

# **Rationale of New Governance Arrangement for HKIRC**

**Prepared By**

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# Major Changes of the New Board

- There will be Supply and Demand Class only
- The new Board will consist of 4 Directors appointed by the HKSARG and 4 elected Directors, 2 from Supply Class and 2 from Demand Class
- Chairman will be elected by the Board
- The new Board structure will be effective immediately after the 2008 AGM
- Establishment of CAP (Consultative and Advisory Panel)

# There will be Supply and Demand Class only

- Study among various business models in overseas registries, Australia is the country that HKIRC could be adopted as reference
- Supply and Demand class could simplify the understanding and classification for various stakeholders in Hong Kong
- Any new potential stakeholders could be easily classified and fall into either Supply or Demand class

# New Supply & Demand Class Classification

Old Class	New Class
<p>Members in all 6 classes who are not HKIRC/HKDNR service partners:</p> <p>Commerce &amp; Industry</p> <p>Government</p> <p>IT Industry</p> <p>Tertiary Institution</p> <p>Service Providers</p> <p>Users</p>	Demand Class
Members who are HKIRC/HKDNR service partners	Supply Class

## NOTES

1. ***All existing members will be assigned one of the 2 new classes.***
2. ***Rights of members will not be affected by this change.***
3. ***Some existing members may not fully meet the new requirements. But new members must meet the new eligibility requirements.***
4. ***Existing members may switch class after transition if they meet the new eligibility requirements***
5. ***The above is a STARTING POINT for further discussion. Some members may need to be consulted individually***

# **The new Board will consist of 4 Directors appointed by the HKSARG and 4 elected Directors, 2 from Supply Class and 2 from Demand Class**

- To further maintain the participation in the new Board, the HKSARG would appoint 4 Directors from various industries with relevant subject expertise to further support the governance of the HKIRC.

# **The new Board will consist of 4 Directors appointed by the HKSARG and 4 elected Directors, 2 from Supply Class and 2 from Demand Class (cont'd)**

- To maintain the equal participation from various sectors, therefore 4 Directors would be appointed by HKSARG and 4 Directors from members elections
- 2 Supply class and 2 Demand class have reflected both aspects are equally important and wider and comprehensive views could be received through the new Board governance

# Chairman will be elected by the Board

- To encourage directors' participation in the new board, it would be more democratic to elect a Chairman among the board
- When there is deadlock, HKSARG will appoint the Chairman

# **The new Board structure will be effective immediately after the 2008 AGM**

- To encourage the new governance could be executed ASAP, it is encouraged the existing Board would be completed by end of Year 2008 AGM

# Establishment of CAP (Consultative and Advisory Panel)

- To maintain a good continuity of the board governance
- The CAP will be there to give the Board advices and views of stakeholders
- This is also a new way of governance in replacement with a smaller board of directors
- The CAP will consist of one Government representative and at least 13 advisors appointed by the Government

# Establishment of CAP

## (Consultative and Advisory Panel) – Cont'd

- This Panel advises the Board on major ccTLD issues and facilitates the interaction of the Board with the stakeholders in general and with specific interest groups
- The Board shall take into account (but shall not be obliged to follow) the recommendations of the Panel

# **Establishment of CAP (Consultative and Advisory Panel) – Cont'd**

- However, the Board shall, if required by any Member or the Panel, account for its decision in the event that it decides not to follow the recommendations of the Panel

# Questions & Answers