

Summary of Minutes of the Board Meeting of Hong Kong Internet Registration Corporation Limited and Hong Kong Domain Name Registration Company Limited held on Thursday 10 June 2010

1. Confirmation of the Composition of the Board: The Board confirmed the composition of the Board of HKIRC and HKDNR; the Chairmen and Members of Board sub-committees and the meeting dates in 2010. The Board also confirmed the list of CAP members.
2. Progress update on internal audit: The Board noted that the 3-year internal audit plan was reviewed and finalized. The audit will start in July 2010.
3. Progress update on tax planning for the Group after implementing R/R model: The Chairman asked the CEO to submit an accounting model indicating the likely profit/loss of HKIRC and HKDNR in the coming few years and the allocation of different costs of HKDNR to fulfill its registry and registrar roles together with the rationales for the allocation.
4. Progress update on registry/registrar (R/R model): The Board noted that the project is on schedule. Registrar agreement has been drafted by the lawyer and is now under reviewed by management. The draft Application Form for HKIRC's Registrar Accreditation was submitted for the Board's comment. The preparation of Technical Testing Procedure is underway and will be ready by the end of June 2010.
5. Progress update on '.香港': The Board noted that the project on '.香港' is on schedule. The Board agreed to appoint Executive Committee to undertake the role of the Objection Handling Committee in case there are disputes on rulings made by HKIRC in connection with multiple applications for the same domain name during the Pre Launch Priority Registration Period.
6. Progress update on website revamp: Members noted two sample pages of the new HKIRC and HKDNR websites. The Board asked management to submit the screen flow for the Pre Launch Priority Registration Period at the next meeting.
7. Update on ICAC invitation to HKIRC to become a Public Body under the Prevention of Bribery Ordinance: The Chairman reported that he had agreed to ICAC designating HKDNR as well as HKIRC as a Public Body under the Prevention of Bribery Ordinance.
8. To approve the re-appointment of a Public Relations retainer for another 12 months: The Board agreed to re-appoint the Public Relations retainer for another 12 months.
9. To approve the re-appointment of a call centre service provider for another 12 months: The Board agreed to re-appoint the call centre service provider for another 12 months. The

Chairman asked management to try fixing the price with the service provider for 3 years.

10. To receive report on vendor comparison for online payment gateway services: The Board noted that since the number of online payment transactions of the Company is small, it is hard for the Company to negotiate a good rate with most of the big banks.
11. To approve the proposal to convert two contract IT positions to permanent: The Board approved that the CEO can decide on the matter provided that the expense is within the salary budget.
12. To approve the recommendation to develop a proposal on data escrow for HKIRC: The management recommended that it is a good industry practice to arrange data escrow. The Company should liaise with the legal retainer or the bank or other data escrow providers to be the custodian of the data. Management will draft the conditions under which a third party would be permitted to retrieve the data from the custodian.
13. To consider the lowering of .hk fees: The Board agreed that the Company should not address this issue until at least one year after the launch of the R/R model.
14. To approve the setting up of new fixed deposits : The Board noted that the Company has three saving accounts in 3 different banks. The Board would like the fixed deposits to be spread equally across four banks and asked management to recommend one extra bank for the Board's consideration.
15. Finance and statistics report: The income is 1% above budget and the expenditure is 11% below budget. The total number of domain names is slightly ahead of budget by 0.8% as the renewal rate is better than budget.