



香港復康會
The Hong Kong Society
for Rehabilitation

Development and Review of Governance Documents

Ms. Christine FANG

Vice-Chairperson, Executive Committee &
Vice-Chairperson, Governance and Corporate Affairs Committee

Dr. Pamela LEUNG

Chief Executive Officer

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The Hong Kong Society for Rehabilitation

- Established in 1959
Incorporated under Companies Ordinance in 1973
A company limited by guarantee
A charitable institution under Section 88 of the Inland Revenue Ordinance

A pioneer in rehabilitation services promoting holistic approaches for persons with disabilities and chronic illnesses and quality care to the elderly.

In 2019-20, the Society had over 30 service units in Hong Kong and Mainland China. The annual attendance exceeded 1.5 million.





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Amendment of
**Memorandum and
Articles of Association
(M&A)**

Why the amendment?

- Under the new Companies Ordinance (“the new CO”) (Cap. 622), a company incorporated in Hong Kong is only required to have Articles of Association. The Memorandum of Association is abolished under the new CO.
- To prepare for the future development of HKSR by extending its targets/scope in the objects of the Articles of Association (AA).
- To strengthen corporate governance and ensure Board renewal.

A new **Articles of Association** was adopted by special resolution in an Extraordinary General Meeting of HKSR held in September 2019



Key areas of amendment (I)

- The Memorandum of Association was abolished. Information contained in the Memorandum of Association under the old Ordinance which was still required are set out in the Articles of Association.
- Mandatory articles pursuant to the Guidance Notes of the Companies Registry under the Companies Ordinance were added.

– For example:

Director must declare material interests

If a director of a company is in any way, directly or indirectly, interested in a transaction, arrangement or contract, or a proposed transaction, arrangement or contract, with the company that is significant in relation to the company's business, and the director's interest is material, the director must declare the nature and extent of the director's interest to the other directors in accordance with sections 537, 538 and 539.

Companies Ordinance (Cap 622, Section 536)



Key areas of amendment (II)

Objects:

Extended the targets of service recipients/scope, e.g.

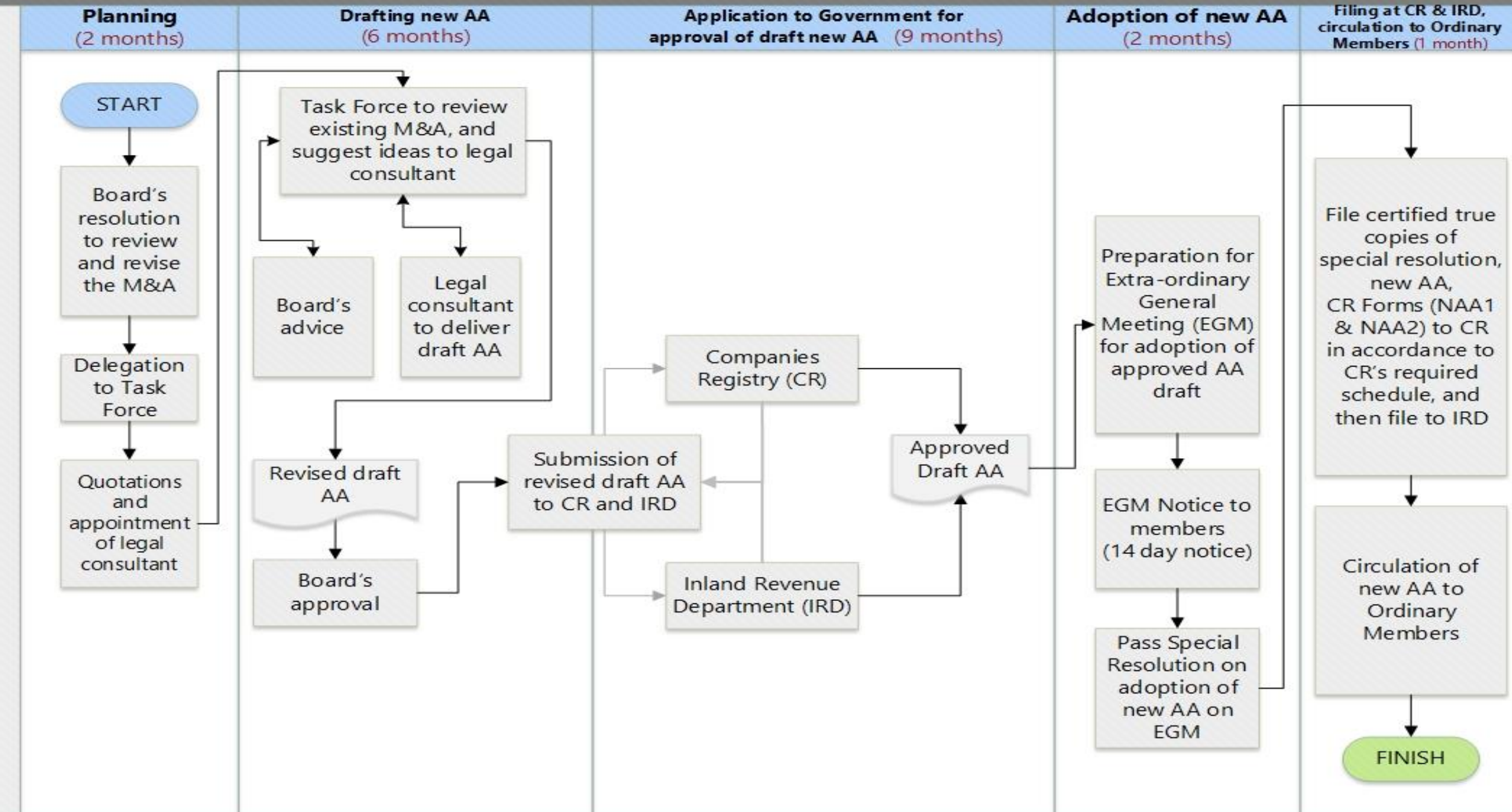
- “persons with ill-health” -> “persons with health challenges”
- “the aged” -> “persons of all ages” (p.1 Part A 3.3)
- “Undertake any research or survey into rehabilitation problems...” -> “Undertake any research, education or survey into rehabilitation problems...”

