



香港旅遊業議會
TRAVEL INDUSTRY COUNCIL
OF HONG KONG
Incorporated with limited liability

DIRECTIVE

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Rules for Election of Elected Directors (Revised)
Resolution No. 205
(Directive category: General)

With a view to further enhancing the fairness, integrity and incorruptibility of the Directors' elections, the Working Group on TIC Elections has proposed after a recent review to revise paragraphs 10 and 20 of the Rules for Election of Elected Directors (Rules). The proposed revisions have been adopted by the Board. The latest version of the Rules is attached for members' perusal and retention.

Please be reminded that the Rules are binding on all TIC members (including the Association Members), candidates, registered representatives of the Ordinary and Affiliate Members and the voters in their involvement in the Directors' elections.

Violation of the Rules will be subject to disciplinary action by the Directors' Election Complaint Committee and/or the Board of Directors according to Article 11 of the TIC's Articles of Association. Violation or misconduct suspected to be associated with corruption or other criminal acts will be referred to the Independent Commission Against Corruption and/or the relevant law enforcement authorities.

This Directive supersedes Directive No.187 and takes effect immediately.

BY ORDER OF THE BOARD OF DIRECTORS
TRAVEL INDUSTRY COUNCIL OF HONG KONG

Joseph Tung
Executive Director

Enclosure

IMPORTANT



Travel Industry Council of Hong Kong Rules for Election of Elected Directors

Introduction

1. The Travel Industry Council of Hong Kong (the TIC) shall conduct its Directors' Elections in strict accordance with the principles of fairness, integrity and incorruptibility. The Rules for Election of Elected Directors (the Rules) stipulate the basic requirements of conduct required of *members (which mean Association Members, Ordinary Members and Affiliate Members), candidates, registered representatives of members and voters* in their involvement in Directors' Elections, and policies relating to solicitation or acceptance of advantages, management of accounts and other matters.
2. The Rules are binding on all related people. Violation of the Rules is subject to disciplinary action to be taken by the Directors' Election Complaint Committee (the Committee) or the Board of Directors (the Board). If any violation or misconduct is suspected to be associated with corruption or any other criminal act, it will be referred to the Independent Commission Against Corruption (the ICAC) or other relevant law enforcement authorities.

Basic principles of elections

3. Members are recommended to base their voting decisions on a candidate's suitability through evaluation of such factors as his/her aspiration, ability, integrity and commitment to serve the industry. Similarly, candidates are encouraged to solicit votes by demonstrating their aspiration, ability, integrity and commitment.
4. No one shall conduct election campaigns which may induce criticism or be deemed improper. The principles of fairness and incorruptibility shall always be observed.

Compliance with laws of Hong Kong

5. No one shall breach the laws of Hong Kong, including the Prevention of Bribery Ordinance, in their involvement in Directors' Elections.

Prevention of Bribery Ordinance

6. According to the Prevention of Bribery Ordinance (the Ordinance), any agent (such as a director or employee of a member) who, without the permission of his/her principal (such as the board of directors or proprietor of a member), solicits or accepts any advantage as an inducement to or reward for doing any act (such as casting a vote on behalf of a member) or showing favour to any person in relation to his/her principal's affairs or business, is in breach of the Ordinance. Any person who offers any advantage to an agent is also in breach of the Ordinance.

(The full text of Section 9 of the Ordinance and the interpretation of "advantage" are at



Appendix 1.)

Solicitation or acceptance of advantages

7. No one shall solicit or accept any advantage as a condition or reward for casting their votes.
8. No one shall offer any advantage to others with a view to affecting their voting decisions.
9. No one shall offer any advantage to others with a view to affecting their decisions to stand for or withdraw from Directors' Elections.

Anyone in breach of the above provisions may violate section 9 of the Ordinance.

Provision of entertainment

10. Entertainment (such as the provision of food or drink for consumption on the occasion when it is provided) is not regarded as an advantage under the Ordinance, and the provision of which is a business and social activity acceptable in normal business dealings. Nevertheless, in the context of Directors' Elections, it is deemed inappropriate for the related people to make use of entertainment as a campaign tactic lest the voting decisions of voters be affected as a result of their having accepted entertainment. As such, the related people shall observe the following provisions when offering entertainment to registered representatives of members during an election:

- Banquets or feasts shall not be part of election campaigns, nor shall the promise of banquets or feasts after the election be made to the voters as a reward for casting their votes.
- Entertainment shall only be used as a supplement to election campaigns, such as the provision of drinks or refreshments at election briefings.
- Invitations to entertainment shall be issued directly to the member to which a voter belong in order for the member to handle the invitations (such as instructing their voting representatives to accept the entertainment).

