

THE COMPANIES ORDINANCE (Chapter 622)

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Company Limited by Guarantee  
and not having a Share Capital

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Articles of Association of

THE HONG KONG CHARTERED GOVERNANCE INSTITUTE  
香港公司治理公會

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PRELIMINARY

1. Preliminary

1.1 Name

The name of the company is "The Hong Kong Chartered Governance Institute 香港公司治理公會".

1.2 Interpretation

In these Articles, unless there is something in the context inconsistent therewith:

"The Institute" means The Hong Kong Chartered Governance Institute 香港公司治理公會.

"CGI" means The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators) constituted as a Body Corporate and Politic with perpetual succession and a Common Seal by Royal Charter in the United Kingdom.

"Division" means those of the CGI's members who are ordinarily resident in the People's Republic of China.

"Divisional Territory" means the People's Republic of China.

"Electronic Communication" means a communication sent by electronic transmission in any form through any medium.

"Local Examinations" means those examinations required for Membership and Graduateship of the CGI of individuals ordinarily resident in the People's Republic of China.

"Additional Requirements" means those examinations or participation in the Institute's professional development programmes prescribed for the purposes of electing as Ordinary Members individuals who are members of the CGI otherwise than by way of the Local Examinations.

"Ordinary Member" means a member of the CGI who is ordinarily resident in the Division and either (a) is a Fellow or an Associate of the Institute as of 30th August 2005, (b) becomes a Fellow or an Associate of the Institute after 30th August 2005 by way of the Local Examinations, or (c) becomes a Fellow or an Associate of the Institute after 30th August 2005 by way of the Additional Requirements.

"Internationally Qualified Member" means a Fellow or an Associate of the CGI who is ordinarily resident in the Division and is not an Ordinary Member.

"The Ordinance" means the Companies Ordinance, Chapter 622, and every other ordinance incorporated therewith, or any ordinance substituted therefor and in the case of any such substitution the references herein to the provisions

of the Ordinance shall be read as the provisions substituted therefor in the new Ordinance and including related subsidiary legislations.

"Predecessor Companies Ordinance" means the predecessor Companies Ordinance as defined in section 2(1) of the Ordinance including the related subsidiary legislation.

"The Profession" means the practice of governance, secretaryship, administration, regulatory compliance and risk management of companies and other bodies, including the profession of Chartered Secretary and/or Chartered Governance Professional.

"The Council" means the Council of the Institute and every member of the Council shall be deemed to be a "director" of the Institute for the purpose of the Ordinance.

"Member" means an Ordinary Member, Internationally Qualified Member or Honorary Fellow of the Institute for the time being, that includes a Fellow or an Associate of the Institute and does not include Graduates or Students of the Institute.

"Graduate" means a person who is not a Member of the Institute but has been accepted Graduateship in accordance with the provisions of Article 10.

"Student" means a person who is not a Member of the Institute and who has registered as a Student of the Institute and has to pass the Local Examinations to become a Graduate of the Institute.

"Affiliated Person" means a person who is not a Member of the Institute but who has been invited by the Council to take part in the Institute's activities in accordance with the provisions of Article 22.

"The Seal" means the common seal of the Institute.

"The Office" means the registered office for the time being of the Institute.

"The Secretary" means the company secretary for the time being of the Institute for the purpose of the provisions of the Ordinance.

"Month" means calendar month.

"Reporting documents" means the reporting documents for a financial year as referred to in section 357(2) of the Ordinance.

"Year" means calendar year.

"In writing" means written or produced by any substitute for writing or partly written and partly produced by a substitute for writing.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine.

Subject as aforesaid any words or expressions defined in the Ordinance shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

The headings are inserted for convenience only and shall not affect the construction of these Articles.

## OBJECTS

### 2. Objects

The Institute is established for the purposes set out below:

#### 2.1 Effective and Efficient Governance and Administration

To promote and advance secretaryship and leadership in the effective governance and efficient administration of commerce, industry and public affairs by the continued development of the study and practice of governance (including regulatory compliance and risk management) and general direction and administration of companies and other bodies;

#### 2.2 Research

To promote the study of and research into the law and the practice of governance, secretaryship and administration;

#### 2.3 Support to Members, Graduates and Students

To support and protect the status and interests of its Members, Graduates and Students;

#### 2.4 Supervision

To promote the efficiency and usefulness of the service and the standard of professional conduct provided by its Members, Graduates and Students, and for that purpose to exercise professional supervision and disciplinary powers over them;

#### 2.5 Professional Interest

To consider all manner of questions affecting the interest of the Profession and to represent the Profession whether by way of negotiation, correspondence, petition or otherwise and to seek to procure changes of law or practice in the administration of commerce, industry and public affairs;

#### 2.6 Dissemination of Information

To arrange for dissemination of information and knowledge of assistance to the Profession by all manner of means including conferences, meetings, preparation of papers, lectures, seminars, discussion, correspondence, publication of journals, books, pamphlets, audio, video and other forms of electronic media and other means of communications;

#### 2.7 Examinations and scholarships

To hold examinations, establish scholarships, grant prizes or awards to its candidates or universities or other educational establishments, accept donations or legacies for such purposes for the promotion of the objects of the Institute;

#### 2.8 Acquisition of Property

For the purposes of the Institute to rent, purchase, take on lease or in exchange, hire, or otherwise acquire a suitable building or buildings or part or parts thereof in Hong Kong or elsewhere and any estate or interest in any rights connected therewith, to fit and furnish the same, or to make arrangements for such buildings or part or parts thereof to be properly fitted and furnished;

#### 2.9 Management of Property

For the purposes of the Institute to manage, maintain, improve, and develop all or any part of the property, land, building or buildings of the Institute and to operate or use in conjunction or co-ownership with others, lease, mortgage, underlet, exchange, surrender, sell, turn to account or otherwise deal with and dispose of the same or any part or parts thereof or interest therein, for such consideration and on such terms and conditions as the Council may think fit;