Membership: streamlined the membership system

Board of directors: introduced a maximum fixed term of office for Board of directors



Key Milestones (Duration: 20 months)





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Development of
**Corporate Governance
Manual (CGM)**

Why develop a CGM?

- The Board's commitment to ensure effective oversight of the organization – to assure key stakeholders that the organization is managed effectively and with integrity.
- In the process of reviewing the M&A and amendment of AA, the Board identified areas which should be addressed but did not need to put in the AA
 - For example:
 - Schedule of Delegated Authorities*
 - Rules and Regulations for Committees*
 - Code of Ethics for Board of Directors and Committee members*

➔ **Development of a CGM** which serves as a living document that can be updated regularly and flexibly in meeting the changing needs of the environment and updated governing practice.



The HKSR CGM

- Sets out the vision, mission, values, the structures, processes and policies to achieve the organization's objectives

Outlines of the CGM

- The governance structure
- The Board's responsibilities, power, and fiduciary duties
- Responsibilities of Office Bearers
- Board meetings protocols and procedures
- Management's reporting and support to the Board
- Delegated Authorities – to Committees and staff
- Rules and regulations for Committees
- Capacity building in governance development
- Self-assessment and continuous development
- Code of ethics (*Ethical principles, Conflicts of Interest, Confidentiality, Environmental Responsibilities*)



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CORPORATE GOVERNANCE MANUAL

Prepared by	: Pamela LEUNG, Chief Executive Officer
Reviewed by	: Task Force on Review of Corporate Governance and Memorandum and Articles of Association, Committee on Corporate Development
Approved by	: Executive Committee
Document No.	: PG-0005-ADM
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Version No.	: 1.0



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Empowering persons with disabilities to live a fulfilling life

Key milestones on development of the CGM (Duration: 9 months)

Duration	Tasks
3 months	Framework Design <ul style="list-style-type: none">• Joining “HKCSS Corporate Governance Advisory Services” – legal consultancy service on development of the governance manual• Exchange of ideas and expectations with the law firm• Review of existing documents• Discussion and drafting of manual framework• Board approval of the manual framework and table of contents
5 months	Content Development <ul style="list-style-type: none">• Drafts by the law firm and revisions• Advice from Task Force and the Board
1 month	Finalization of draft manual Approval by the Board Communication with Committees and Management Staff



Reflections and Learnings

- The governing documents are not only writings but a tool for the organization to continuously improve on its governing practice
 - For example, after the development of the CGM:
 - the Board of HKSR and its sub-Committees renewed its ToR
 - established the Rules and Regulations of Committees
 - reviewed and updated its Delegated Authorities
- The review process facilitated the modernization of practice which helped meeting the changing environment
 - For example, in the revised ToR of committees, we had added

“Voice or video conferencing is accepted and shall be counted in the quorum of meeting” in the revised ToR of Committees.
- An excellent opportunity for development and learning of the Board and Management!



Acknowledgement

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Thank you

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