

Summary of Minutes of the Audit Committee Meeting of Hong Kong Internet Registration Corporation Limited held on Saturday 15 August 2009

1. RFP for security and internal audit: There were two RFPs published on SCMP on 27 July 2009. Ten proposals for security audit service and six proposals for internal audit services were received. Management would review all proposals and then meet with Members on 28 August 2009 to report on the final recommendation. The Chairperson proposed and Members agreed to adjust the weightings on Company Background and Cost. The CEO reported that two evaluation panels would be set up to review the proposals. Mr Joseph Yu suggested arranging a briefing session to all vendors for clarifying the exact requirements of the Company. Management was asked to provide a preliminary report via email before 28 August before Members meet to discuss the recommendation in early September.
2. Agreement with JUCC: Two meetings were arranged with JUCC and OGCIO respectively. JUCC agreed to renew the previous service agreement with HKDNR with the same terms and conditions for one or two years in writing. They also believed that it would be better to consider formalization of the entrustment later when HKIRC has a clearer picture on the adoption of the Registry/Registrar (R/R) model. The CEO would send an email to JUCC to record the discussion. Regarding the meeting with OGCIO, Mr Jason Pun from OGCIO said OGCIO has to discuss the formalization matter internally before they get back to HKIRC. Management was asked to keep full documentation on the communication with OGCIO on all applications of '.gov.hk' in the future. Members agreed that the Company should review this issue again once the Company has a clear picture on whether to adopt the R/R model.
3. List of law firms and their charges for previous work: Members noted the list of law firms and their charges for previous work. Mr Joseph Yu commented that the need of retaining a legal advisor depended on the volume of different types of legal work anticipated by the Company. Members agreed that if the quotation for retainer service is lower than the expected annual expenditure on legal services, it would be good to have a retainer arrangement. Management was asked to provide a proposal at the next meeting.
4. Consideration on tax exemption: Management had a phone conference with the auditor on 6 August 2009 and they had suggested three options in relation to tax-exemption for future income. The Chairperson said membership fee is one aspect that the Company should explore in relation to tax exemption. The Chairperson would like to meet with the auditor again to discuss the issue. The CEO will arrange the meeting accordingly.
5. Review of nomination and election process and procedures: The CEO reported that an accountancy firm with relevant experience had agreed to review the nomination and election process and procedures free of charge. The CEO will follow up on this matter.