#### 2.10 Development of Property

To turn to account any land acquired by the Institute or in which it is interested, and in particular by laying out and preparing the same for building purposes, erecting, constructing, altering, pulling down, demolishing, decorating,

maintaining, keeping in repair, fitting up, and improving any buildings, for the purposes of the Institute and by paving, draining, letting on building lease or building agreement, and by advancing money to and entering into contracts and arrangements of all kinds with developers, land investment companies, land mortgage companies, building estate companies, banks, financiers, building owners, tenants and others;

2.11 Borrowing Money

To borrow or raise or give security for any moneys required for the purposes of the Institute upon such securities as may be determined and in such manner as the Council shall think fit and in particular by the issue of or upon bonds, debentures, debenture stock, bills of exchange, promissory notes or other obligations or securities of the Institute or by mortgage or charge upon all or any part of the property of the Institute both present and future;

2.12 Guarantee

For the purposes of the Institute to give guarantees and to give and receive undertakings;

2.13 Investment

For the purposes of the Institute to invest, lend and deal with any of the moneys or property of the Institute from time to time in such manner as it thinks fit;

2.14 Co-operation

To engage in any activities in conjunction with other bodies or associations within the limits of the Institute's objects and to arrange reciprocal rights and co-operation with other such bodies or associations in maintaining and promoting high professional standards and providing membership services and to procure agreements for such purposes and to observe and execute the provisions thereof;

2.15 Legislation and Regulation

To apply for and obtain any local ordinance enactment or regulation or amendment of any existing ordinance enactment or regulation for the furtherance of any of the objects of the Institute or for the purpose of ratifying or regularising any act or acts done or not done by or on behalf of the Institute;

2.16 Social Activities

To arrange social and recreational activities for the Members, Graduates, Students and Affiliated Persons of the Institute and their guests;

2.17 Charity

To make charitable donations;

2.18 Incidental Things

Generally to do all such other things as are incidental or conducive to the attainment of the above objects.

Provided that:

- (i) In case the Institute shall take or hold any property which may be subject to any trusts, the Institute shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts, and in particular where the Institute holds assets, liabilities, moneys and investments belonging to members of the CGI resident in the People's Republic of China, it shall hold such assets for the sole benefit of those members; and
- (ii) The objects of the Institute shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

## MEMBERS, GRADUATES AND STUDENTS

### 3. Number of Members and Extent of Liability

3.1 The number of Members of the Institute shall not exceed 20,000.

3.2 The liability of the Members is limited. Every Member of the Institute undertakes to contribute to the assets of the Institute, in the event of its being wound up while he is a Member, or within one year after he ceased to be a Member, for payment of the debts and liabilities of the Institute contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding ten Hong Kong dollars.

### 4. Classes of Membership

The three Membership classes of the Institute shall be Ordinary Members, Internationally Qualified Members and Honorary Fellows. The Council may enable Ordinary Members, Internationally Qualified Members and Honorary Fellows to use either or both of the titles 'Chartered Secretary' and/or 'Chartered Governance Professional', according to criteria as to examinations passed and professional experience attained.

### 5. Ordinary Members: Fellows

Fellows shall be elected by the Council. Election to Fellowship shall require fulfilment of the following conditions:-

5.1 He shall be ordinarily resident in the Divisional Territory and a Fellow of the CGI.

5.2 He shall have been engaged, as his chief occupation, in the office of one or more organisations for at least eight years, and shall have been engaged for at least three years in the past ten years either as (i) a secretary or assistant secretary or in some other position which, though differently designated, he shall satisfy the Council that he is analogous and equivalent to that of secretary or assistant secretary, or (ii) a governance professional; or (iii) a risk practitioner; or (iv) a senior executive or a person in an executive or administrative position in an organisation which, in the opinion of the Council, confers upon the holder status in the organisation at least equal to that of an officer thereof holding a position which satisfies the requirements of (i) hereof; or (v) a senior academic in a relevant discipline in a university or further higher or further education body; or (vi) a member in public practice. Provided that the said position or positions must be in one or more organisations which, in the opinion of the Council, are such as to justify the election of the candidate to Fellowship.

5.3 He shall satisfy the Council that he is a fit and proper person to become a Fellow, both in respect of his own character and in respect of the position which he holds, and he shall furnish the Council with such particulars as it may require with regard to the nature of his duties and of the organisations which he serves and has served.

5.4 He shall have passed the Local Examinations or Additional Requirements except in so far as he may have been exempted on educational grounds from part thereof under the rules made by the Council under Article 9.

Provided that the Council shall have power in the case of any candidate holding a degree of a university recognised by the Council as being of suitable academic standing, or a diploma or other certificate recognised as equivalent to a degree of such a university, or in the case of any candidate holding a professional or pre-professional qualification recognised by the Council as justifying such dispensation, to reduce at its discretion by not more than three years the period of eight years specified in Article 5.2.

5.5 The Council shall be empowered to make regulations setting out definitions of governance professional, risk practitioner and public practice.

6. Ordinary Members: Associates

Associates shall be elected by the Council. Election to Associateship shall require fulfilment of the following conditions:-

- 6.1 He shall be ordinarily resident in the Divisional Territory and an Associate of the CGI.
- 6.2 He shall have been engaged, as his chief occupation, in the office of one or more organisations for a period or periods aggregating at least six years that in the Council's opinion are relevant to the profession of Chartered Secretary or Chartered Governance Professional, and he shall furnish the Council with such particulars as it may require with regard to the nature of his duties in the organisations which he serves or has served.
- 6.3 He shall satisfy the Council that he is a fit and proper person to become an Associate.
- 6.4 He shall have passed the Local Examinations or Additional Requirements except in so far as he may have been exempted on educational grounds from part thereof under the rules made by the Council under Article 9.

