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**THE EBENEZER SCHOOL AND HOME FOR THE VISUALLY
IMPAIRED LIMITED**

BOARD GOVERNANCE MANUAL

This document is to be read in conjunction with the
Memorandum and Articles of Association

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DEFINITIONS

Board means the Directors for the time being of Ebenezer or the Directors present at a duly convened meeting of Directors at which a quorum is present.

CEO means the Ebenezer Chief Executive Officer.

Director means a director for the time being of Ebenezer.

Ebenezer means The Ebenezer School and Home for the Visually Impaired Limited.

Service Institutions includes the two school Incorporated Management Committees, and all other educational, care and service units.

Stakeholders include the staff/teachers, students, parents, donors and the relevant HKSAR government departments/bureau.

Corporate Governance – Government Guidelines

The HK Government has helpfully published a “Guide to Corporate Governance for Subvented Organisations”. In preparing this Board Governance Manual, Ebenezer has drawn on sections of the Guide. The full Guide is available on the website of the Efficiency Unit, the link to which is below:

http://www.eu.gov.hk/en/reference/publications/guide_to_cg_for_so.pdf

This outlines that Corporate Governance is the process by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the organisation. It makes the following points:

- The Government considers it essential that subvented organisations attain, and maintain, high standards of corporate governance.
- Many subvented organisations receive substantial recurrent funding from the public purse, and so must be accountable to both the Government and the community.
- The board of each subvented organisation is responsible for its activities and performance.
- The board and individual board members of subvented organisations have important responsibilities for corporate governance. They need to discharge their responsibilities with a serious, professional, committed and honest approach.
- There is no “one-size-fits-all” corporate governance model.
- Subvented organisations should establish effective and appropriate arrangements for their board of directors, to ensure that it has the necessary skills and experience available to it, that board meetings are conducted in a professional manner, and that board decisions are implemented in a timely and effective way.
- Boards need to consider the various arrangements necessary and appropriate to the subvented organisation’s circumstances, then implement, monitor and review these arrangements. Of particular importance are –
 - compliance with relevant legislation and common law requirements;
 - compliance with Memorandum of Administrative Arrangements or other funding agreements with the Government;
 - compliance with the organisation’s Memorandum and Articles of Association;
 - sound budgetary and financial management;
 - internal and external auditing arrangements;
 - effective performance monitoring;
 - appropriate levels of transparency within the organisation, and between the organisation and its stakeholders;
 - proper management of conflicts of interest and establishment of codes of conduct; and
 - maintenance of effective communication between the board and its stakeholders including its staff.

- Subvented organisations need to establish a clear working relationship between the chairperson and the Chief Executive Officer, and between the board and the senior management. There should be a clear understanding of the relevant roles, responsibilities, delegations of authority, and appropriate checks and balances.
- The Government is responsible and accountable for the proper use of public funds, and is duty bound to monitor the activities and performance of publicly funded bodies to ensure that public monies are properly used for their intended purposes. Subvented organisations are obliged to co-operate with the Government's monitoring procedures.

Subvented organisations should aim to introduce the best practices outlined in the Guide. Where this is not appropriate, the organisation should be prepared to explain why not – the “comply or explain” principle.

Ebenezer Board Governance Manual

Mission Statement: Nurturing PRIDE for a better world. “PRIDE: Purpose of life and perseverance; Respect and resilience; Integrity and innovation; Dare to dream and determined to be self-disciplined; Empathy and empowerment.”

Board Roles and Responsibilities

The role of the Board is to:

- Provide the organisation with strategic guidance, leadership and overall direction, and monitor organizational and managerial performance;
- Ensure appropriate stewardship of the organisation’s financial resources;
- Provide guidance in balancing competing demands on the organisation in the pursuit of its mission;
- Ensure that the organisation fulfils its objectives of being open, solvent, and efficient, and works for the best long- term interests of its stakeholders; and
- Ensure that public funds and assets are used in an appropriate and transparent manner.

