

Summary of Minutes of the Audit Committee Meeting of Hong Kong Internet Registration Corporation Limited and Hong Kong Domain Name Registration Company Limited held on Wednesday 2 March 2016

PRESENT: Felix See (Chair), Prof. Francis Chin, Eric Fan, Leo Kan, Sang Young

1. To review and endorse the draft 2015 Auditor's Reports for Board approval: The Company's Auditors presented the 2015 year-end auditors' reports. The Chairman asked Management to consider a mechanism for price setting in the future. The Committee endorsed the 2015 Auditors' report for HKIRC and HKDNR for adoption by the Board and by members at the coming annual general meeting.
2. To review and endorse for Board approval the revised top 10 risks for 2016: Committee endorsed the revised top 10 risks for 2016 with some minor suggestion on it. Committee noted the risk regarding Competition Law and asked Management to invite a legal consultant to conduct an orientation session for Directors.
3. To review and endorse for Board approval the HKIRC-HKDNR cost allocation guidelines and cost allocation ratios for Jan 2016 to Jun 2016: Committee endorsed for Board approval the HKIRC-HKDNR cost allocation guidelines and cost allocation ratios for Jan 2016 to Jun 2016 subject to removal of the changes related to bonus allocation.
4. To review progress of follow-up actions for the 2015 security audit: Committee noted that only seven follow-up actions were in progress.
5. Review additions and deletions to the list of Company policies, guidelines and procedures: Committee noted the changes and do not have comments.
6. Quarterly performance of HKIRC for the quarter of Q4 of 2015: Committee members noted the performance report of HKIRC for the quarter of Q4 of 2015.