Provided that the Council shall have power in the case of any candidate holding a degree of a university recognised by the Council as being of suitable academic standing, or a diploma or other certificate recognised as equivalent to a degree of such a university, or in the case of any candidate holding a professional qualification recognised by the Council as justifying such dispensation, to reduce at its discretion by not more than three years the period of six years specified in Article 6.2.

7. Internationally Qualified Members

An individual who has been elected a Fellow or an Associate of the CGI otherwise than by passing either the Local Examinations or Additional Requirements but has thereafter become ordinarily resident in the Divisional Territory shall, upon application to the Institute, be admitted to Internationally Qualified Membership and entitled to maintain that Membership for such period as he remains ordinarily resident in the Divisional Territory. An Internationally Qualified Member is entitled to become an Ordinary Member upon meeting the Additional Requirements.

8. Honorary Fellows

The Council may elect any person of distinction or one who has rendered outstanding service to the Institute to be an Honorary Fellow of the Institute subject to that person's consent, and provided that such person is also an Honorary Fellow of the CGI. The Council can withdraw the Honorary Fellow's designation at its discretion and the designation will cease if that person ceases to be an Honorary Fellow of the CGI. Honorary Fellows shall be entitled to the ordinary privileges of Membership, except the right to receive notice of or attend or vote at any meetings of the Institute or take part in the management of the affairs of the Institute. They shall not be required to contribute to the funds of the Institute. Articles 23 to 28 do not apply to Honorary Fellows.

9. Examinations and Students

The Council shall have power to make, alter, amend or revoke, from time to time, rules for all matters relating to the registration, admission, examinations, qualification and discipline of Students of the Institute, including exemption on educational grounds from part of the Local Examinations. A Student is not a Member and:

- (a) shall pay such subscriptions or fees, for the purpose of completing Local Examinations as may be determined by the Council; and
- (b) shall have the same rights in disciplinary proceedings and be subject to the same disciplinary provisions as if he were a Member.

10. Graduates

10.1 A person who is notified by the Institute that he has passed the Local Examinations, except insofar as he may have been exempted on educational grounds from part thereof under the rules made by the Council under authority contained elsewhere in these Articles, shall become a Graduate within a period specified by the Council unless following such notification he declines to accept Graduateship. A Graduate is not a Member and:

- (a) shall pay such annual subscription as may be determined by the Council, not being greater than that payable by an Associate;
- (b) may whilst he remains a Graduate describe himself as a Graduate of the Institute and a Graduate must not describe himself as a Chartered Secretary or a Chartered Governance Professional;
- (c) shall be entitled to receive a certificate of Graduateship; and
- (d) shall have the same rights in disciplinary proceedings and be subject to the same disciplinary provisions as if he were a Member except that he shall not be entitled to attend or vote at general meetings or to use the designatory letters denoting Membership of the Institute.

10.2 Persons who, after notification of the successful completion of the Local Examinations, decline to accept Graduateship within the period referred to in the preceding paragraph shall not, without the approval of the Council, be eligible subsequently to become either Graduates or Members. Graduates must maintain their Graduateship until such time as they become Members, or are removed from Graduateship in accordance with Article 10.3. Persons who fail to maintain their Graduateship or who are removed from Graduateship shall be precluded from Membership at any future time, subject to any individual exceptions which may be allowed by the Council.

10.3 Every Graduate shall seek election to membership under Article 5 or 6 within 10 years of being admitted as a Graduate. The Council shall consider the cases of Graduates who do not satisfy the requirements of Article 5 or 6 within 10 years of becoming Graduates, and shall determine whether they may continue to be Graduates and the conditions on which they may do so, or whether their Graduateship shall be terminated.

#### 11. Application and Admission

11.1 Every application for Membership shall be made on the form prescribed by the Council, duly completed as regards all particulars therein required and shall be sent (either on paper or in electronic form) and accompanied by a remittance in payment of the entrance fee and subscription payable. The Council shall have power respecting each person proposed for election as a Member to decide conclusively whether he has or has not fulfilled the conditions applicable to his case.

11.2 The following persons are disqualified from becoming Members, unless the Council at its sole discretion makes an individual exception:

- (a) those who have declined to become Graduates;
- (b) those who do not pay an annual subscription for being a Graduate; and
- (c) those who are not permitted by the Council to be Graduates under Article 10.2 or under the Articles dealing with discipline.

#### 12. Cessation of Residence

Where an Ordinary Member ceases to be ordinarily resident in the Divisional Territory his Membership shall cease. However, and provided he otherwise continues to fulfil the Institute's Membership criteria, he shall at any time during the next following period of 5 years be entitled to resume Membership as an Ordinary Member without being required to undertake Local Examinations or Additional Requirements. An Ordinary Member who ceases to be ordinarily resident in the Divisional Territory for a period longer than five years shall, provided he meantime remains a member of the CGI, only be entitled to re-apply for Membership of the Institute as an Internationally Qualified Member. Any application by such a Member to become an Ordinary Member shall be dealt with in accordance with rules to be made by the Council which may require, inter alia, the person to participate in the Institute's enhanced continuing professional development programme. Where an Internationally Qualified Member ceases to be ordinarily resident in the Divisional Territory, his Membership of the Institute will ipso facto cease.

#### 13. Title and Designation

A Member or Graduate of the Institute shall be entitled to use such title and designatory letters as may be determined by the Council from time to time in accordance with the Articles of Association of the Institute.

