

Summary of Minutes of the Audit Committee Meeting of Hong Kong Internet Registration Corporation Limited held on Saturday 20 March 2010

1. Draft 2009 Auditors Report : The Committee agreed to the draft 2009 Auditors Report and will recommend this to the Board for approval.
2. Meeting KPMG to discuss membership fee in relation to tax exemption: Members discussed the two options proposed by the tax consultant from KPMG in relation to tax exemption for future income. Members agreed to wait for further advice from the tax consultant on this matter.
3. Engagement of KPMG as the year-end auditors of 2010: The Committee agreed to re-appoint KPMG as the year-end auditors for the financial year ended 31 December 2010.
4. Review progress of the 2009-2011 internal audit: A workshop was organized and 20 risk items were identified that require internal controls. Auditors will review the risks with Management in the weeks ahead to assess the adequacy of the existing control measures and if necessary to devise new ones. Members commented on the risk level of some of the risks identified and asked Management to add separate columns for the likelihood and impact of different risks in the report.
5. Review of nomination and election process and procedures: Management has had a meeting with the accountancy firm recently to review the existing nomination and election process and procedures. They have suggested two changes on the voting procedures. They will review the other documents and provide feedback if necessary. The Committee recorded a vote of thanks to the accountant for his kind assistance with the review.
6. Inviting law firms to provide quotations for retainer service : Management reported on a comparison of the proposals received. After considering the comparison and the past performance of legal firms which have provided quotations, the Committee agreed to retain Lovells as the legal advisor.