

## **Schedule 2**

### **Institutional Arrangements for CCSS Agent**

#### **Definition**

1. This Schedule sets out the institutional arrangements for CCSS Agent set up by CAHK to manage and operate the CCSS. Unless the context otherwise requires, the definition of terms as set out in Schedule 1 of the MoU should also apply in this Schedule.

#### **The Structure of CCSS Agent**

2. CCSS Agent shall comprise the following entities:-
  - (a) a Governing Committee, consisting of a chairman (the “Chair”) (who should be a director or executive committee member of CAHK) and at least two (2) other members (who should be appointed by CAHK), to govern the management of financing, employment of the Operating Team and supporting staff, handling of complaints against the Operating Team, management of the CCSS membership and other operational aspects of CCSS Agent. OFCA may designate a representative for attendance of the meetings of the Governing Committee as an observer, with no right to vote; and
  - (b) an Operating Team that will include full-time Mediator(s) and part-time Mediator(s) to conduct Mediation and supporting services as required under the CCSS. The Operating Team shall be headed by an executive administrator (the “Executive”) who may be one of the Mediator(s). The number of full-time and part-time Mediators will depend on the number of Mediation cases handled by CCSS Agent.
3. The Governing Committee and the Operating Team will be supported administratively by a secretariat consisting of staff employed by CAHK for working under CCSS Agent on a dedicated basis or load-sharing basis with other activities of CAHK.

## **The Charter of CCSS Agent**

4. CCSS Agent shall create and adopt a charter which will cover:
  - (a) the roles and responsibilities of CCSS Agent<sup>1</sup>;
  - (b) the duties and responsibilities of the Governing Committee and the Operating Team;
  - (c) the nomination, appointment and retirement of members to and from the Governing Committee;
  - (d) the conduct and frequency of meetings; and
  - (e) performance assessments of CCSS Agent.

## **Codes of Conduct**

5. CCSS Agent shall have codes of conduct which set out the responsibilities and proper practices of members of the Governing Committee, the Operating Team and the secretariat.

## **Annual Report**

6. CCSS Agent shall prepare and publish an annual report on the website of CAHK or CCSS Agent. The annual report shall be audited by an external auditor.
7. The annual report of CCSS Agent shall include a dedicated section outlining CCSS Agent's approach to governance. If necessary, this shall include an analysis of the governance issues specific to CCSS Agent so that the community understands how CCSS Agent deals with those issues.
8. The annual report shall provide the public with the financial and operating results of CCSS Agent and performance information on the operations of CCSS Agent.

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<sup>1</sup> The basic roles and responsibilities of CCSS Agent are set out in paragraph 4 of the CCSS Framework in Schedule 1 of the MoU

## **Statistics**

9. CCSS Agent should compile the following statistics in relation to the operation of the CCSS and provide the statistics to OFCA on a quarterly basis or upon request:
  - (a) key performance indicators (“KPIs”) as agreed with OFCA. The KPIs will include, but not limited to, the time taken to complete a case against the workflow and timeframe stated in paragraph 5 of the Operating Procedure of CCSS Agent in Schedule 3 of the MoU;
  - (b) service related statistics to assess the effectiveness of the CCSS. The statistics will include, but not limited to, the disputed amount, the settled amount, and the success rate for resolution of disputes submitted for handling under the CCSS; and
  - (c) user satisfaction statistics. After each Mediation case, the customer and the service provider concerned are requested to complete a user satisfaction survey form. CCSS Agent shall compile and report the statistics gathered from the survey.

## **Disclosure**

10. CCSS Agent’s governance policy and procedures shall ensure that all significant matters regarding its management and operation are disclosed in a timely and accurate way.
11. The matters to be disclosed shall include, but not limited to:
  - (a) the objectives of CCSS Agent and membership of the Governing Committee and the Operating Team;
  - (b) information on the financial and operation results of CCSS Agent; and
  - (c) issues regarding stakeholders, governance structures and policies.

12. Disclosure of any information in relation to any aspect of CCSS Agent's work shall also be required if CCSS Agent's reputation is at risk, or its ability to deal with other groups with whom it has relationships is under threat.
13. For the purpose of paragraphs 10 to 12 above, "Disclosure" shall mean the provision of information and documents to OFCA and, where necessary, other regulatory authorities to which CCSS Agent is required to make disclosures from time to time.