14. Membership Certificates and Practitioners' Endorsements
  - 14.1 Every Member when elected shall be entitled to receive a certificate of Membership and shall, so long as he remains a Member, be entitled to hold the said certificate. Every certificate of Membership shall be in such form as the Council may from time to time determine, and shall be the property of the Institute at all times, and in the event of cessation of Membership shall be returned to the Institute as soon as possible, unless the Council shall assent to its remaining in the possession of the former Member.
  - 14.2 Every Member who participates in the Institute's professional development programme shall, provided that his participation satisfies the requirements of regulations made by the Council in that regard, be entitled to receive a Practitioner's Endorsement, and to maintain such certificate. As is the case with Membership certificates, a Practitioner's Endorsement certificate shall be the property of the Institute at all times and shall be returnable to the Institute in accordance with the relevant regulations.
15. Articles of Association

On being admitted to the Membership of the Institute, the Institute shall forward a copy of its Articles of Association to each Member by post or by electronic means as the Institute thinks fit, as soon as possible. Every Member shall be bound absolutely by the Articles of Association of the Institute and any disciplinary regulations and CGI Charter and Byelaws made thereunder.
16. Rights Not Transferable

The rights and privileges of a Member shall be personal to himself, they shall not be transferable by his own act or by operation of law, and shall cease upon his death, or upon his ceasing from any cause to be a Member.
17. Fees, Failure to Pay Subscription and Amounts Due
  - 17.1 Every Member (except Honorary Fellow), Graduate and Student shall pay, as and when due, all contributions, subscriptions or fees for which he may be liable in accordance with these Articles or any rules made in pursuance thereof (hereinafter called "Fees").
  - 17.2 All Fees shall be payable in advance at such rates and at such times as the Council may from time to time determine.
  - 17.3 Subject to Article 17.1 and any general, special or individual exceptions which may be allowed by resolution of the Council, any Member, Graduate or Student who has failed to pay his subscription within a grace period of up to six months after the date fixed for payment thereof by the Council under Article 17.2, shall, ipso facto, be excluded from the respective Membership, Graduateship or Studentship and his name shall be removed from the appropriate register.
18. Removal From and Resignation of Membership, Graduateship or Studentship
  - 18.1 Membership of the Institute is at all times conditional upon a person being a member of the CGI. If a person for any reason ceases to remain a member of the CGI then his Membership of the Institute, whether as Ordinary Member or Internationally Qualified Member, shall ipso facto cease.
  - 18.2 Any Member who is under no liability to the Institute shall be entitled to resign his Membership on giving notice in writing of his intention so to do, accompanied by his certificate of Membership, unless the Council shall assent to its remaining in his possession, provided that the Council may in its absolute discretion refuse to accept the resignation of a Member who is the subject of an allegation falling within the scope of Article 25.
  - 18.3 Notice of resignation shall not entitle the Member to any refund of subscription or relieve the Member of liability for any subscription due for payment.
  - 18.4 Where disciplinary action is being considered against a Member, Graduate or Student, his respective Membership, Graduateship or Studentship shall not lapse under Article 17.3 or this Article 18 until the procedure is completed.



- 18.5 If a Member or Graduate has allowed his Membership or Graduateship to lapse or if he resigns:
- (a) a Member must not describe himself as a Chartered Secretary nor a Chartered Governance Professional, or use the titles or designatory letters denoting Membership of the Institute; and
  - (b) a Graduate must not describe himself as a Graduate of the Institute or use the designatory letters denoting Graduateship of the Institute.

19. Re-election

Candidates for re-election to Membership shall not be required to pass any examination but must, with this exception, comply with such of the Articles and such other terms and conditions as the Council may think fit to require in each individual case.

20. Details of Members, Graduates and Students

Each of the Members, Graduates and Students shall be obliged to provide the following details to the Institute for inclusion in the register and advise the Institute of any changes thereto in a timely manner –

- (a) his home and business addresses, telephone numbers and email address;
- (b) his employment status, including his official position if in employment; and
- (c) any other information that the Council reasonably requires, provided that requiring such information is not contrary to the laws of Hong Kong.

21. Standard of Professional Conduct

Every Member on election to Membership and so long as he remains a Member shall be deemed to have undertaken strictly to observe the standard of professional conduct and practice required by the Council and comply with any code of conduct, rules of professional ethics, practice directions, rules and regulations governing professional conduct and practice including the conditions for the issue of practising certificates by the Council. The application form referred to in Article 11 must contain a declaration to this effect. Each Graduate and each Student shall strictly observe the standard of professional conduct and practice required by the Council and comply with any code of conduct, rules of professional ethics, practice directions, rules and regulations governing professional conduct and practice of Members unless the Council or the Disciplinary Tribunal otherwise decide or they are otherwise inapplicable by the reason of their not having acquired the minimum years of experience, training or passing the prescribed examinations.

#### AFFILIATED PERSONS

22. Affiliated Persons

The Council can invite individuals who are not Members or Graduates to take part in activities which support the Institute's objectives. The Council can also withdraw such an invitation at any time. They are Affiliated Persons and they are not Members of the Institute. The Council can make regulations about them, and these can set subscriptions or fees to be paid by them to the Institute.

#### DISCIPLINARY PROCEEDINGS

23. Disciplinary Bodies

There shall be:

- 23.1 an Investigation Group set up by the Council for the purpose of investigating complaints, disciplinary matters and reports of matters specified in Article 25 (hereinafter called the "Investigation Group"),
- 23.2 a Disciplinary Tribunal set up by the Council for the purpose of carrying out the functions prescribed in Article 26 (hereinafter called the "Disciplinary Tribunal"), and

23.3 an Appeal Tribunal set up by the Council for the purpose of deciding appeals against decisions of the Disciplinary Tribunal, pursuant to Article 28 (hereinafter called the "Appeal Tribunal")

the members of which shall be appointed and may be removed by the Council. At least once every four years the Council shall review the membership of the disciplinary bodies and their operation. After carrying out the review, the Council can make such changes to the membership as it deems appropriate.

24. Constitution and Procedure

24.1 The constitution of and the procedures followed by:

- (a) the Investigation Group;
- (b) the Disciplinary Tribunal; and
- (c) the Appeal Tribunal

shall, insofar as they are not prescribed by these Articles, be those approved from time to time and set forth in the disciplinary regulations made by the Council.

24.2 There shall be no overlap in the membership of any of the Investigation Group or Tribunals concerned with the consideration of any particular case.

24.3 The Council shall have the power, where at any time it considers it to be necessary or desirable, to appoint non-members of the Institute to any of the Group or Tribunals listed in Article 24.1, provided that the number of non-members does not exceed one-third of any of or each of such Group or Tribunal.

24.4 If the complaint is against:

- (a) a member of a committee of the Council acting in that capacity;
- (b) a member of the Council acting in that capacity; or
- (c) the Secretary or the Chief Executive if they are a Member of the Institute,

the matter will be investigated and decided by an Investigation Group, Disciplinary Tribunal and Appeal Tribunal specifically appointed by the Council for that purpose and acting in accordance with Articles 23 to 28.

24.5 If any Council or committee member is involved as the subject of a complaint, the following shall apply:

- (a) If any member of the Council is the subject of a complaint or disciplinary matter, he is then disqualified from participating in the Council's proceedings in connection with anything related to, arising from, or ancillary to the complaint or disciplinary matter.
- (b) If any member of a committee is the subject of a complaint or disciplinary matter, he is then disqualified from participating in the committee's proceedings in connection with anything related to, arising from, or ancillary to the complaint or disciplinary matter.
- (c) Article 24.5 applies to the Secretary and the Chief Executive of the Institute if they are Members of the Institute.

25. Investigation Group

25.1 If it is shown in accordance with the procedure prescribed in these Articles that a Member, Graduate or Student has:

- (a) become bankrupt or insolvent or suspended payment or entered into composition with his creditors generally;

- (b) been convicted of an offence of such a nature that its commission by a Member, Graduate or Student might or is likely to be discreditable to the Institute or the Profession;
- (c) conducted himself whether by act or default in a manner that might or is likely to be discreditable to the Institute or the Profession;
- (d) acted in breach of the Articles of Association of the Institute or any rules, regulations, codes of practice or conduct, directions or instructions made or established by or under the authority of the Council, that Member, Graduate or Student shall be liable to be made subject by the Disciplinary Tribunal to any of the sanctions specified in Article 27;
- (e) disobeyed any decisions of the Council or of one of its committees;
- (f) failed to comply or co-operate with a disciplinary investigation; or
- (g) failed to comply with a decision or any conditions made by the Disciplinary or Appeal Tribunal,

the Disciplinary Tribunal can impose any of the penalties set out in Article 27.

25.2 Where it comes to the attention of the Institute that a Member, Graduate or Student may have committed any of the acts or omissions specified in the preceding paragraph, the Investigation Group shall conduct an investigation into the matter in such manner as it may think fit and decide whether the matter should be referred to the Disciplinary Tribunal. If the Investigation Group should decide to make a report to the Disciplinary Tribunal, it shall submit to the Disciplinary Tribunal a written report of the investigation, including any supporting material it considers relevant, which shall indicate whether, in the Investigation Group's opinion, there are sufficient grounds for bringing a charge or charges and, if so, the appropriate charge or charges that the Member, Graduate or Student concerned should answer.

25.3 If the Investigation Group decides not to refer a matter to the Disciplinary Tribunal it must provide to the Secretary or the Chief Executive, a written report of the matter for reporting to the Council.

## 26. Disciplinary Tribunal

26.1 If any report submitted by the Investigation Group in accordance with the provisions of Article 25 indicates that there are grounds for bringing a charge or charges against a Member, Graduate or Student, the Disciplinary Tribunal shall not be empowered to modify the charge or charges, but may in exceptional cases if it considers the charges should be redrawn, refer them back to the Investigation Group for it to consider and, if thought fit, redraw the charges. Subject to any such redrawing, the Disciplinary Tribunal shall arrange for such charge or charges to be heard.

26.2 The Disciplinary Tribunal shall give to the Member, Graduate or Student concerned the notice of a meeting at which the charge or charges against him, and the supporting evidence, shall be heard by the Disciplinary Tribunal and such notice shall include the charge or charges, thus constituting the formal charging of the Member, Graduate or Student. The Disciplinary Tribunal shall at the same time give to the Member, Graduate or Student a copy of the Investigation Group's report.

26.3 The Member, Graduate or Student charged or another person appointed by the Member, Graduate or Student in writing or both shall be entitled to appear at such meeting of the Disciplinary Tribunal, to be heard thereat, to call witnesses, to cross-examine any witnesses called to testify against him and to tender to the Disciplinary Tribunal any oral or written submission with regard to the charge or charges which is or are being heard. After the hearing has concluded the Disciplinary Tribunal shall consider and determine whether or not each charge against the Member, Graduate or Student has been proved to its satisfaction.

26.4 The Disciplinary Tribunal shall, in respect of cases heard by it, make its decision. This shall contain details of the charge or charges, a summary of all evidence and submissions adduced or made at each hearing, the finding reached

in respect of such charge or charges, a statement of reasons for those findings, the penalty or penalties, if any, that shall be imposed by the Disciplinary Tribunal in respect of any charge found proved and a ruling as to whether and by what means there should be any publication of the decision or any matter relating thereto.

26.5 The Disciplinary Tribunal shall forthwith send to the Member, Graduate or Student charged a copy of the decision and findings together with particulars of the appeal procedure available to the Member, Graduate or Student to contest the decision. If the decision is that no further action is required, the Member, Graduate or Student shall be notified accordingly.

