

OCEAN PARK CORPORATION
CODE ON
CORPORATE GOVERNANCE PRACTICES

July 2019 (Revision 6)

OCEAN PARK CORPORATION

Ocean Park Corporation (the “Corporation”) is a statutory body incorporated under the Ocean Park Corporation Ordinance (Chapter 388). The Corporation’s principal activity is to manage and control Ocean Park as a public recreational and educational park.

MISSION

The Corporation provides guests with memorable experiences that combine entertainment and education, while inspiring life long learning and conservation involvement. Our aim is to maintain a healthy financial status, while offering guests a diverse range of activities at competitive admission prices. Ocean Park exists for the public’s benefit and strives to deliver the highest standards of safety, animal care, products and guest service.

GOOD CORPORATE GOVERNANCE

The Corporation believes that good corporate governance will assist the Board and Management to pursue objectives that are in the interests of the organization and the public, lead to better corporate performance and reputation and is essential in attaining long-term, sustainable growth. While recognizing that corporate governance may be affected by many factors, the Corporation believes that the core principles of accountability, transparency and integrity are fundamental to good governance and has, therefore, adopted these as the cornerstone of the Corporation’s governance framework.

ESTABLISHMENT OF THE BOARD

1. The Ocean Park Corporation Ordinance (Chapter 388), Section 7, stipulates the following on the establishment of the Board:

Section 7(1) There is hereby established a Board to be called the Board of the Ocean Park Corporation.

Section 7(2) The Board shall be the governing and executive body of the Corporation and, as such, shall perform all the functions imposed on the Corporation and may exercise all the powers conferred on the Corporation by this Ordinance.

ACCOUNTABILITY

2. Under the current structure, day-to-day management and administration of the Corporation’s businesses is delegated to the Chief Executive (“CEO”). Matters reserved for the Board are those affecting the Corporation’s overall strategic policies and finances.

THE BOARD AND ITS RESPONSIBILITIES

3. The Board has overall responsibility for the Corporation's performance. Each member of the Board has a duty to act in good faith in the best interests of the Corporation.
4. It determines the overall directions and strategies, monitors and oversees operating and financial performance and sets appropriate policies to manage risks in pursuit of the Corporation's strategic objectives.
5. The Board is responsible for the Corporation's systems of internal control and for reviewing their effectiveness. It is also responsible for establishing and maintaining an up-to-date framework of delegated and reserved powers, including a formal schedule of those matters specifically reserved for the collective decision of the Board and the accountability systems for the Management to report exercise of such delegated powers to the Board.
6. The Board is ultimately responsible for preparing accounts and for presenting a balanced, clear and comprehensible assessment of the Corporation's performance, position and prospects. This responsibility extends to annual reports, and other information required to be disclosed pursuant to statutory requirements.

BOARD COMPOSITION

7. The Ocean Park Corporation Ordinance (Chapter 388), Section 8, stipulates the following on the membership of the Board:
 - Section 8(1) The Board shall consist of not less than 7 members (executive or non executive) appointed by the Chief Executive¹.
 - Section 8(2) Without prejudice to section 42 of the Interpretation and General Clauses Ordinance (Cap. 1), a member shall hold office for a period of not more than 3 years as the Chief Executive¹ may determine, but may from time to time be reappointed.
 - Section 8(3) Any member may at any time by notice in writing to the Chief Executive¹ resign from the Board.
8. Non-executive members of the Board do not receive honorariums and emoluments, and serve the important function of providing adequate checks and balances for safeguarding the interests of the Corporation as a whole.
9. The non-executive board members are expressly identified as such in all corporate communications of the Corporation.
10. An updated list of all the board members with their particulars is put on the Corporation's website.

¹ This refers to the Chief Executive of the HKSAR.

RESPONSIBILITIES OF THE CHAIRMAN

11. The Ocean Park Corporation Ordinance (Chapter 388), Section 9 stipulates the following on the Chairman of the Board:

Section 9(1) The Chief Executive¹ shall, from among the members, appoint:

- (a) A Chairman; and,
- (b) A Deputy Chairman, who shall act as the Chairman during the absence or incapacity of the Chairman, or if that office becomes vacant for any reason.

Section 9(2) Without prejudice to section 42 of the Interpretation and General Clauses Ordinance (Cap. 1), the Chairman or Deputy Chairman shall hold office for a period of not more than 3 years as the Chief Executive¹ may determine, but may from time to time be reappointed.

Section 9(3) When for any reason both the Chairman and Deputy Chairman are absent from Hong Kong or are, for any other reason, unable to perform the functions of their respective offices, the members may appoint one of their members to act as the Chairman during the absence or incapacity of the Chairman and the Deputy Chairman.

12. The roles of the Chairman and the CEO are separate.

13. The primary role of the Chairman is to provide leadership for the Board. He ensures that the Board works effectively and discharges its responsibilities and that all key and appropriate issues are discussed in a timely manner. The Chairman's responsibilities comprise the following:

- a. to lead the Board in setting the overall direction, strategies, policies, corporate governance framework, agenda and priorities of the Corporation;
- b. with the CEO, to ensure that all board members are properly briefed on issues arising at board meetings;
- c. with the CEO, to ensure that all board members receive in a timely manner adequate information, which is complete and reliable, on which to base decisions;
- d. to encourage all board members to make full and active contribution to the Board's affairs and taking the lead to ensure that the Board acts in the best interests of the Corporation;
- e. with the CEO, leading effective communication of the Park's businesses to stakeholders;

¹ This refers to the Chief Executive of the HKSAR.

- f. providing a source of counsel and challenge to the CEO on how the Corporation is run, including giving feedback to the CEO on senior management performance, development and succession, and on organizational structure;
- g. facilitating the effective contribution of non-executive board members and ensuring constructive relations between executive and non-executive board members; and,
- h. signing the annual audited accounts of the Corporation.

RESPONSIBILITIES OF BOARD MEMBERS

14. Board Members should fulfill fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by laws of Hong Kong. This means that every board member must, in the performance of his duties as a Board Member:
 - a. act honestly and in good faith in the interest of the Corporation as a whole;
 - b. act for proper purpose;
 - c. be answerable to the Corporation for the application or misapplication of its assets;
 - d. avoid actual and potential conflicts of interests;
 - e. disclose fully and fairly his interests in contracts with the Corporation;
 - f. make reasonable endeavors to attend the meetings of the Board and relevant committees, failing that, provide advice through correspondences or teleconference (where necessary and appropriate); and,
 - g. apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience in holding his office within the Corporation.
15. On his first appointment, every newly appointed Board Member receives an “Orientation package for Board Members” on his duties and responsibilities to ensure that he is fully aware of his responsibilities under the Ocean Park Corporation Ordinance, applicable legal requirements and other regulatory requirements and to advise him of internal procedures. Subsequently, on each occasion that revisions to these legal and regulatory requirements are introduced which may have an impact for the Corporation, the CEO and the Corporation Secretary provide all board members with a briefing, where necessary with the assistance of external legal consultants.

16. Every board member is required, with the assistance of the Management, to keep abreast of the conduct, business activities and development of the Corporation. Board Members gain a proper understanding of the operations and businesses of the Corporation from monthly management reports distributed for discussion at board meetings and for information between meetings.

RESPONSIBILITIES OF THE CEO

17. The Ocean Park Corporation Ordinance (Chapter 388), Section 19, stipulates the following on the appointment of CEO of the Corporation:

Section 19(1) The Corporation shall appoint a Chief Executive of the Corporation, who shall be responsible to the Corporation for the day to day management and administration of Ocean Park.

18. The CEO is responsible for the day-to-day management and administration of the Corporation's business, including:
 - a. providing leadership for the Management;
 - b. implementing major strategies and initiatives adopted by the Board and facilitating the effective functioning of the Board;
 - c. informing and consulting the Chairman and the Board on all matters of significance to the Corporation including helping ensure that key issues are discussed by the Board in a timely manner, that the Board has adequate support and is provided with all the necessary information on which to base decisions;
 - d. recruiting, developing and retaining talented staff to work at the Corporation and in particular establishing a strong Management team which is fairly and fully evaluated;
 - e. establishing, maintaining and implementing a proper and effective system of internal controls;
 - f. reporting to the Board as to the Corporation's compliance with applicable legal and regulatory requirements as well as relevant practices and procedures and any exceptions thereto, accounting for any such non-compliance or exceptions; and proposing changes to the Corporation's practices and procedures to meet its evolving needs and compliance obligations, having particular regard to the development of and changes in both its business and the regulatory environment in which it operates;
 - g. communicating throughout the Corporation the strategic objectives adopted by the Board and ensuring that these are achieved in practice;

- h. sharing with the Chairman and other Board members of the Corporation the responsibility of communicating the Corporation's messages externally;
 - i. discharging such duties as may be delegated by the Board; and,
 - j. consulting the Chairman in drawing up agenda for Board meetings.
19. In respect of any matter put before the Board or any of its committees for approval, the CEO provides such explanation and information in a timely manner to the Board/committee as will enable the Board/committee to make an informed assessment of the financial and other aspects of the proposal.

BOARD PROCEEDINGS

20. The Ocean Park Corporation Ordinance (Chapter 388), Section 10, 11 and 12 stipulate the following on the proceedings of the Board, validity of proceedings and transaction of business by circulation of papers:

Section 10(1) At a meeting of the Board, a majority of the members for the time being shall form a quorum.

Section 10 (2) At a meeting of the Board, the Chairman shall preside.

Section 10(3) All questions for determination at a meeting of the Board shall be decided by a majority of votes of the members present and voting thereon and where there is an equality of votes, the member presiding shall have a casting vote in addition to his original vote.

Section 10(4) Where a member is in any way directly or indirectly interested in a contract made or proposed to be made by the Corporation:

- (a) he shall disclose the nature of his interest at a meeting of a Board;
- (b) the disclosure shall be recorded in the minutes of the Board; and,
- (c) the member shall not take any part in any deliberation of the Board with respect to that contract except with the permission of the Chairman and shall not vote on any question concerning it.

Section 10(5) Subject to the Ocean Park Corporation Ordinance, arrangements relating to meetings of the Board, and the procedures at and the conduct of its meetings, shall be such as the Board may determine.

Section 11 The validity of any proceedings of the Board shall not be affected by:

- (a) any defect in the appointment of any member;
- (b) the absence of any member from the meeting at which any such proceedings occurred; or
- (c) any vacancy among members.

Section 12 The Board may transact any of its business by circulation of papers amongst members (whether any such member is in or outside Hong Kong), and a resolution in writing which is approved in writing by a majority of the members shall be valid and effectual as if it had been passed at a meeting of the Board.

- 21. The Board holds four regular meetings a year on dates agreed at the end of the previous year, with additional meetings as and when required. Reasonable notice is, where possible, given for any additional board meetings.
- 22. The CEO, in consultation with the Chairman, is primarily responsible for drawing up the agenda for each board meeting. Any board members may ask for matters to be included in the agenda for regular board meetings by request to the CEO at least five business days before the intended date of a meeting.
- 23. Where the Board transacts its business by circulation of papers amongst members, a member who is in any way directly or indirectly interested in a contract made or proposed to be made by the Corporation shall fully observe section 10(4) of the Ocean Park Corporation Ordinance (Chapter 388) as if the business was transacted at a meeting in the manner as follows:
 - (i) he shall not sign his approval of the proposed resolution in writing set out in such papers;
 - (ii) he shall disclose the nature of his interest in reply to the papers circulated amongst members; and,
 - (iii) the disclosure shall be recorded in the books of the Corporation.

SUPPLY OF AND ACCESS TO INFORMATION

- 24. In respect of regular board meetings, and so far as practicable, an agenda and accompanying board papers are sent in full to all board members at least 3 business days before the intended time of a board or committee meeting.
- 25. All board members receive regular reports on the Corporation's performance together with board papers for discussion at regular board meetings, or distributed for information in the months when no meetings are held. Such information should be prepared in such form and quality as will enable the Board to make an informed decision on matters placed before it. Where queries are raised by Board members, steps must be taken to respond as promptly and fully as possible.

26. All board members have unrestricted access to information and, in appropriate circumstances and with the approval of the Chairman, may seek independent professional advice at the expense of the Corporation.

INSURANCE

27. The Corporation has arranged for Directors' and Officers' Liability (D&O) covers for all directors and officers of the Corporation and its employees in a managerial or supervisory capacity.

THE CORPORATE SECRETARY (Revised in October 2014)

28. All board members have access to the advice and services of the Corporate Secretary, who is responsible to the Board for ensuring that board procedures, and all applicable rules and regulations, are followed.
29. The Corporate Secretary or his/her deputy or assistant keeps minutes of board meetings and meetings of board committees to record in sufficient detail the matters considered by the Board/Committee and decisions reached, including any concerns raised by directors/members or dissenting views. Draft and final versions of such minutes are sent to board members/committee members for their comment and record respectively, in both cases within a reasonable time after the relevant meeting.

INDEPENDENT PROFESSIONAL ADVICE

30. The Ocean Park Corporation Ordinance (Chapter 388), Section 20, stipulates the following on the employment of technical and professional advisers:

Section 20(1) The Corporation may engage the services of technical and professional advisers to advise the Corporation in any matter arising out of or in connection with any of the functions or powers of the Corporation.

Section 20(2) All matters relating to the remuneration and the terms and conditions of engagement of advisors, and the manner of their engagement, under subsection (1) shall be determined by the Corporation.

BOARD COMMITTEES

31. The Ocean Park Corporation Ordinance (Chapter 388), Section 22, stipulates the following on the creation and functions of committees:

Section 22(1) The Corporation may create, and appoint the members of, such committees for any general or special purposes for the better carrying out of the functions and powers of the Corporation as it thinks fit and any such committee may include persons who are not members of the Board.

Section 22(2) The chairman of a committee created under subsection (1) shall be appointed by the Corporation and the number of members of a committee shall be determined by the Corporation.

Section 22(3) Subject to the directions of the Corporation, a committee created under subsection (1) may determine its own procedure for its meetings.

Section 22(4) The proceedings of any committee created under subsection (1) shall not be invalidated by any defect in the appointment of any member thereof, the absence of any such member from the meeting at which any such proceeding occurred or any vacancy among such members.

32. As far as practicable, all committees established by the Board adopt the principles, procedures and arrangements set out in this Code.
33. Where board committees are established to deal with matters, the Board appoints the Committee Chairman and Deputy Chairman, and prescribes sufficiently clear terms of reference to enable such committees to discharge their functions properly.
34. The terms of reference would require these committees to report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).
35. The Corporation has currently established the following key committees with specific written terms of reference. All or a majority of the members of these committees are non-executive board members (Revised in September 2018).
 - i. Resources Committee
 - ii. Treasury and Investment Committee
 - iii. Audit Committee
 - iv. Development and Tender Committee
 - v. Major Developments Committee
 - vi. Education Committee
 - vii. Resource Development Advisory Committee
 - viii. Strategic Reposition Planning Steering Committee