The Board is responsible for:

- i. Adopting a strategic planning process (including setting out and regularly reviewing the mission and the annual and longer term objectives, approving and monitoring plans to achieve them, and ensuring that corrective action is taken when necessary);
- ii. Establishing the process for the appointment, performance evaluation, compensation, and dismissal of the CEO and other senior executives;
- iii. Dealing with any complaints from staff/public against senior executives;
- iv. Ensuring the integrity of the organisation’s financial and non-financial reporting systems and formally approving and adopting the financial statements and the annual report;
- v. Ensuring that high standards of corporate governance are observed at all times;
- vi. Ensuring compliance with any statutory or administrative requirements for the use of public funds and that the Board itself operates within the limits of its statutory and/or delegated authority;
- vii. Ensuring effective systems are in place for the identification and management of risk, internal control activity and its review, promulgation of codes of conduct and complying with legal requirements; and
- viii. Ensuring that an effective communication policy is in place for both internal and external communications, and that these communications are monitored;

A list of matters requiring Board approval is set out in Appendix 1.

Chairperson

The chairperson is responsible for leading the Board and must demonstrate an ability to manage the Board, obtain the support and confidence of the Board members and stakeholders, and devote sufficient time to Ebenezer's affairs. The responsibilities of the chairperson include:

- Chairing AGMs and Board meetings. The chairperson must ensure that every Board member contributes to the functioning of the Board. Decisions should only be made with due reference to views expressed by Board members. Dissenting views should be fully explored with discussion focusing on the best outcome;
- Providing leadership to the Board;
- Upholding the highest standards of integrity and probity;
- Promoting the highest standards of corporate governance;
- Dealing with conflict or disagreement within the Board;
- Establishing an effective working relationship with the CEO, providing support and advice while respecting executive responsibility, and discussing and agreeing as appropriate material enhancements to operations which require to be submitted to the Board for approval;
- Building an effective and complementary Board, initiating change and planning succession in Board appointments, subject to Board and stakeholders' approval;
- Ensuring the appropriate induction of new Board members, making sure that they are fully briefed on their duties and responsibilities;
- Setting the agenda, style and tone of Board discussions to promote effective decision-making and constructive debate;
- Ensuring that there is an effective performance review process for individual Board members and for the Board as a whole;
- Ensuring that the Board takes proper account of statutory and other requirements and makes decisions based on a full consideration of all relevant issues;
- Ensuring that the Board meets regularly and that minutes of meetings accurately record decisions taken, interests declared, views expressed and, where appropriate, the attribution of views to individual Board members;
- Ensuring that key issues are discussed by the Board in a timely manner, that the Board has adequate support and resources and is provided with all the necessary information on which to make decisions, and that Board decisions are carried out;
- Taking decisions between meetings where necessary and within parameters agreed by the Board;
- Ensuring that the organisation communicates effectively with its stakeholders; and
- Communication with external stakeholders.

The chairperson's relationship with the CEO

The chairperson and the CEO shall discuss and agree between them their respective roles, to ensure that the organisation provides a united and co-ordinated front, and to avoid potential friction.

More broadly, the chairperson will need to agree with the CEO how they are going to work together. This will include:

1. Agreeing the key objectives the CEO needs to achieve, including discussing any material enhancements to the schools' activities, curricula and teaching methods which may require Board approval;
2. Confirming the expectations each has of the other;
3. Confirming how the board will interact with and assist the CEO:
 - What support and advice does the CEO want.
 - What are the protocols for board-staff communication.
4. Confirming how the CEO will report to the board and how the CEO's performance will be reviewed;
5. Discussing how board meetings will be organised/serviced:
 - How to prepare board agendas;
 - What are the key areas the board needs to focus on;
 - What papers will be prepared and in what format;
6. Who will prepare the minutes of the meetings and in what detail;
7. Clarifying what information the chair wants/doesn't want; and
8. Confirming who will be the principal external spokesperson for the organisation.

