)

Name:

Date:

*Please attach separate sheet if space is not enough

Guidance Note

Avoidance and Declaration of Conflict of Interest by Directors

A fundamental integrity requirement that all Directors should avoid situations which may compromise (or be seen to compromise) their personal judgment or integrity at work or lead to conflict of interest.

When a situation involving a conflict of interest cannot be avoided, Directors should as soon as possible make full disclosure of all relevant interests which conflict, may conflict or may be seen to conflict with their official duties. The basic principle to be observed is that Directors' advice should be disinterested and impartial and it is the responsibility of each Director to judge and decide if the situation warrants a declaration, and to seek a ruling from the Chairman in case of doubt.

There are circumstances in which a tie of kinship or friendship, or some other association or loyalty which does not give rise to a financial interest, can influence the judgement of a Director in discharging his official duties, or may reasonably be perceived as having such an influence. As such, a Director's duty to avoid or declare a conflict of interest goes beyond the disclosure of interests that are definable in pecuniary terms.

Examples of Conflict of Interest

Some common examples of conflict of interest include:

- a) a Director involved in the procurement process is closely related to or has beneficial interest in a company which is being considered by the Corporation in the selection of a supplier or service provider;
- b) one of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the Director responsible for the recruitment or promotion;
- c) a Director involved in the selection of a supplier for the Corporation engages in frequent or excessive gambling with one of the suppliers under consideration;
- d) a term contractor whose contract is about to be renewed grants a personal loan to the Director responsible for giving final approval or endorsement to contract negotiation; or
- e) a Director responsible for evaluating tenders is a part-time consultant of one of the tenderers.

Directors should complete this **Form B2** and report to the Board of the Corporation when they believed that there is actual/potential conflict of interest.

Directors Bidding for the Corporation's Contracts

As a matter of principle, Directors should avoid entering into any business contract (e.g. for the supply of goods and services) with the Corporation in their personal capacity to prevent the public perception of Directors using their capacity to obtain financial gains from the Corporation. Where this is unavoidable, Directors shall also complete this **Form B2** and adhere to the guidelines on managing possible conflict of interest in bidding for the Corporation's business contracts as set out below:

- (1) When the need for a contract is discussed, the Directors should be asked at the outset to declare whether they or any company associated with them are interested in bidding for the contract.

- (2) The Directors who have declared an interest to bid should not take part or be present at any subsequent discussions or meetings concerning the proposed contract, and should be prohibited from access to any information in relation to the contract (other than in the capacity of a bidder).
- (3) The Directors who have not declared an interest to bid (and the companies concerned) should not be allowed to bid subsequently.
- (4) When a Director (or a company associated with him) has expressed an interest to bid, the Corporation board should ascertain whether any information relating to the contract has already come to the possession of the Director in the course of his duties as a Director. If so, such information should be made available to other bidders as well to ensure a level playing field.
- (5) If a Director (or a company associated with him) has put in a bid, care should be taken to ensure that he subsequently has no access to the submitted tender documents which may contain commercially sensitive information.
- (6) Bidder identity should be anonymized before the evaluation of bids if a Director (or a company associated with him) is one of the bidders.
- (7) If a Director (or a company associated with him) is successful in bidding for the contract, he should withdraw from all discussions relating to the contract, except when attending in the capacity of a supplier or a service-provider.

Part B – Approval (To be completed by Approving Authority)

To : _____ (Declaring Director)

Part B(i) – In respect of the declaration in Part A of this form, it has been decided that:

- The declaration as described in Part A is noted. You are allowed to continue handling the work as described in Part A, provided that there is no change in the information declared above.
- You are restricted in the work as described in Part A (e.g. prohibit from handling the specific part/duty that you have conflict, withdraw from discussion on a specific issue/case).
Details : _____
- You may continue to handle the work as described in Part A, but an independent officer would be recruited to participate in, oversee or review part or all of the decision-making process (e.g. task another officer with the required expertise to provide objective assessment on the matter).
Details : _____
- You are relieved of your duty as described in Part A, which will be taken up by another officer through redeployment.
Details : _____
- You should relinquish the personal/private interest (e.g. cease to be a member of a club/association, divest the investments until the conflict situation described in Part A no longer exists).
Details : _____
- Others (please specify)(e.g. You should not contact the person(s)/organisation(s) concerned until the conflict situation described in Part A no longer exists):
Details : _____

**Part B(ii) – The justification(s) for the measure(s) as described in Part B(i) above is/are:
(Factors of consideration including the materiality of the conflict, link between the conflict
and the matter in question, and any possible negative public perception over the
conflict/incident.)**

In all cases, please be reminded that you should not disclose any information of the subject matter to the person(s)/organisation(s) concerned and should further report if there are changes in circumstances necessitating reporting.