36. For the majority of the Board Committees, the quorum is three people, of which at least two should be non-executive Board Members. The Committee Deputy Chairman will preside in the absence of the Committee Chairman. The Board Chairman may appoint any other non-executive Board Member as acting Chairman of the Committee concerned in the absence of both the Deputy Chairman and the Chairman of that Committee. There is no casting vote for the Chairman or Acting Chairman of the Committee. Where there is an equal split of votes from the Committee Members present, as to approving any proposal, the proposal will be referred to the full Board of the Corporation for determination. For the other Board Committees, the quorum requirement is based on the rule of majority.
37. The **Resources Committee** advises the Board on key issues related to the financial and human resources of the Corporation, including the compensation for the CEO, the review and recommendation to the Board of annual wage increases and other gratuity or bonus awards for all Ocean Park staff. The Committee reports directly to the Board. Meetings will be held twice during the year. However, the Chairman may direct to reschedule or add additional meetings as required, and direct certain items be circulated for consideration and approval of its members.
38. The **Treasury & Investment Committee** oversees the financial progress of the Corporation, monitors the Cash Reserve position, guides the establishment of appropriate financing strategy, ensures proper loan management and formulates investment policies and guidelines, for the Ocean Park Trust Fund, the Corporate Fund and the Retirement Fund, selects the appropriate fund managers and evaluates the Funds' performance. The Committee reports directly to the Board. Meetings will be held quarterly. However, the Committee Chairman may direct to reschedule or add additional meetings as required, and direct certain items be circulated for consideration and approval of its members. (Revised in October 2014).
39. The **Audit Committee** reviews and supervises the Corporation's financial reporting process and internal controls on a planned basis, and the appointment of internal and external auditors of the Corporation. The Committee, chaired by a non-executive Board member, reports directly to the Board. Meetings will be held three times a year (to read together with paragraph 47).
40. The **Development and Tender Committee** advises the Board on policy matters relating to the adoption of new developments including new attraction, renovation and improvement projects. It also formulates and modifies, as appropriate, policies and procedures for the award of tenders, and engagement of architects and consultants, and reviews any changes that have to be ratified by the Board. The Committee reports directly to the Board and is independent of the Major Developments Committee. Meetings will be held monthly but the Chairman may direct that certain items be circulated for consideration and approval of its members. (Revised in April 2018).

41. **Deleted in September 2009.**
42. **Deleted in September 2009.**
43. **Deleted in April 2018.**
44. The Major Developments Committee oversees the implementation of the Tai Shue Wan Water World Project and the development of two hotels within Ocean Park and advises the Board on any policy matters relating to these major developments. Meetings are held once per quarter and the Chairman may call more frequent or ad hoc meetings as required. The Major Developments Committee Chairman may direct that certain items be circulated for consideration and approval of its Members (Revised in April 2018 for replacing the original items 43 and item 44).
45. The **Education Committee** oversees the formulation and endorses the implementation of the Corporation's education activities, including strategies, annual plan, community engagement programmes, education programme contents, education concepts for new attractions, sponsorship supports for education initiatives and education outcomes. The Committee reports directly to the Board. Meetings will be held twice a year. However, the Committee Chairman may elect to add additional meetings as required. Certain items may be circulated for consideration and approval by its Members. (Revised in April 2018).
46. The **Resource Development Advisory Committee** provides guidance and advice on overall fundraising strategy for the Park's long-term capital development. Meetings will be held twice a year. However, the Chairman may elect to add additional meetings as required. Certain items may be circulated for consideration and approval by its Members. (Revised in April 2018).
47. The **Strategic Reposition Planning Steering Committee** oversees the successful and timely development and delivery of the Strategic Reposition Plan (the "SRP") for the Corporation and advises the Board on any policy matters relating to the development of the SRP. The Committee reports directly to the Board. Meetings are held monthly. The Committee Chairman may direct that certain items be circulated for consideration and approval by its Members. (Revised in July 2019).

INTERNAL CONTROLS

48. The Corporation's internal controls have been designed to give reasonable assurance that the Corporation's assets have been prudently safeguarded, that maximum value for money is obtained from its expenditures, that its business activities are conducted in a fair and responsible manner and that its financial reporting is accurate, transparent, timely and complete. The fundamental objective of the Corporation's internal control is to manage and mitigate the risks facing the Corporation. Key components of the Corporation's internal control framework include:

AUDIT COMMITTEE

49. The Audit Committee, the membership of which shall only include non-executive Board members, reports to the Board. The purpose of the Committee is to assist the Board in:

- a. ensuring that an effective system of internal control and compliance with the Corporation's obligations for protecting its assets and net worth (including external financial reporting obligations) under applicable laws and regulations is in place;
- b. overseeing the integrity of the financial statements of the Corporation;
- c. reviewing the Corporation's financial and accounting policies and practices;
- d. appointment, re-appointment, removal of internal and external auditors, and determining their remuneration;
- e. reviewing and monitoring the independence, effectiveness and integrity of the internal and external audit processes;
- f. In the performance of its duties the Audit committee will, inter alia,
 - (i) review the external auditor's management letter, any material queries raised by the auditor to the Management in respect of the accounting records, financial accounts or systems of control and Management's response; and,
 - (ii) discuss with the Management the system of internal control and consider the Management's report so as to ensure that the Management has discharged its duty to have an effective internal control system.
- g. bring to the attention of the Board any material matters arising from these discussions.