Personal and Ethical Attributes of Board Members

Board members should have the following personal and ethical attributes:

- **Selflessness:** Board members should take decisions in the interest of Ebenezer, not to gain financial or other material benefits for themselves, their family, or their friends.
- **Integrity:** Board members should not place themselves under any obligation to outside individuals or organisations that might influence the performance of their Board duties.
- **Objectivity:** Board members should make Board business decisions purely on merit.
- **Accountability:** Board members are accountable for their decisions and actions and must submit themselves to the appropriate level of scrutiny.
- **Openness:** Board members should be as open as possible about the decisions and actions that they take.
- **Honesty:** Board members have a duty to declare any private and/or personal interests relating to their Board duties.
- **Leadership:** Board members should promote and support these principles by leadership and example.
- **Commitment:** Board members are expected to attend all meetings, unless unable to do so with good reason, and to fulfil other tasks allocated to them.

An effective non-executive director

- Upholds the highest ethical standards of integrity and probity;
- Supports executives in their leadership of the organisation while monitoring their conduct;
- Questions intelligently, debates constructively, challenges rigorously and decides dispassionately;
- Listens sensitively to the views of others, inside and outside the board;
- Gains the trust and respect of other Board members; and
- Promotes the highest standards of corporate governance.

The legal liabilities of Directors are set out in Appendix 2

Induction and Training

- New Board members should undergo a full induction, in which they receive the training and information they need to carry out their duties. They should also meet key staff, service users and beneficiaries, and other stakeholders as appropriate.
- Training should enable Board members to understand both the public sector context in which Ebenezer operates and its specific operations and environment.
- Information provided to new Board members should include Ebenezer's aims and objectives, control environment, organisational risks and risk management practices, key personnel, delegation arrangements, Board and staff structure, and budget planning and performance management processes.

Succession Planning

The Board (or for the purposes of this section a duly authorised Committee of the Board) should ensure timely replacement of directors resigning or reaching the end of their terms. Attention should be given to:

- Determining an appropriate length of service so as to balance the need for a retention of corporate knowledge with a healthy turn-over of Board members; and
- Succession planning for replacement of the chairperson and other directors.

Before new Board members are appointed, the Board should take into account the challenges and opportunities facing Ebenezer, and what skills and expertise will be needed on the Board in the future. It should evaluate the balance of skills, knowledge and experience required on the Board, and consider candidates from diverse backgrounds. Candidates should be considered on merit, taking care to ensure that the proposed appointees have sufficient time to devote to the position.

The Board should keep under review the leadership needs of Ebenezer, both executive and non-executive, with a view to ensuring the continued ability of Ebenezer to operate effectively and efficiently.

Evaluation

The Board should ensure that it has in place a process through which its collective and individual performance can be evaluated and monitored.

Conflicts of Interest

All decision-making should be guided by principles of integrity, honesty, transparency and good faith. Ebenezer should have in place requirements to avoid conflicts of interest, and the course of action to be taken when a member faces a real or apparent conflict of interests.

Directors and employees must avoid any potential, perceived or real conflict of interest. All Board members /employees should be required to declare any conflict of interest upon joining Ebenezer. When there is a special instance involving a probable threat of a conflict of interest, Board members/employees should again be required to make a declaration. The general declaration of interest should be updated on a periodic (and at least annually) basis.

Role of Hon Secretary

- Together with the CEO, keep under close review all legislative, regulatory and corporate governance developments that might affect the organisation's operations, and ensuring that the Board is fully briefed on these and that it has regard to them when taking decisions;
- Together with the CEO, monitor compliance with all statutory filings and regulatory disclosures;
- Oversee the smooth running of the Board's and Board committees' activities by helping the chairperson to set agendas, preparing papers and presenting papers to the Board and Board committees, and advising on Board procedures (including minuting of Board and Committee proceedings);

- Act as a primary point of contact and source of advice and guidance for Directors as regards the organisation and its activities in order to support the decision making process;
- Act as a confidential sounding board to the chairperson and other Directors on points that may concern them, and to take a leading role in managing any difficult interpersonal issues on the Board;
- Oversee induction of new Board members and explain their roles and responsibilities; and
- Advise the Board in relation to its policy and practices with regard to corporate social responsibility matters.

Responsibilities of the CEO

- Provide strategic vision and high-level business judgement and direction to facilitate the Board's decisions;
- Oversee the day-to-day running of the business and executing the Board's decisions/instructions;
- Provide executive leadership to achieve Ebenezer's purposes and objectives;
- Develop rules and procedures within which the executive carries out the operations;
- Meet performance targets as appropriate;
- Build necessary internal infrastructure to ensure the cost effectiveness of operations;
- Maintain good relationships with Ebenezer's stakeholders; and
- Work within such limits of authority as may be delegated by the Board from time to time.

Code of Conduct

Directors and employees are expected to behave according to the following principles:

Integrity

- Conduct themselves personally and professionally in a way that instils and retains the confidence of all those with whom they have dealings.
- Not use their official position to further their personal interests or the private interests of others.
- Declare conflict of interests where an actual, perceived or potential situation arises.
- Protect personal data and commercially confidential information.

Honesty

- Use Ebenezer's information, documents and resources only for the authorised purposes for which they are provided.
- Admit and correct mistakes where they occur.

Objectivity

- Make decisions and provide advice according to facts and evidence.

Impartiality

- Act according to the merits of each case and in line with the law and Ebenezer's policies and decisions.
- Deal with all members of the public, contractors and stakeholders fairly, efficiently, promptly, effectively and sensibly.
- Commit to equal opportunities and zero tolerance of harassment or discrimination in the workplace.

Accountability

- Commit to maintaining and reporting accurate operational and financial records.
- Be responsible, individually and collectively, for decisions and actions taken.

Board Committees

The Board has established Finance, Enhancement, Governance, Relocation, Facilities and Religious Committees. In accordance with the Education Bureau's requirements, School Incorporated Management Committees for the two schools have also been established. Details of these Committees are set out in Appendix 3.

Matters reserved for the Board

1. Appointments
 - Appointment of the CEO.
 - Membership and terms of reference of Board committees.
2. Matters concerning Board and senior management
 - Delegations of authority to the CEO.
 - Approval of remuneration and incentive policies.
 - Approval of overseas visits costing \$200,000 or more.
 - Approval of succession plans of CEO and of Principals of Ebenezer School and Ebenezer New Hope School.
 - Noting any conflicts of interest.
 - Assessment of the organisation's and CEO's performance.
 - Assessment of Board performance.
 - Matters concerning the governance of the organisation.
3. Relations with the members and stakeholders
 - Arrangements for the Annual General Meeting (AGM) and other members' meetings.
4. Financial matters
 - Approval of annual accounts and directors' reports.
 - Approval of significant accounting policies.

Legal Duties of Directors

Directors owe their legal duties to Ebenezer rather than the members and stakeholders of Ebenezer, even though generally the interests of Ebenezer should coincide with those of members and stakeholders. It is important to note that directors of non-profit organisations are subject to essentially the same legal duties as directors of commercial companies. Regarding the enforcement of directors' duties, the court draws no distinction between commercial companies and non-profit organisations, or between executive and non-executive directors.

The following duties apply to all Directors:

- (1) A duty to act in good faith in the best interests of the objects of Ebenezer.

A Director must ensure that the objects of Ebenezer, as set out in the M&A, are actively pursued. Although Directors should fully consider the feedback from members and stakeholders, they must act and make decisions based on what they genuinely believe are in the best interests of Ebenezer.

- (2) A duty not to exercise powers for an improper purpose.

A Director must not exercise powers for any purpose other than for the objects of Ebenezer. The powers may only be exercised in the pursuance and carrying out of the objects.

- (3) A duty to serve with skill, care and diligence.