Election expenses

11. ***The maximum amount of election expenses (including donations) is HK\$50,000 per candidate per election.***

12. Candidates shall submit to the TIC ***a statement of accounts showing all the expenses incurred for the Directors' Election***, together with all the relevant invoices and/or receipts (there being no need for payments below HK\$100 to be supported by invoices and/or receipts), ***not more than one month*** after the conclusion of the election.

13. Election expenses mean expenses incurred between the start of the nomination period and the conclusion of the Directors' Election by a candidate for the purpose of promoting his/her election irrespective of the source of funding. However,



voluntary work (which means any service provided free of charge with prior consent of the candidate by a person, voluntarily and personally, in the person's own time for the purpose of promoting the election of the candidate or prejudicing the election of other candidates) is not counted as election expenses.

14. A list of common expenditure items which may be counted towards election expenses is at *Appendix 2*. The list is only for explanatory and illustrative purposes. Whether a particular item of expenditure should be regarded as an election expense is dependent on the purpose behind the expense and the circumstances of each case.

15. Candidates shall declare in the statement of accounts that the statement itself and the relevant invoices and/or receipts submitted by them are genuine and accurate, and shall consent to the employment by the TIC of all the information collected (including the statement of accounts) in its handling of affairs related to the Directors' Election, including granting permission to members to check details of the election expenses.

16. All statements of accounts about election expenses and the relevant invoices and/or receipts submitted by candidates or elected directors will be scrutinised by the Executive Office and/or designated persons.

17. The total amount of election expenses incurred by each candidate will be announced after verification by the Executive Office and/or designated persons. Members shall make written applications to the Board or the Committee, with reasons given, for checking of details of the election expenses. Members may check the statement of accounts but not the relevant invoices and/or receipts in the presence of staff of the Executive Office, if their applications are approved.

Records, accounts and other documents

18. Submission to the TIC by any person of records, receipts, accounts or other documents which contain inaccurate information is in breach of TIC rules and subject to appropriate actions and penalties imposable in accordance with the TIC's Articles of Association.

19. Any agent who uses any documents which contain false information with the intent to deceive or mislead his/her principal, irrespective of whether he/she has accepted any advantage, may violate section 9 of the Ordinance.

Other violations or misconduct

20. No one shall:
- provide false or misleading information with a view to acquiring the right to vote for those who do not have such a right;
 - threat to use or use force, or offer any advantage to anyone or harm the benefits of anyone, in order to affect the decision of anyone to stand for or withdraw from Directors' Elections, or to induce anyone to vote or not to vote for a candidate;
 - publish any false or misleading election materials such as leaflets and



- posters;
- publish any false or misleading statement about any candidate for the purpose of promoting or prejudicing the election of the candidate;
 - provide false or misleading information about the support of any organisation or person for a candidate without prior written consent of the organisation or person, with the intent to make the electors believe that the candidate has gained the support of the organisation or person for his/her standing for election.

The above is not an exhaustive list of all violations or misconduct. All related people shall ensure the fairness, incorruptibility and openness of Directors' Elections through their personal integrity and honesty.

Compliance with the Rules

21. Those who are involved in Directors' Elections shall pay heed to and observe the Rules. The management of members (which mean Association Members, Ordinary Members and Affiliate Members) shall ensure that those who work for them or their agents fully understand and observe the standards and requirements of the Rules.

22. Those who are suspected of violating the Rules will be handled by the Committee, which will recommend to the Board appropriate actions to be taken, including disqualification of a candidate from a Directors' Election or removal of a director from the Board. Even if the violation or misconduct does not involve the qualification of a candidate to stand for election or become a director, the TIC has the right to refer the case to the relevant disciplinary committees for deliberation.

Principles of handling complaints and violations

23. Complaints concerning violation of the Rules shall be lodged with the TIC in writing not more than two months after the election.

24. The following information shall be provided by the complainant when lodging a complaint, which will otherwise not be handled:

- the name, title, company, contact address and telephone number of the complainant; and
- details of the complaint and evidence.

25. All information concerning the complainant is kept strictly confidential.

26. All cases of suspected violation of the Rules will be referred to the Committee for deliberation.

27. The Committee comprises five independent directors of the Board and the quorum for transaction of business at a meeting is three.

