

Voice for Prisoners Limited

Corporate Governance Manual

1. General

- 1.1. Corporate governance encompasses the system by which an organization is directed and controlled and the principles and policies which it follows, in each case in order to ensure that its objectives are met and that it conducts its affairs in a lawful and responsible manner. This manual deals with the system by which Voice for Prisoners Limited (“VFP”) is so directed and controlled and the principles and policies which it so follows.
- 1.2. This manual was approved by the board of directors of the VFP (the “Board”) on 1st March 2022. Its requirements must be followed by the Board, by the management of VFP (“Management”), by employees of VFP (“Employees”) and by volunteers acting for VFP (“Volunteers”). The Board, Management, Employees and Volunteers are referred to in this manual as Relevant Persons.

2. VFP

- 2.1. VFP is a company incorporated in Hong Kong and limited by guarantee. It is a charitable institution exempt from tax under s88 of the Inland Revenue Ordinance.
- 2.2. The activities of VFP are set out in its articles of association (the “Articles”). Its principal activity is providing humanitarian aid, assistance and relief to needy prisoners in Hong Kong and helping them. Prisoners are supported through education and visits. Through social media, awareness is raised outside Hong Kong of the harsh penalties in Hong Kong for drug mules. Further details can be found on VFP’s website <https://www.voiceforprisoners.org/>

3. Governance structure

- 3.1. Subject to the Articles and to the Companies Ordinance, the operations and affairs of the Company are managed by the Board. The Board consists of not less than three directors. Directors are appointed by the members of VFP or by the Board itself. The appointments of directors by the Board must be confirmed by the members of VFP. The Board considers its composition on a regular basis. If the Board considers that new directors should be appointed (in addition to or in replacement of existing directors), new directors are identified on the basis of the skills and experience which will enable them to make a positive contribution to the performance of the Board. The Board evaluates its own performance on a regular basis.
- 3.2. The Board is itself responsible for the following matters.
 - Formulation of strategy
 - Approving financial (including donations) policies
 - Appointment and remuneration of senior Management and ensuring that succession plans are in place
 - Approving budgets and forecasts
 - Reviewing operational and financial performance
 - Approving risk management and internal control and reviewing their effectiveness
 - Approving the financial statements of VFP required to be prepared by the Companies Ordinance

- 3.3. The Board delegates to Management (who may include directors) responsibility for the day to day operations of VFP.
- 3.4. The Board appoints a chairman from among its members. The chairman is responsible for the following matters.
- Leadership of the Board
 - Setting the agenda for meetings of the Board (including matters which other directors ask to be discussed at meetings of the Board)
 - Ensuring that the directors are properly briefed (including by receipt of regular reports on operational and financial performance)
 - Facilitating contributions from other directors and constructive dialogue and relations between them and obtaining consensus among them.
- 3.5. The Board meets not less than three times per year. A typical agenda includes the following items.
- Review of the operational and financial performance and outlook of the Organisation
 - Review of the longer term financial and operational plans of the Organisation
 - Discussion of the strategy of the Organisation
 - Presentation of papers to support decisions requiring approval by the Board
 - Declarations of interest.
- 3.6. A director takes minutes of meetings of the Board and makes them available, with supporting papers, to the members of the Board. The minutes record matters considered by the Board, decisions reached, and concerns raised by and dissenting views of members of the Board.

4. Law and ethics

- 4.1. VFP is committed to operating in accordance with the law and with integrity and fairness. Relevant Persons must comply with applicable legal requirements and must maintain the highest standards of professionalism in their dealings with other persons (including each other).
- 4.2. A conflict of interest arises where a Relevant Person's private interests interfere with the discharge of his duties to VFP. VFP is committed to conducting its operations without conflicts of interest. Relevant Persons must avoid situations which may lead to an actual or perceived conflict of interest. In particular, they must not enter into any contracts (except employment contracts) or dealings with VFP or be interested in any company which enters into any such contracts or dealings.

5. Bribery and corruption

- 5.1. Bribery and corruption hinder economic, social and political development and progress. Breach of anti-corruption laws is a serious offence and may expose VFP to significant fines and other penalties, and Relevant Persons to imprisonment. Even the appearance of a breach of anti-corruption laws can cause very significant damage to the reputation of VFP.
- 5.2. All Relevant Persons must comply with the anti-corruption laws to which they are subject (including the Prevention of Bribery Ordinance) and must comply with the following standards of behaviour.

- Relevant Persons must not, directly or indirectly (for example through an agent), offer any advantages to or accept any advantages from any government official or any person who has dealings with VFP. However, Relevant Persons are allowed to accept, but not solicit, promotional gifts of nominal value or gifts of a nominal value given on festive occasions.
- Relevant Persons must report to a member of the Board any request for an advantage.
- Relevant Persons must not accept lavish or frequent entertainment from or offer such entertainment to any government official or any person who has dealings with VFP.