A Director is required to use his best endeavours with his\her skill, knowledge and experience in the conduct of Ebenezer's affairs. To discharge this duty, Directors should:

A Director must not accept any benefit or gift from a third party who expects the Director to exercise powers in his/her favour, notwithstanding that the exercise of powers in that manner does not cause any actual harm to Ebenezer. It should also be noted that the receipt of such personal benefits may subject the Director to a charge under the Prevention of Bribery Ordinance.

- as far as practical, attend all Board meetings;
- read Board papers and make sure they are well-informed before decisions are made;
- inform the Board of their views by written submission if not available for a meeting;
- take an active part in discussions, noting that liability may not be avoided by remaining silent on sensitive issues;
- put in place proper reporting and monitoring procedures to enable them to keep track of the performance of Ebenezer; and
- avoid over reliance on given information without first considering whether it is reasonable to rely on the information.

- (4) A duty not to use their position or information improperly.

It is improper for Directors to use their position or Ebenezer's information to gain a personal advantage (e.g. accepting gifts or commissions) or for the advantage of someone else.

- In law it is no defense that Ebenezer does not suffer any real loss as a result of the misuse of position or information.
- Without prior approval by the Board, the Directors must not disclose the contents of Board papers and the substance of any discussion at Board meetings to any third party.

- (5) A duty not to accept personal benefits from third parties.
- (6) A duty to avoid any actual or potential conflicts between personal interests with those of Ebenezer.

A Director must not allow himself/herself to be put in a situation in which there is an actual conflict between his /her personal interests and Ebenezer's interests. A Director would also be liable if it appears that the potential conflict may compromise his/her loyalty to Ebenezer (e.g. the Director in question might not have fully considered Ebenezer's interests due to the potential conflict).

- A Director shall disclose any material personal interests in Ebenezer's contracts, and any situation that would lead to a conflict of interests, prior to any discussion by the Board on a matter which may relate to those interests.
- The M&A or code of conduct may require the Director in a conflict of interests not to be involved in the discussion or the voting.

Finance Committee

Responsibility

The Committee will:

- a) review and recommend to the Ebenezer Board for approval the annual Directors' Report (including Business Review) and Audited Ebenezer Financial Statements;
- b) review and recommend to the two Incorporated Management Committees for approval the Audited IMC Financial Statements;
- c) review and approve the annual budgets;
- d) investigate and propose to the Board such changes and additions to the financial structure as may be appropriate;
- e) contribute to the
 - review of Ebenezer's administrative structure
 - establishment of current priorities;
- f) in cooperation with the Governance Committee, review and recommend to the Board and where applicable, Incorporated Management Committees of the two schools, changes in compensation packages and salary structures of the full-time and part-time employees of Ebenezer and the Service Institutions; and
- g) recommend (or approve if authorised by the Board) the appointment of auditors.

Meeting Schedule

Every year, this committee will meet early in the year to develop and recommend Ebenezer's operating budget for the year.

Composition

Mr Gareth Simpson (Chairman)
Mr Leo Barretto
Ms Grace Chen
Mr Timothy Lam
Mr Michael Scales
Dr Alice Yuk (Ex-officio)

Enhancement Committee

Responsibility

This committee is responsible for:

- working closely with the Board and CEO, to formulate and recommend to the Board the strategic objectives of the fund raising programme and the actions necessary to raise the required funds, and
- promoting Ebenezer to all stakeholders, delivering messages that are appropriate to each group.

In particular, the Committee will:

- Oversee and monitor as appropriate all aspects of fundraising activities;
- develop short and long term fundraising strategies in order to sustain the enhancement and development of Ebenezer;
- Plan activities with the purpose of encouraging donations and community support;
- Promote the public image of Ebenezer as an Asian and Global centre of excellence;
- Support existing programmes and propose new ones that will better serve the visually impaired and their families.