Procedures for handling complaints and violations



28. On receiving a complaint about a Directors' Election, the Executive Office will send a letter of acknowledgement to the complainant within seven days, and follow up the complaint based on the information and evidence provided by the complainant.
29. If there is evidence that the person being complained about is suspected of violating the Rules, the case will be referred to the Committee for deliberation and action.
30. All complaints received will be submitted to the Committee for information and review.
31. The Executive Office will send a letter to the person being complained about, notifying him/her of the complaint and the alleged violation of the Rules and requesting him/her to, within 14 days, make written representations to the TIC or inform it in writing if he/she chooses to make representations in person at the meeting of the Committee. If he/she chooses to make representations in person, he/she shall inform the Executive Office in writing within the 14-day period from the date of service of notification.
32. The Committee will convene a meeting as soon as possible to consider details of the case and the representations made by the person being complained about.
33. If the person being complained about chooses to attend the meeting of the Committee, the Executive Office will notify him/her of the date, time and place of the meeting at least seven days in advance.
34. If the Committee decides that the person being complained about has violated the Rules, it may, depending on the severity of the violation, issue a letter of advice or a warning to him/her, reprimand him/her or make a proposal to the Board to disqualify the candidate or to remove the director from the Board. Where corruption or any other criminal act is suspected, the case will be referred to the ICAC or other relevant law enforcement authorities.
35. The Executive Office will send a letter to the person being complained about not more than three days after the Committee meeting, informing him/her of the Committee's decision and his/her right to appeal against the decision.
36. If no appeal is lodged by the person being complained about within 14 days after the service of notification, the Executive Office will notify the complainant in writing of the decision of the Committee.

Procedures for appeals

37. Any person aggrieved by the decision of the Committee or the Board may appeal to the Appeal Board. Composition of the Appeal Board and the appeal procedures are laid down in the Articles of Association of the TIC.
38. The person may within 14 days of the service of the relevant notice from the TIC give notice of appeal or within the 14-day period apply for extending the period for lodging an appeal for an additional period of not more than 14 days in writing to the



TIC.

39. On receipt of a notice of appeal, together with an appeal fee of HK\$1,000 or such other fee as the Board may from time to time prescribe, an Appeal Board meeting will be convened to hear the appeal.

40. The TIC will give the appellant and the Committee or the Board not less than 14 days' notice of the time and place of the Appeal Board meeting, and will in such notice inform the appellant and the Committee or the Board that both parties may attend and make representations to the Appeal Board.

41. The Appeal Board may confirm, vary or quash a decision against which the appellant is appealing. The decision of the Appeal Board is binding on the Committee, the Board and the appellant, and is final.

42. The Appeal Board has the power to provide for the appeal fee paid by the appellant to be repaid to him/her wholly or in part if the appeal is successful.

Publication of disciplinary actions taken

43. The decision of the Committee to reprimand a candidate or a director and the decision of the Board to disqualify a candidate or remove a director from the Board for violating the Rules will be published in *The Voice of TIC* and posted on the TIC website.

August 2011

Extracts of the Prevention of Bribery Ordinance

Section 9

(1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his –

- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
- (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

(2) Any person, who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's –

- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
- (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

(3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document –

- (a) in respect of which the principal is interested; and
- (b) which contains any statement which is false or erroneous or defective in any material particular; and
- (c) which to his knowledge is intended to mislead the principal,

shall be guilty of an offence.

(4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).

(5) For the purpose of subsection (4) permission shall -

- (a) be given before the advantage is offered, solicited or accepted; or
- (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,

and for such permission to be effective for the purpose of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

Section 2

'Advantage' means :

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- (b) any office, employment or contract;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty; and
- (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e),

but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (10 of 2000), particulars of which are included in an election return in accordance with that Ordinance.

'Entertainment' means :

The provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions.

Items of expenses which may be counted towards election expenses

1. Costs incurred for the design and production of election advertisements such as banners, posters, publicity pamphlets, video and audio tapes/disks, electronic messages and various forms of literature or publicity material for the promotion of a candidate.
2. Costs for printing and photocopying promotional materials.
3. Postage for mailing of publicity materials. However, the postage for mailing of publicity materials for the first time is exempted, the amount of which is capped at the number of eligible electors multiplied by the postage for one first-class inland standard item with a weight not exceeding 50g.
4. Costs incurred for meetings, gatherings, etc (including costs for renting the venues) organised in connection with an election campaign or any other functions in which specific reference has been made to a candidate.
5. Donations which subsidise activities organised or materials produced for promoting a candidate.
6. Costs incurred for the hire of transport in connection with an election.
7. Fees and allowances, including travelling expenses, paid to persons engaged in relation to an election campaign.
8. Costs incurred by Association Members to which a candidate belong or other trade associations in promoting his/her election. However, the costs of meetings, functions, etc organised without specific reference to the candidate will not be counted as election expenses.

Note: The items listed above are for reference only and are by no means exhaustive.