

Corporate Governance Statement

The Woodbridge Hospital Charity Fund (herein called “The Fund”) recognises the importance of having a well-defined corporate governance system and processes, and is fully committed to upholding high standards of transparency and accountability within The Fund and to our stakeholders. The following policies are in place within the Fund:

1. Policy on Remuneration and Benefits received by the Board

The Board of Trustees of the Fund does not receive any remuneration or benefits from the Fund. The Fund also does not have any employed staff (and therefore there is no remuneration paid out) as it is supported by the Institute of Mental Health (IMH) under the National Healthcare Group Pte Ltd at no consideration.

2. Policy on Related Party Transactions and Conflict of Interest

All members of the Board of Trustees shall disclose to The Fund any related party transactions and conflict of interest. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Refer to Annex A on the Policy on Conflict of Interest.

3. Policies on Accounting and Internal Control of The Fund

The Fund shall comply with all applicable laws and regulations to put in place accounting policies, disclosure practices and internal control system that are reliable and with high integrity.

In alignment with the above principles, the documented policies and procedures of The Fund, the National Healthcare Group (NHG) and Institute of Mental shall be applicable.

An internal audit shall be conducted at least once every five years to focus on internal control in key areas such as donations, procurement and payments etc. Any material non-compliance or lapses together with corrective measures are to be reported to the BOT on a timely basis. As at end of FY15, an internal audit directed by MOH has been done on The Fund and there was no major finding on lapse of control.

4. Policy on Disbursement of The Fund

No loan or donation shall be made to external parties.

5. Policy on Reserves

The Fund aims to hold adequate funds to meet its operational needs of its on-going programs. Thus it targets to maintain a reserve ratio of two years expenditures which is deemed sufficient to fund its operation in the short term while it explores opportunities to raise fund on an ad hoc basis to meet its medium to long term needs.

6. Policy on Investment of The Fund

The investment policy of The Fund shall be guided by the principles of generating returns while protecting capital. As such, all investment of reserves and surplus funds must be in low risk, safe and conservative instruments. Hence, The Fund shall be placed in fixed deposits and/or government bonds. Any approval for investment will be authorized by two approved signatories i.e. align with that for the other bank accounts of NHG as approved by the Board of Directors of NHG. The interest income derived from the fixed deposit placement, bonds and investment instruments shall be credited back to The Fund.

7. **Policy on Board Selection Recruitment, Induction & Training**

A Board of Trustees (BOT) shall be appointed to exercise stewardship over the Charity. The Chairman and BOT members shall be appointed by Group Chief Executive Officer NHG. Not more than half of the members of the BOT shall have a family or corporate relationship with the Institute of Mental Health and at least half of the members of the BOT shall be Singapore citizens. The terms for each appointment shall not exceed two years.

New BOT members shall be given an induction at IMH to familiarise them with the mental health sector, the work of IMH and the WHCF and governance practices.

Woodbridge Hospital Charity Fund (hereinafter called The Fund) - Policy on Conflict of Interest

1. Introduction

As the board holds the ultimate responsibility and is always accountable to public trust, it is important that the Board should uphold and maintain a standard of conduct such as the avoidance of conflict of interest to fulfill public trust responsibilities. This policy on "Conflict of Interest" will be read by the board member upon hiring, appointment or election to the board as an acknowledgement of having understood the policy and that he/she will fully disclose to the Board when a conflict of interest situation arises.

2. Situation of Conflict of Interest

Such conflict of interests situations include but not limited to the following:

a) Contract with vendors

Where board members, staff or volunteers have personal interest in business transactions or contracts that The Fund may enter into.

b) Vested interest in other organization that have dealings/relationship with The Fund.

Where board members, staff or volunteers who have vested interest in other organization that have dealings/relationship with The Fund, and when matters involving the interests of both The Fund and the other organization are discussed.

c) Joint Ventures

The board's approval should be sought before The Fund enters into any joint venture with external parties. A conflict of interest may arise, where board members, staff or volunteers have interest in such ventures.

d) Recruitment of staff with close relationship

Recruitment of staff with close relationship (i.e. those who are more than just mere acquaintances) with current board members, staff or volunteers should go through the established human resource procedures for recruitment. The board member, staff or volunteer should make a declaration of such relationships and should refrain from influencing decision on the recruitment.

e) Remuneration

Board members and volunteers should serve without remuneration for their voluntary service to The Fund so as to maintain the integrity of serving for public trust and community good instead of personal gain. However, charities may reimburse board members or volunteers for out-of-pocket expenses directly related to the service.

f) Paid staff on board

Paid staff, including the executive head and senior staff employed by The Fund, should not serve as a member of the board as it can pose issues of conflict of interest and role conflicts, and may raise doubts on the integrity of board decisions. The executive head and senior staff can attend board meetings, ex-officio, to provide information and facilitate necessary discussion but should not take part in the decision-making of the board.

g) Major donors/ representatives from major donor companies being on The Fund's board. Potentially conflicting situations may arise where a major donor sits on The Fund's board, such as the following:

- Conflict of loyalty: Board member may not have the overall best interests of The Fund due to their vested interests/ priorities. This may influence decisions relating to allocation of resources/ setting the organization's directions.
- Use of information to influence donor decisions: Information accessible to board members may be used to influence donors' decision on allocations or the corporation they represent. This may result in staff not highlighting certain issues for fear that the donation may be affected. Issues of transparency and disclosure can arise.
- Pressure to release additional information to donor: Board member may expect additional information from staff on how donations were used and the details of users
- Personal benefit/ gain/ recognition: The board member may expect greater recognition for financial support given, than is usually done. Staff may feel beholden to this board member in case the donor relationship is threatened.

h) Others

- A board member's organization receives grant funding from the organization he/she is serving.
- Prohibition on gifts, entertainment and other favours from any persons or entities, which do or seek business with the organization.

3. Disclosure Procedure

a) Disclosure of conflict of interest will be undertaken as follows:

- All board members shall be asked to disclose any general information about themselves that leads to actual or potential conflicts, at the start of their term of office; and
- As and when actual conflicts occur the board member makes a declaration of his interest for that specific instance either verbally or in written and excuses himself/ herself from decision making (please refer to "Conflict of Interest Disclosure Form").

- b) All disclosures shall be circulated to all Board Members as and when it arose or at the next practical Board of Trustees meeting.
- c) Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:
 - The conflicting interest is fully disclosed
 - The person with the conflict of interest is excluded from the discussion and approval of such transaction;
 - A competitive bid or comparable valuation exists; and
 - The board has determined that the transaction is in the best interest of the organisation.
- d) The board shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorised as just, fair and reasonable to The Fund. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of The Fund and the advancement of its purpose.
- e) All decisions made by the board on such matters shall be minuted and filed.
- f) This policy document must be read and understood by all board members upon the start of office.