50. The internal auditors report to the Audit Committee on its assessment of the effectiveness of the internal control systems in the Corporation.

INTERNAL AUDIT

51. The Internal Audit function monitors the Corporation's compliance with internal control procedures, focusing on those areas of the Corporation's activities that involve the greatest perceived risk. The annual internal audit programme is reviewed and endorsed by the Audit Committee. Internal Auditors have unrestricted access to information and complete freedom to draw independent conclusions on their audits. The Internal Auditors report to the Audit Committee, have direct access to the Chairmen of both of the Audit Committee and the Board and receive such support and assistance from Management as is required for the proper discharge of their functions, with the CEO accepting primary responsibility for ensuring this obligation is satisfied. A private meeting between the Audit Committee and the auditors (internal and external) shall be held annually without the presence of Management.

EXTERNAL AUDIT

52. The Ocean Park Corporation Ordinance (Chapter 388), Section 26 and 28 stipulate the following on the Accounts and statements and Auditors:

Section 26(1) The Corporation shall cause proper accounts to be kept of its financial transactions and shall cause to be prepared for each financial year a statement of the accounts of the Corporation, which statement shall-

- (a) include -
 - i. an income and expenditure account and balance sheet;
and,
 - ii. the number of attendances at Ocean Park for that year;
and
- (b) be signed by the Chairman.

Section 26(2) The accounts of the Corporation and the signed statement of accounts shall be audited by an auditor appointed by the Corporation and the auditor shall certify the statement subject to such report, if any, as he thinks fit.

Section 26(3) There shall be laid on the table of the Legislative Council no later than 31 December next following the end of the period in respect of which a statement is required to be prepared under subsection (1) or so soon thereafter as the Chief Executive¹ may allow:

- (a) a copy of the signed and audited statement of accounts together with the auditor's report, if any, and

- (b) a report by the Corporation on its activities during that period.

Section (28) Any auditor appointed under section 26(2) shall be entitled at any time –

- i. to have access to such books of account, vouchers and other records of the Corporation; and,
- ii. to require such information and explanation, as he considers necessary to discharge his functions.

¹ This refers to the Chief Executive of the HKSAR.

DELEGATION OF AUTHORITY

53. The Ocean Park Corporation Ordinance (Chapter 388), Section 23, stipulates the following on the power of the Corporation to delegate:

Section 23(1) Subject to subsection (2), the Corporation may, with or without restrictions or conditions as it thinks fit, delegate in writing any of its functions or powers to:

- a. The Chief Executive of the Corporation or
- b. Any committee created under Section 22(1)

54. When the Board delegates certain functions or powers to the CEO or any committee, it must at the same time give clear directions as to the functions or powers of the parties receiving the delegation, in particular, with respect to the circumstances where the CEO or committee should report back and obtain prior approval from the board before making decisions or entering into any commitments on behalf of the Corporation.

55. The powers delegated to the CEO and the Committees are reviewed periodically to ensure that they remain appropriate.

56. The Board has approved the following delegation procedures:

- a. The Corporation Delegation of Authority Manual and Tender/Quotation Procedures for the expenditures of the Operating Park; and,
- b. The Project Delegation of Authority Manual and Project Tender/Quotation Procedures for the expenditures of the Ocean Park Master Redevelopment Project and the Tai Shue Wan Project (Revised in October 2014).