### **Governance Breaches and Complaints**

14. CCSS Agent shall develop and maintain a system for detecting, recording and dealing with governance breaches and complaints, including those received from OFCA and other regulatory authorities.
15. CCSS Agent shall establish procedures and processes so that all apparent governance breaches are assessed and investigated to determine their causes and reduce the chance of recurrence.
16. The Governing Committee shall investigate any complaints raised by customers or CCSS Members against the Operating Team in handling of disputes under the CCSS. If necessary, the Governing Committee shall provide recommendations for improvement and monitor the effective implementation of those recommendations.

### **Good Governance Practice**

17. CCSS Agent shall strive to achieve a culture of good governance, which shall enhance CCSS Agent's reputation. CCSS Agent shall strengthen community confidence by publicizing its governance policies and practices, and corporate and strategic plans and policies, where such material is not considered to be confidential.

### **Appointment of Members under CCSS Agent**

18. The Governing Committee and the Operating Team shall be appointed in their individual capacity. All members of the Governing Committee and

the Operating Team shall be appointed on the basis that he / she has relevant knowledge of the telecommunications industry and independent from any CCSS Member. In addition, members of the Operating Team who are also Mediators shall be appointed on the basis that he / she is equipped with adequate industry knowledge and mediation skills for effective conduct of Mediation. An individual should not be a member of both Governing Committee and Operating Team at the same period of time.

### **Meetings of the Governing Committee**

19. The quorum for meetings of the Governing Committee shall consist of no less than two (2) members.

### **Liability**

20. CCSS Agent should consider taking out and holding insurance against liability in any legal proceeding brought by a third party against CCSS Agent, the Governing Committee and the Operating Team for any negligent act or omission leading to losses and damages to the third party.

### **The Chair of the Governing Committee**

21. The Chair of the Governing Committee shall be a person of integrity and independent from any CCSS Member.
22. The Chair shall ensure the proper discharge of the duties and responsibilities of the Governing Committee, including :
  - (a) ensuring that the Operating Team conducts the Mediation in an impartial, effective and efficient manner;
  - (b) representing CCSS Agent in dealing with external stakeholders and providing effective leadership in interaction between CCSS Agent and key external stakeholders;
  - (c) ensuring that members of the Governing Committee and the Operating Team, when taking up office, are fully briefed on the terms of their appointment and on their duties and responsibilities;

- (d) ensuring that all members of the Governing Committee and the Operating Team are aware and reminded on a periodic basis of the rules for avoiding conflict of interest and that they are bound by the Code of Conduct;
- (e) taking steps to remind members of the Governing Committee and the Operating Team as and when required for declaration of relevant interests and, if requested, to withdraw from any discussions where the independence of their advice might be called into question or where there is a real or perceived conflict of interest;
- (f) ensuring that any declaration of interest is recorded in the minutes;
- (g) ensuring proper co-ordination of CCSS Agent's publicity and media activities;
- (h) setting CCSS Agent's public persona and its internal culture;
- (i) ensuring an effective internal organization of work; and
- (j) formulating CCSS Agent's strategy for discharging its duties.

### **The Executive of the Operating Team**

- 23. The Executive shall be independent from any CCSS Member.
- 24. The Executive shall ensure the proper discharge of the duties and responsibilities of the Operating Team, including :
  - (a) conducts the Mediation in an impartial, effective and efficient manner;
  - (b) decides on the assignment of a Mediator to handle a Complaint referred to the CCSS. If there is no full-time Mediator who is available or who is able to complete the Mediation on time, the Executive should assign a part-time Mediator to handle the Complaint; and

- (c) prepares the annual reports and compiles the statistics for the CCSS as stated in paragraphs 6 to 9 above.
25. The Executive shall be the focal point of contact with OFCA and CCSS Members concerning the operation of CCSS Agent.

**Members of the Governing Committee, Operating Team and the secretariat**

26. Members of the Governing Committee, the Operating Team and the secretariat shall have regard to and comply with the codes of conduct mentioned in paragraph 5 above and the following principles in discharge of their duties and responsibilities; namely, they shall:
- (a) take decisions solely in terms of the public interest, and shall not do so in order to gain financial or other material benefits for themselves, their family, or their friends;
  - (b) not place themselves under any financial or other obligation to outside individuals or organizations that might influence them in the performance of their official duties;
  - (c) make decisions on the basis of merit in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits;
  - (d) be accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office;
  - (e) be as open as possible about all the decisions and actions that they take, and shall give reasons for their decisions and restrict information only when the wider public interest or confidentiality of commercial business clearly demands;
  - (f) have a duty to declare any private interests relating to their duties and to take steps to resolve any conflicts arising in a way that protects the public interests;

- (g) promote and support these principles by leadership and example; and
- (h) observe and comply with any supplementary guidelines on the CCSS as issued by OFCA from time to time.