Notice Specifying Reasons For Resignation
Pursuant to section 8, CAP 622D Companies (Directors’ Report) Regulation

We, the undersigned, are Governors of the Canadian International School of Hong Kong (“CDNIS”). The Board of Governors of CDNIS (“Board”) is currently chaired by Mr. Kennedy Liu.

1. We believe that sound corporate governance is very important, and especially so for institutions such as CDNIS. We are concerned with the governance framework of CDNIS and its management under Mr. Liu’s Chairmanship and the Members’ trusteeship.

2. CDNIS has a complicated two-tier governance structure which currently aggregates to 36 positions. The Governors are appointed by the 17 Members. The Members are a second layer of oversight comprised of a group of Founding Members and selected previous Governors who are elected to Membership by the Members themselves. The Members serve indefinitely, are not subject to term limits, and are a closed and tightly controlled group. Only two new Members have been elected in the last decade. Three ex-officio Members were expelled by the current Members in 2011. Governors are not openly elected and, despite term limits stated in the Memorandum and Articles of Association, are subject to annual renewal (or removal) by the Members based on the Members’ response to their views, actions or performance. Ex-officio Governors previously were not appointed by the Members; rather they represented groups that historically were present at and vital to the founding of the School and continue to play an important role in maintaining our School’s unique culture. These include a representative each from the Members, the Canadian Consulate General, the Canadian Chamber of Commerce in HK, the Chinese Canadian Association of HK, and the Canadian Club of HK as well the immediate past Board Chair. Ex-officio Governors vote on Board issues but cannot serve as Chair or Vice Chair.

The Canadian Club of HK was suspended by the Members in their May 2014 Annual General Meeting. On 29 July 2014 the Members passed a special resolution at an Extraordinary General Meeting that the Canadian Chamber of Commerce in HK, the Chinese Canadian Association of HK, and the Canadian Club of HK ex-officio Governors must be approved by a majority of the Members each year. This has resulted in the ex-officio Governors from the Canadian Club of HK and the Canadian Chamber of Commerce in HK being barred from attending Board Meetings since June and August 2014 respectively however both ex-officio Governors are still listed with the Companies Registry as being on the Board of CDNIS as of 30 October 2014.

3. The composition of the Board does not fully reflect the diverse community of CDNIS as it is today. For the most part of the 2013/14 school year, there were only two Governors who were parents (one of whom was the only female Governor) on a Board of 20 Governors. This lack of diversity is perpetuated by a dysfunctional process for electing new Governors.

The Board annually establishes a Nomination Committee, which since a 2011 M&A change must include the Members’ ex-officio representative to the Board, to, among other things, select candidates (who have been nominated by Governors or Members to serve as Elected Governors) for endorsement by the Board and voting by Members at an Annual General Meeting. For each of the last four years, which coincides with when the Members removed the ex-officio Members, the Members have rejected certain nominee Governors and nominee Members (for reasons known only to them) who had been unanimously nominated by the Nomination Committee and unanimously approved by the Board. They have not provided the Nomination Committee and
Board with guidance on criteria and process to ensure sufficient diversity of representation. In the 2013/14 school year, no new Governors were successfully admitted to the Board despite a strong slate of diverse candidates. In the last decade the two Members that were granted Membership by the Members were not nominated by the Nomination Committee nor were they approved by the Board but were rather nominated and granted Member status by the Members themselves.

4. There is generally an unsatisfactory level of transparency, consultation and due process in the conduct of Board and Member affairs. Quorum requirements for Board meetings have sometimes not been observed, and there has been a disregard of the Board-Approved Policy which requires participation by the school’s Director of Business Administration at all Board meetings. The atmosphere at CDNIS Board meetings is not conducive to a healthy exchange of views and Governors are sometimes prevented or interrupted from making comments. Despite having one ex-officio position on the Board the Members have voted themselves on to the Board as Governors and in the 2013/14 year there were three Members serving as Governors.

5. There is no clear delineation, in written form, of the roles, responsibilities, functions and limits of power of the Board of Governors and the Head of School to clearly distinguish between governance and operational aspects of CDNIS affairs.

6. CDNIS is currently being evaluated for accreditation by the Council of International Schools. A report by the Council on its preliminary visit to CDNIS highlights a number of issues with the governance of CDNIS which are consistent with a number of points made above.

On the above premises, and with the goal of enacting a comprehensive restructuring of the CDNIS governance framework to bring it in line with best practices so that CDNIS may sustain long-term excellence, we are calling for the following actions:

1. At the upcoming Board Meeting scheduled for 4 November 2014 that this letter be the first item on the agenda for discussion and that the following persons be invited to attend the discussion as observers:
   a) CDNIS parents including (in alphabetical order by surname) Stacy Baird, Renate Boerner, Priya Bhatia, Jennifer Cormie, Marc Harvey, Sally Johnston, Wai Yee Lam, Janet Lee, Laura Leese and Tammi Williams;
   b) past Governor Patricia Bilden;
   c) ex-officio Governors’ representatives including J Ian Burchett for the Consulate General of Canada in Hong Kong; David Mulvenna for the Canadian Chamber of Commerce in Hong Kong and a representative for the Canadian Club of Hong Kong;
   d) the Director of Chinese Studies;
   e) the Director of Learning;
   f) the Four Vice-Principals and;
   g) The Head of School and both Principals.

2. Mr. Kennedy Liu resigns as Chairman of the Board on or before 2:00pm 5 November 2014 and ceases to have any further involvement with CDNIS permanently.

3. The Board resolves to appoint either John Littleford or Marc Frankel, both recognized experts in the field, as an independent consultant to carry out a comprehensive review of the CDNIS governance structure, to make recommendations thereon, and that the Board (so far as within its power) and the Members agree to adopt the recommendations as binding and implement them forthwith.

4. The current 17 Members agree to step down from their current position as Members by 2:00pm 5 November, 2014. In recognition of their long term roles at CDNIS the title of “Honorary Founding Members/Honorary Members” will be bestowed upon them. They will be recognized appropriately in their Honorary roles but will no longer be involved in the governance of CDNIS. In the duration between the time when the current 17 Members step down and the governance framework provided by John Littleford or Marc Frankel is implemented, three Independent Trustees will act as Members with a signed agreement that they will step down when the new governance framework is implemented.
If all of these actions are not taken by 2:00pm 5 November, 2014 then we the undersigned Governors will resign from the Board. This letter and the actions contemplated herein have no bearing upon the staff and administrators of CDNIS, who have the support and appreciation of the Board.

George Chan

George Hong Seoy

Belinda Liu

Arnold Lunty

Derek Mackay

David Mulverna

Andrew Work

cc: Head of School, Director of Business Administration and Principals
Canadian International School of Hong Kong
Mr. J. Ian Burchett, Consul General of Canada in Hong Kong and Macau
Ms. Jennifer Cormie, Chair of the Canadian International School of Hong Kong Parents’ Association
Mr. John Witt, Chairman of the Canadian Chamber of Commerce in Hong Kong
Mr. Tam Kwok Yiu, Director at BDO Limited – auditor of CDNIS
Mr. Peter Wong, Partner at KPMG – internal auditor of CDNIS