57. These manuals and procedures are designed to ensure that the Board of the Corporation is approving all expenditures through the flow down of delegated authority and that the Board actively participates in the approval of major contracts and expenditures.
58. The Ocean Park Corporation Ordinance (Chapter 388), Section 24, stipulates the following on the power of the CEO to delegate:
- Section 24(1) Subject to subsection (2), the Chief Executive of the Corporation may, with or without restrictions or conditions as he thinks fit, delegate in writing to such person, or committee created under section 22(1), as he thinks fit, his functions and powers, including any function or power delegated to him under Section 23.
- Section 24(2) The power conferred by subsection (1) on the Chief Executive of the Corporation to delegate any function or power of the Corporation delegated to him under section 23 and the exercise by any person, or committee created under section 22(1), of any such function or power delegated by the Chief Executive of the Corporation under subsection (1), shall be subject to any restriction or condition imposed by the Corporation under section 23.
59. At an operational level, the CEO has instituted a clear, well-structured system of sub-delegation under which Division Heads of the Corporation are given the appropriate power to effectively discharge their duties.
60. The system of sub-delegation is subject to review and approval from time to time by the CEO. Any changes to the system should be clearly communicated to Division Heads concerned.
61. The Division Head may, with or without restrictions or conditions as he thinks fit, delegate in writing to such person, as he thinks fit, his powers to incur any expenditure, capital or operating of his Division.

FINANCIAL PLANNING AND CONTROL

62. The Corporation has a two-tier corporate planning process, under which a master plan with a medium-term planning of 3 years is compiled. For short-term planning and control purposes, detailed annual budgets are submitted to the Resources Committee and Board for endorsement and approval respectively.
63. Within the Corporation's financial control system, there are Delegation of Authority procedures for the appraisal, review and approval of different levels of capital and operating expenditures. Results of operations against budgets and prior year are reported to the Board on a monthly basis. Audited annual accounts are reviewed by the Audit Committee and approved by the Board.

DISCLOSURE OF INTERESTS

64. The Corporation has established clear and comprehensive procedures for disclosure of interests. Written procedures are in place requiring staff to disclose interests under particular circumstances. Parties with a perceived conflict of interest will normally be excused from the relevant decision making process.

QUALITY OF STAFF

65. The effectiveness of internal controls relies on the integrity and performance of the staff. The Corporation organizes training and communication programmes to enhance staff competency and maintain an ethical culture at all levels of the Corporation. The Corporation also has structured training and development programmes to ensure that the right competencies and talents are in place or developed to meet the Corporation's business objectives and long-term requirements.
66. The Corporation believes a fair and competitive reward system is a key driver of staff performance. The Resources Committee is primarily responsible for reviewing and advising the Board on the Corporation's remuneration policy and structure.

CODE OF CONDUCT

67. The Corporation is a public body under the Prevention of Bribery Ordinance. A Code of Conduct is therefore vital to ensure that the Park is properly and effectively operated in a fair and responsible environment.
68. The Code of Conduct sets out the standards of behavior expected and explains how an employee should respond to different situations in business dealings.

ENVIRONMENTAL STEWARDSHIP

69. The Corporation recognizes the need to create a corporate culture of environmental stewardship and to blend with an environment that supports the sustainable use of Earth's resources.
70. Management of the Corporation has established the Environmental Steering Committee to oversee the implementation of the Park's Environmental Policy and to promote environmental stewardship.

71. The Corporation endeavors to ensure that the management of its operations is in a manner, which adheres to environmental good practice and is committed to full compliance with legal and regulatory requirements.

HEALTH & SAFETY

72. The Corporation is committed to providing a safe and healthy environment for the Park's guests, employees and animals.
73. Management of the Corporation has established the Corporate Safety Committee to organize, develop, promote and maintain the Health and Safety Policy, and oversee the health and safety performance for the Park's guests, employees, and animals.

TRANSPARENCY

74. The Corporation considers transparency an important attribute of good corporate governance and has taken an open approach in disclosing information relating to its performance and operations. To promote transparency and openness, the Corporation has undertaken to circulate the attendance records of the Board Members and various other sub-committee meetings among the Board on a periodic basis.

COMMUNICATION

75. The Corporation adopts an open communication policy with the public. To promote effective communication with the public at large, the Corporation maintains a website on which comprehensive information about the corporation, operating hours and its services as well as the annual report is provided.
76. Media conferences are held during the year to brief the public on the latest developments at the Corporation.

CORPORATE CITIZENSHIP

77. The Corporation is committed to being a responsible corporate citizen. As Hong Kong people's Park, the Corporation will ensure accessibility of the Park's facilities for, and develop appropriate programmes to meet the needs of, the different sectors of the community.