

Summary of Minutes of the Audit Committee Meeting of Hong Kong Internet Registration Corporation Limited held on Saturday 11 July 2009

1. Review revenue-sharing with JUCC: Members noted that HKDNR has been providing registration services for .edu.hk domain names according to the service agreement between HKDNR and JUCC. Members agreed that the Company should discuss with JUCC and OGCIO respectively to formalize the agreed arrangements for '.edu.hk' and '.gov.hk' and consider the transition to Registry/Registrar (R/R) model in the new agreements.
2. RFP for internal audit framework: Members noted the drafted RFP for outsourcing the security and internal audits. Members had made some comments on it. The CEO would revise the RFP and table it at the Board meeting on 16 July for approval.
3. Appointing a retainer to provide legal advices: Members considered whether the Company should appoint a retainer to provide legal advices. The Chairperson asked Management to prepare a list of legal firms with their strengths, track records, and charges for past cases for the Committee's reference at the next meeting.
4. Legal advice on realizing incomes from registrations using stolen/lost credit cards: The CEO reported the outcome of a legal review on the Merchant Agreements with different banks. The agreements did not prescribe any cut-off time for charge-back request. Management proposed and members agreed that the Company can realize these incomes 12 months after payment as chargeback requests will unlikely be received by that time.
5. Review of nomination and election process and procedures: The Committee deferred to discuss this item to the next meeting.
6. Sponsorship strategy for 2009: The CEO reported that the sponsorship strategy was reviewed and approved in a previous Board Meeting. The Chairperson had made some changes on the wordings. She also suggested adding tax accrual in both monthly and quarterly reports. The Chairperson proposed to add professional and student packages to the list of possible one-stop packages through co-operation with service partners.