## 27. Penalties

27.1 The penalty or penalties which may be imposed by the Disciplinary Tribunal as part of its decision referred to in Article 26.4 above may be to do any one or more of the following:

- (a) excluding the Member, Graduate or Student concerned from the respective Membership, Graduateship or Studentship (as the case may be) and removing his name from the appropriate register;
- (b) calling for and accepting the resignation of the Member, Graduate or Student;
- (c) suspending all or any of his rights of Membership, Graduateship or Studentship including the right to hold any particular class of Membership, Graduateship or Studentship (with or without liability for continuing payment of annual subscriptions);
- (d) cancelling and calling for the return of any practising certificate or Practitioner's Endorsement certificate;
- (e) imposing a fine payable by the Member, Graduate or Student;
- (f) reprimanding the Member, Graduate or Student;
- (g) ordering the Member, Graduate or Student to pay costs incurred by the Investigation Group and the Disciplinary Tribunal; or
- (h) ordering the Member, Graduate or Student to pay restitution,

in all cases without prejudice to the rights of the Institute to recover any arrears of subscription or any moneys due from the Member, Graduate or Student to the Institute. The decision shall also include a ruling as to whether and by what means any penalty or penalties to be imposed shall be given publicity and if so whether the Member, Graduate or Student shall be named.

27.2 The Disciplinary Tribunal can require the complainant to pay costs in the event that the complaint is unwarranted or found to be groundless or vexatious.

27.3 Subject to the right of appeal in Article 28, a decision of the Disciplinary Tribunal is final and binding on all parties and must be reported to the Council and recorded by the Secretary.

## 28. Appeal Tribunal

28.1 A Member, Graduate or Student in respect of whom the Disciplinary Tribunal has made a decision shall be entitled to appeal against the decision or any part of it by submitting, in writing, a request that the matter should be considered by the Appeal Tribunal, specifying in the request the grounds to be relied on in support of the appeal.

28.2 The Member, Graduate or Student concerned must give notice to the Institute of his intention to appeal. The notice of intention to appeal must be received by the Institute within 28 days from the date of despatch of the notice of the decision of the Disciplinary Tribunal and may be given to the person by whom the notice of the decision was

given or to the Secretary of the Institute or any person authorised to receive such notice. If the notice of intention to appeal is given by telephone or other electronic method, it must be confirmed in writing within 14 days.

- 28.3 If notice of intention to appeal is not received within the prescribed time limit, the decision shall be implemented immediately thereafter.
- 28.4 Where notice of intention to appeal is received, the Member, Graduate or Student concerned shall be allowed a further period of six weeks from the original expiry date in which to present, in writing, his application for an appeal hearing specifying in detail the grounds on which such an appeal is to be based.
- 28.5 The Appeal Tribunal shall have the power in its discretion to refuse to consider the request of a Member, Graduate or Student for his appeal to be considered by the Appeal Tribunal where it considers that, having regard to all the circumstances, such request is wholly without merit.
- 28.6 The Appeal Tribunal shall decide how it wishes to conduct its investigation and at its discretion may permit a Member, Graduate or Student alone, or another person appointed by the Member, Graduate or Student in writing, or both, to appear at the relevant meeting of the Appeal Tribunal, to be heard thereat, to call witnesses, to cross-examine any witness called to testify against him and to tender to the Appeal Tribunal any oral or written submission with regard to the charge or charges which is or are being heard, and shall observe any other procedural requirements approved under Article 24.
- 28.7 After the hearing has concluded, the Appeal Tribunal shall make its appeal decision which shall contain details of the decision of the Disciplinary Tribunal appealed against, a summary of any additional evidence considered, the Appeal Tribunal's finding in respect of each charge which is the subject of an appeal, a statement of reasons for that finding, its decision whether to confirm, reduce or increase any penalty or penalties the Disciplinary Tribunal decided should be imposed and a further decision concerning whether there should be any publication of the appeal decision or any matter relating thereto.
- 28.8 The Appeal Tribunal shall send the Member, Graduate or Student charged a copy of the appeal decision which shall forthwith be implemented.
- 28.9 The Appeal Tribunal can order the Member, Graduate or Student or complainant to pay costs incurred by the Investigation Group, the Disciplinary Tribunal and the Appeal Tribunal.
- 28.10 The decision of the Appeal Tribunal is final and binding on all parties and must be reported to the Council and recorded by the Secretary.

## GENERAL MEETINGS

29. General Meetings  
Subject to section 107 of Schedule 11 to and sections 611, 612 and 613 of the Ordinance, the Institute should, in respect of each financial year of the Institute, hold a general meeting as its annual general meeting in accordance with section 610 of the Ordinance. The Council may, if it thinks fit, call a general meeting. The Council is also required to call a general meeting in accordance with section 567 of the Ordinance on requisition by Members representing at least five per cent of the total voting rights of all Members entitled to vote. If the Council does not call a general meeting, the Members who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting in accordance with section 568 of the Ordinance.
- 29A. Attendance by physical attendance and electronic means
  - 29A.1 The Council may, in its absolute discretion, arrange for persons entitled to attend a general meeting to do so physically and by using electronic means at such meeting place or places determined by the Council, provided that at least one location shall be in Hong Kong which shall be the principal meeting place for the general meeting.

29A.2 When a general meeting is held in a manner specified in Article 29A.1, the following provisions shall apply:

- (a) The chairman of the meeting shall be present physically at, and the meeting shall be deemed to take place at, the principal meeting place.
- (b) Any Member or any proxy attending at the meeting place(s) determined by the Council or participating by electronic means shall be counted in the quorum for and entitled to vote at the meeting in question, and the meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that Members attending the meeting are able to participate in the business for which the meeting has been convened.
- (c) Where Members attend physically at one of the meeting places or where Members participate by using electronic means, a failure (for any reason) of the communication equipment, or any other failure in the arrangements for enabling those in a location other than the principal meeting place to participate in the business for which the meeting has been convened, shall not affect the validity of the meeting at the principal meeting place or the resolutions passed, or any business conducted there or any action taken pursuant to such business.
- (d) If any of the meeting locations is outside Hong Kong, the provisions of these Articles concerning the service and giving of notice for the meeting, and the time for lodging proxies, shall be applied by reference to the principal meeting place in Hong Kong.

29A.3 The right of a Member to participate in the business of any general meeting shall include the right to listen, speak, vote on a show of hands or poll, be represented by a proxy and have access to all documents which are required by the Ordinance or these Articles to be made available at the meeting.

### 30. Notice

An annual general meeting shall be called by 21 days' notice in writing at the least, and a general meeting other than an annual general meeting of the Institute shall be called by 14 days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting, the fact that attendance by electronic means is allowed for the meeting (if applicable) and the general nature of the business to be dealt with at the meeting. A notice calling an annual general meeting must state that the meeting is an annual general meeting. If a special resolution is intended to be moved at the meeting, the notice must specify the intention to propose the resolution as a special resolution and include the text of the special resolution. The notice of every general meeting shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Institute in general meeting, to such persons as are, under the Articles of the Institute, entitled to receive such notices from the Institute:

Provided that a meeting of the Institute shall, notwithstanding that it is called by shorter notice than that specified in this article be deemed to have been duly called if it is so agreed –

- (a) in the case of a meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together representing not less than 95 per cent of the total voting rights of all the Members entitled to attend and vote at the meeting.

### 31. Accidental Omission

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

32. Business

All business shall be deemed special that is transacted at a general meeting (whether annual or otherwise), with the exception of the consideration of the financial statements and the reports of the Council and auditor, the election of Council members in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditor.

33. Quorum

No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting; and subject to Article 29A.2(b), eight Members present in person or by proxy shall be a quorum.

34. Failure to Muster a Quorum

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Council may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.

35. Chairman

The President of the Council, failing whom a Vice-President, shall preside as chairman at a general meeting. If there be no such President or Vice-President, or if at any meeting neither be present within half an hour after the time appointed for holding the meeting and willing to act, the Council members present shall choose one of their number (or, if no Council member be present or if all the Council members present decline to take the chair, the Members present shall choose one of their number) to be chairman of the meeting.

36. Adjournment

36.1 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

36.2 If it appears to the chairman of a general meeting that:

- (a) the electronic facilities at the principal meeting place or such other place(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 29A.1; or
- (b) it is not possible to ascertain who is present; or
- (c) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting;

then the chairman may, at his/her absolute discretion, without the consent of the meeting, interrupt or adjourn the meeting. All business conducted at the meeting up to the time of such adjournment shall be valid.

36A. Postponement of Meeting

36A.1 If, after the sending the notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held, the Council, in its absolute discretion, considers that it is inappropriate or unreasonable for any reason to hold the general meeting on the date or at the time or place or by way of electronic means specified in the notice calling the meeting, the Council may change or postpone the meeting to another date, time, place and means without the approval of the Members.

36A.2 When a meeting is postponed in accordance with Article 36A.1, the Council shall fix the date, time, place and means for the reconvened meeting and at least seven clear days' notice of the reconvened meeting shall be given and shall specify the date, time, place and means for the reconvened meeting. Notice of the business to be transacted at the reconvened meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the reconvened meeting is the same as that set out in the original notice of general meeting circulated to the Members.

37. Method of Voting

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded –

- (a) by the chairman; or
- (b) by not less than two Members present in person or by proxy; or
- (c) by a Member or Members present in person or by proxy and representing not less than five per cent of the total voting rights of all the Members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the Institute shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

38. Time for Poll

A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. Except as aforesaid, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may appoint a scrutineer for the purposes of a poll, and may determine that the results of the poll shall be published on the Institute's website without the requirement for the results being declared at any general meeting or adjourned meeting.

39. Casting Vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

40. Number of Votes

Every Member not being an Honorary Fellow shall have one vote.

41. Unpaid Sums

No Member shall be entitled to vote at a general meeting either personally or by proxy or as proxy for another Member or to exercise any other right conferred by Membership in relation to meetings of the Institute if any sum presently payable by him to the Institute remains unpaid for more than one month.

42. Admissibility

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

43. Exercise of Votes

On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.



## PROXIES

44. To Attend and Vote  
A Member may attend by proxy any general meeting which he is entitled to attend in person and, on a poll but not otherwise, vote by proxy on any resolution at any such meeting on which he would, if present in person, otherwise be entitled to vote. A proxy need not be a Member of the Institute.
45. Proxy Form  
An instrument appointing a proxy shall be in a form approved by the Council.
46. Execution of Proxy Form  
An instrument appointing a proxy shall be signed by the appointor or his attorney.
47. Delivery of Proxy Form
  - 47.1 An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, and failing previous registration with the Institute, the power of attorney or a certified copy thereof) must be deposited at the Office or at such other place within Hong Kong as is specified for that purpose in the notice convening the meeting, prior to the time specified in the notice convening the meeting (such time shall not be more than 48 hours before the time for holding the meeting or adjourned meeting or in the case of a poll, not more than 24 hours before the time appointed for taking of the poll). An instrument of proxy shall not be treated as valid until such delivery shall have been effected. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purpose of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
  - 47.2 The Institute may, at its absolute discretion, provide an electronic address for the receipt of any instrument of proxy or any document necessary to show the validity of, or otherwise relating to, an appointment of proxy and notice of termination of the authority of a proxy. If such an electronic address is provided, the Institute shall be deemed to have agreed that any such document or information relating to proxies may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Institute when providing the address. Without limitation, the Institute may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Institute may provide different electronic addresses for different purposes. The Institute may also impose any conditions on the transmission of and its receipt of such electronic communications.
48. Rights of Proxy  
An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, and the same right to speak at the meeting as the appointor has.
49. Invalidation  
A vote cast by proxy shall not be invalidated by the previous death or insanity of the appointor or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Institute at the Office at least 48 hours before the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