(Name of Approving Officer)
Title:
Date:

Appendix III

Hong Kong Internet Registration Corporation Limited (HKIRC)

Handling and Disposal of Confidential Information and Documents of HKIRC

1. The Directors of HKIRC shall not, during his/her appointment (except in the proper performance of his/her Directors' duties) or at any time (without limitation) after the expiry or termination of his/her appointment (for any reason whatsoever):-
 - (a) divulge or communicate to any person, company, business entity or other organization;
 - (b) use for his/her own purposes or for any purposes other than those of HKIRC; or
 - (c) through any failure to exercise due care and diligence, cause any unauthorized disclosure of

any trade secrets or other confidential information relating to HKIRC.
2. The term "**confidential information**" shall mean any agreements signed with HKIRC's business partners, details of suppliers and their terms of business, details of customers [.hk domain names subscribers], marketing plans and sales forecasts, financial information, results and forecasts (save to the extent that these are included in published audited accounts), any proposals relating to the acquisition or disposal of a company or business or any part thereof or to any proposed expansion or contraction of activities, details of employees and officers and of the remuneration and other benefits paid to them, information relating to research activities, inventions, designs, formulae and product lines, know-how, any information which the Director is told is confidential and any information which has been given to HKIRC in confidence by customers [.hk domain names subscribers], suppliers or other persons.
3. **Nondisclosure of Confidential Information**
Non-disclosure. Director shall not, without the prior written consent of the HKIRC, disclose such confidential information to any third party, including any third party consultant(s). Further, Director shall only use the confidential information pursuant to and for the purpose of performing his services as a Director for HKIRC.

The foregoing restrictions shall not be applicable to any information which:

- (a) The Director can show was previously known to him prior to receipt from HKIRC, without breach of an obligation of confidence to any third party;
- (b) Is now, or hereafter, comes into the public domain as, for example, by publications, or is otherwise legally known or available to the public through sources other than the Director;

- (c) Is subsequently legally disclosed to the Director by a third party not owing obligations of confidence to HKIRC, or
 - (d) Is, or will be, developed independently by the Director solely through his affiliates which have not been exposed directly or indirectly to the secret information, or
 - (e) The Director is obligated to produce as a result of a court order or other valid and legally enforceable mandate, provided that HKIRC has been given notice thereof and an opportunity to waive its rights or to seek a protective order or other appropriate remedy.
4. All notes, memoranda, records, lists of customers [.hk domain names subscribers] and suppliers and employees, correspondence, documents, computer and other discs and tapes, data listings, codes, designs and drawings and other documents and material whatsoever (whether made or created by the Director or otherwise) relating to the business of HKIRC (and any copies of the same):
- (a) shall be and remain the property of HKIRC; and
 - (b) shall be handed over to HKIRC, or irrevocably deleted from any computer and/or word processing system in the Director's possession or under his/her control by the Director, on demand and in any event on the expiry or termination of the Director's appointment.

5. Media Handling Guidelines for Directors

The Media Handling Guidelines are intended to be followed by Directors to ensure that:

- accurate and timely information is communicated to the media in a coordinated and consistent manner.
- views and comments are given in a way to ensure that the stance, reputation and image of HKIRC/HKDNR are properly managed.

A) "One-Voice" Policy

Normally the CEO of HKIRC/HKDNR is the spokesperson giving information or expressing opinions on behalf of HKIRC/HKDNR through media, press statements, articles/papers to be published for public dissemination. Depending on the situation, the Board may specify that the spokesperson responding to media related to specific issues should be another person.

When a Director is approached by the media on matters related to HKIRC/HKDNR, those media enquiries should be directed to the CEO. If the CEO is not available, the media enquiries should pass to Head of Marketing in the first instance. Directors should stay alert and not answer press enquiries directly. Instead he/she should record the contact details, name of media and the response deadline. Typically, Director may respond to media by saying: *"I am afraid that I cannot personally provide a response, but I can refer you to contact the CEO, who will help you."*

Directors should not give opinions related to HKIRC/HKDNR through an article published on a newspaper, magazine or website, or through broadcasts in their position as Director of HKIRC.

B) Communicating with Media by Director Member as a Representative of Specific Constituency or in Their Personal Capacity

Despite the “One-voice” policy, Directors can respond to media enquiries or express their views on matters peripherally related to HKIRC/HKDNR when they are representing their own constituency (other than HKIRC/HKDNR) or in their personal capacity. For example, they can say “*I’ll answer your question as a representative of ... (organization other than HKIRC)*” or “*What I’ll say is entirely my personal opinion....*” In all cases, it is a good practice to refer the enquiry to the CEO if the matters directly involve HKIRC/HKDNR.

Furthermore, it is recommended that Directors should refrain from giving comments on rumors and speculation related to HKIRC/HKDNR at all times. It would be better to delay the response for a short time and prepare an appropriate statement rather than replying “no comment” or making “off the record” comment, as any comment made to the media can potentially be published.

6. The Directors agree that HKIRC may be irreparably harmed by the breach of the terms herein and damages may not be an adequate remedy. Accordingly, without prejudice to any rights which HKIRC may have at law, HKIRC shall be entitled to the remedies of an injunction and other equitable relief for any actual or threatened breach of the provisions herein by any of the Directors.

I, _____ (Name), hereby confirm acknowledgement and acceptance of the provisions above.

(Signature)

Name:

Date: