

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 Thursday 7 November 2013

1. To review recommendation for the selection of year-end auditor for 2014: Since KPMG has met all the criteria including the new one on audit fee, the Committee endorsed for board approval the recommendation by management to appoint KPMG as the year-end auditor for 2014.
2. To review the finance policies, guidelines and procedures: Committee members provided more comments and management will amend the document before tabling it at the coming Board meeting. Committee members advised management that there should be another tier of policies governing the review and revision of company policies, guidelines and procedures. Also, it is time to ensure that there is a comprehensive set of policies and procedures covering all aspects of the operations of the Companies. In particular, there should be a guideline for related parties on what can or cannot be done when dealing with matters involving the Companies.
3. To review progress of follow-up actions for the 2012 Security Audit: Committee members noted the progress on the follow up actions. Other changes on follow-up actions were mostly due to delay in projects such as the Oracle database upgrade.
4. To review and endorse for Board approval the 2013 internal audit report prepared by PriceWaterhouseCoopers (PWC): The results were presented by PWC. There were no major concerns. The Committee advised Management to meet with PWC to follow up with the items discussed.
5. To review quarterly performance of HKIRC for the quarter of Q3 2013: The Committee thanked management for producing the summary of the quarterly performance. Chairman commented that there are still many items with large variance and these will still cause distraction and concerns on the part of the reader.
6. To confirm the date and time for the next meeting: Committee noted that there will only be one item for deliberation if a meeting is held in December, and agreed that the paper can be circulated for review and endorsement via email.