6. Money laundering

- 6.1. Money laundering is the process of disguising (or cleaning) money arising from criminal activity (dirty money) so as to conceal its criminal origins. Under Hong Kong's money laundering laws, it is an offence to deal with the proceeds of an indictable criminal offence (including an offence under the National Security Law). There is a statutory duty to report knowledge or suspicion of money laundering to an authorized officer. Breach of that duty is itself an offence. So is disclosing the fact that such a report has been made in a manner likely to prejudice an investigation by law enforcement. Separately under the National Security Law, a person must report to law enforcement if the person knows or suspects that property is offence related property under the National Security Law. Such property includes property owned by persons arrested or charged under the National Security Law.
- 6.2. VFP is committed to doing what it takes to avoid VFP being involved in money laundering and, in particular, to avoid the commission of money laundering offences by itself or Relevant Persons.
- 6.3. VFP is dependent on donations. The principal money laundering risk to which VFP is exposed is acceptance of donations which are the proceeds of crime. This is because such acceptance falls within the definition of dealing with such proceeds. Appropriate due diligence should therefore be undertaken before acceptance of donations. The due diligence should be risk based. It is not practicable to perform due diligence on small donations. But anonymous donations of more than HK\$50,000 should not be accepted and the following steps should be taken before acceptance of donations (where the donors are not anonymous) of more than HK\$100,000.
 - If the donor is an individual, a copy of the individual's passport or other identity document should be obtained.
 - If the donor is a company or another entity which is not an individual, a copy of its certificate of incorporation (or equivalent document) should be obtained, with copies of the passport or other identity documents of each individual who has a beneficial interest in the Company or other entity of more than 20%.
 - Checks should be made on the individuals referred to in the foregoing bullet points. Normally, these can be restricted to information in the public domain, for example on the internet or through searching publicly available sanctions databases. Where donations are particularly large and there is limited relevant public information available, it may be appropriate to commission outside investigation.
 - If the foregoing steps cause VFP or any Relevant Person to know or suspect that the donation is the proceeds of crime or offence related property under the National Security Law, the donation should not be accepted and a report should be made in accordance with the relevant statutory requirements.

- No due diligence need be done on donors which are well-known and reputable charitable institutions in Hong Kong. Examples would be The Hong Kong Jockey Club Charitable Trust, The Hong Kong Club Foundation, Beat Drugs Fund and the charitable arms of leading financial institutions and corporates in Hong Kong.
- Any decision to accept a donation of more than HK\$100,000 should be taken by the Board, which should take legal advice in any case of doubt.

6.4. It is also important that the funds of VFP should not be used for criminal purposes. Beneficiaries should therefore receive benefits by way of services or in kind, not in cash, and benefits in kind should not be convertible into cash.

7. Risk management and internal control

7.1. The Board and Management are required to identify and analyse the risks to which VFP is subject and to determine how such risks should be addressed and mitigated.

7.2. The Board and Management are required to have in place a system of internal control designed to ensure that the objectives of VFP are achieved. The system should include financial and other reports, reviews of financial performance against budgets, controls (including segregation of duties) intended to check that transactions are properly authorized and carried out and physical controls over assets.

8. Records

8.1. VFP is committed to keeping proper records and following sound accounting policies. All books, records, accounts, invoices and other documents must be created and maintained so as to reflect fairly and accurately and in reasonable detail the transactions which underlie them. All relevant expenses should be properly approved and recorded in the financial records.

8.2. Relevant Persons must not make false or misleading statements or other entries in financial records. Records may only be destroyed in accordance with established destruction schedules.

9. Confidentiality and privacy

9.1. Relevant Persons must keep confidential the affairs of VFP and confidential information received about other persons, except (i) where disclosure is required by law or (ii) with the consent of the Board.

9.2. VFP and Relevant Persons must comply with applicable legal requirements relating to the collection, holding, processing, disclosure and use of personal data, in particular those in the Personal Data (Privacy) Ordinance. VFP must

- tell individuals what personal data it collects, the purposes for which personal data is collected and used, and the persons to whom personal data may be transferred
- only retain personal data for as long as necessary to fulfill the purposes for which it is collected
- obtain specific consent before using personal data for direct marketing
- provide a mechanism for individuals to access and correct their personal data
- safeguard and secure all personal data.

10. Whistleblowing

10.1. All Relevant Persons should report improprieties. Relevant Persons other than directors

should report improprieties to the Board. A director who considers that another director is responsible for an impropriety should report the matter to the other members of the Board.

- 10.2. Improprieties include misconduct, malpractice and unethical behaviour. Examples are criminal offences or breaches of other legal or regulatory requirements, misappropriation of property, harassment and bullying, conduct in breach of or prohibited by this manual and concealment of any of the foregoing.
- 10.3. Except where otherwise required by law or for the purpose of investigating a report, Relevant Persons must keep reports of impropriety confidential. A reporter may choose to remain anonymous. But this is discouraged, as it may inhibit proper investigation.
- 10.4. All reports of impropriety will be investigated by the Board or, where a report has been made about a director, by the other members of the Board. A Relevant Person found to have perpetrated or participated in an impropriety will be subject to disciplinary action, which may include removal as a director or termination of employment or status as a volunteer. Suspected criminal offences may be reported to law enforcement.

11. Diversity and inclusion

VFP is committed to creating an inclusive and supportive environment for all Relevant Persons regardless of age, gender, gender identity, sexual orientation, relationship, family status, disability, race, ethnicity, nationality or religious or political beliefs. VFP believes in creating an environment where Relevant Persons feel comfortable and able to realise their full potential.

12. Social media

Relevant Persons should not use social media in any way which will bring VFP into disrepute, disclose confidential information, interfere with the privacy of others or imply VFP's endorsement of personal views or breach any applicable laws or regulations.