Meeting Schedule

This committee will meet early in the year to review existing plans and ensure they are in line with Ebenezer's long-term strategic goals and Ebenezer's operating plan for the year.

It will meet again at least every quarter to review actions and results to date, thereby ensuring all is in line with the school's strategic plan, or amended accordingly. The committee will meet more intensively if there is a specific fund raising or promotional activity in hand.

Composition

Ms Victoria de Alwis (Chairman)
Ms Madeleine Green
Ms Sandra Leung
Dr Alice Yuk (Ex-officio)

Corporate Governance Committee

Responsibility

This Committee is responsible for providing support, guidance and advice to the Board on an ongoing basis in relation to establishing, implementing and maintaining good corporate governance practices as may be appropriate for Ebenezer. In particular, the Committee shall:

- monitor annually Ebenezer's compliance with the Social Welfare Department's "Lump Sum Grant Subvention System – Best Practice Manual for Non-governmental Organisations" issued in May 2014;
- monitor bi-annually compliance with Ebenezer's "Complaint Handling Manual", and with such other relevant policies as may be in effect from time to time; and
- provide advice and guidance for a periodic evaluation of the performance of the Board and individual Directors, including those standing for election or re-election to the Board.

Meeting Schedule

The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require. Matters may also be considered outside meetings by e-mail or other electronic means.

Composition

The Committee shall comprise at least 3 Directors and the CEO (ex-officio), and such other members as may be invited to join the Committee. The present Members of the Committee are:

Mr Michael Scales (Chairman)
Ms Grace Chen
Mr. Robin Gill
Dr Alice Yuk (ex-officio)

Relocation Committee

Responsibility

To oversee the development of the relocation project and report on its progress and make recommendations to the Board of Directors on all related aspects.

The committee will also work in cooperation with the Finance Committee from time to time on issues related to the finance of the project.

Meeting Schedule

The committee will meet at regular intervals and on a needs basis,

Composition

Prof Brian Duggan (Chairman)
Mr Leo Barretto
Dr Daniel Hooley
Mr Henry Lai
Mr Timothy Lam
Mr Roger Nissim
Ms Ellen Tsao
Ms. Angelina Kwan
Dr Alice Yuk (Ex-officio)

To explore the possibility of finding a new site for exchange with the existing site which would enable future development of improved service for blind people in Hong Kong as well as to provide Ebenezer with an independent source of income.

Facilities Committee

Responsibility

To oversee the Alteration & Addition Works and the Major Repair & Renovation Works of Ebenezer.

Composition

Mr Mike Scales (Chairman)
Mr Leo Barretto
Dr Daniel Hooley
Mr James Kwan
Dr Alice Yuk (Ex-officio)

Meeting Schedule:

There shall be at least one meeting per year or as needed

Religious Committee

Responsibility

- To focus on all the Christian activities and other religious aspects of Ebenezer; and
- To make recommendations to the Board on all matters directly related to the Christian Mission and witness of Ebenezer.

Composition

Prof MY Mak (Chairman)
Rev Chang Wai Cheong (Vice Chairman)
Ms Angelina Kwan
Dr Alice Yuk (Ex-officio)
Mr Remy Wong (Alternate Ex-officio)
Ms Shirley Chow (Co-opted Member)
Mr Wu Shing Choi (Co-opted Member)
Mr Benjamin Lam (Co-opted Member)
Prof Brian Duggan (Advisor)

Meeting Schedule:

There shall be at least three meetings per year, preferably every four months.

School Incorporated Management Committee

Responsibility

Two Incorporated Management Committees (IMCs) were established on 31 August 2013 in accordance with the Education Bureau's promulgation of school-based management, with teachers, parents and alumni participating in the management and governance of school affairs. Each committee works closely with the CEO and respective School Heads in formulating and recommending to the IMC broad strategic directions and year to year strategies for school development. This committee also develops appropriate actions to ensure the strategic plan is implemented in a timely fashion. This plan is established with clear actions and responsibilities, and reports are submitted to each Board meeting.