## COUNCIL

### 50. Composition

- 50.1 The Council shall consist of not less than eight and not more than fifteen elected members, together with up to three ex-officio members being past Presidents of the Institute. Elected Council members shall hold office for a term of three years and can be elected for a second term of three years. After a second elected term, a Council member can only be re-elected after being out of office for a year. The term of office of a Council member shall start from 1 January immediately following the annual general meeting at which he/she is elected or re-elected.
- 50.2 The President and Vice-Presidents shall be annually elected by the members of the Council from their number. Past Presidents of the Institute may hold office as ex-officio members of Council for a term of three years from 1 January immediately following the Council meeting at which a new President is elected to replace him/her.
- 50.3 All elected members of the Council must be Fellows of the Institute ordinarily resident in the Divisional Territory and a majority of such members shall be ordinarily resident in Hong Kong. A member of the Council shall be a director of the Institute for the purposes of the Ordinance.

### 51. Honorary Officers

- 51.1 The Council shall after each annual general meeting elect among themselves Honorary Officers, including a President, not more than three Vice-Presidents and a Treasurer. The President, Vice-Presidents and Treasurer shall each respectively hold office until his successor is elected. No person shall serve as President for more than three consecutive terms.
- 51.2 The period of office of the Honorary Officers shall start from 1 January immediately following each relevant annual general meeting.

### 52. Co-option

- 52.1 Subject to Article 50, the Council shall have power at any time, and from time to time, to appoint any Member to be a Council member either to fill a casual vacancy or any vacancy not filled by election but so that the total number of Council members shall not at any time exceed the number fixed in accordance with these Articles. Any Council member so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election. The period of co-option is not counted for the purpose of determining the three-year term of office.
- 52.2 The Council shall have power at any time, and from time to time, to invite each of the Financial Secretary of the Government of the Hong Kong Special Administrative Region, Registrar of Companies, the Chairman of the Securities and Futures Commission and Hong Kong Exchanges and Clearing Limited to appoint a person being an officer or employee of their respective bodies as an Independent Observer. An Independent Observer shall have the right to attend and participate in Council meetings but shall not be regarded as a member of Council and shall have no right to vote on decisions taken at such meetings. The term of any such appointment shall not exceed three years and the Council may at any time and for any reason terminate any appointment so made.

### 53. Casual Vacancy

The office of a Council member shall be vacated in any of the following events, each of which shall, without prejudice to the creation of a casual vacancy in any other manner, for the purposes of these Articles be regarded as creating a casual vacancy, namely:-

- (a) if such Council member shall become prohibited by law from acting as a Council member or shall cease to be qualified under these Articles to act as a Council member;
- (b) if such Council member shall resign his office by notice in writing signed by him and lodged at the Office or if such Council member shall by notice in writing signed by him offer to resign and the Council shall resolve to accept such offer, and so that in either such case the office of Council member shall be vacated with effect from the date and/or time of or (if later) specified in such notice or offer or, if none, from the date on which it is so left or, as the case may be, accepted;

- (c) if such Council member shall have a bankruptcy order made against him or shall make any arrangement or composition with his creditors generally;
- (d) if in Hong Kong or elsewhere an order shall be made by a court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (e) if such Council member shall be removed from office by ordinary resolution in accordance with the Ordinance;
- (f) if such Council member shall for more than six months have been absent from meetings of the Council held during that period and if, at a meeting of the Council at which not less than three-fourths of the Council are present, a resolution is passed by a majority of not less than three-fourths of those present and voting that the office of such Council member be vacated provided that 21 days' notice of the proposed resolution shall have been given to such Council member; and
- (g) if, at a meeting of the Council especially convened for the purpose and at which not less than three-fourths of the Council are present, a resolution is passed by a majority of not less than three-fourths of those present and voting, that the office of such Council member be vacated provided that 21 days' notice of the proposed resolution shall have been given to such Council member.

#### 54. Retirement

- 54.1 At every annual general meeting elected Council members shall, after serving one term, be eligible for re-election and may serve a second term of three years. With the exception of those elected members then holding office as President or Vice-President, no elected member shall serve for any further term of three years without first ceasing to be a member of Council for at least one year.
- 54.2 An elected Council member holding office as President or Vice-President and retiring at any annual general meeting shall be eligible for re-election and may serve a further term of three years without first ceasing to be a member of Council for one year. Where an elected member serves a third term in this manner, he shall upon any expiry or earlier termination of that third term be required to cease being a member of Council for at least one year before seeking election for any further term.
- 54.3 The President of the Institute for the time being shall, upon ceasing to hold office as President, be entitled to remain on Council as ex-officio member in accordance with Article 50.2.
- 54.4 No elected Council member holding office as of 30th August 2005 shall hold office for a total of more than 18 years and no person who becomes an elected member of Council after 30th August 2005 shall hold office as an elected member for a total of more than 12 years.

#### 55. Nomination and Election

- 55.1 Council members retiring at an annual general meeting shall be eligible for re-election without nomination. Nomination to the Council shall otherwise be in writing and signed by a proposer and a seconder both of whom shall be Members of the Institute and endorsed by the candidate by way of confirmation of his consent to act if elected. The Council shall on or before the expiration of three months after each financial year of the Institute give a notice to the Members inviting them to submit nominations to the Council on or before a certain day ("Nomination Closing Date") which shall not be less than 28 days after the day of the service of the notice. Nominations shall be delivered to the Office on or before the Nomination Closing Date.
- 55.2 If the candidates running for election are not more in number than the vacancies, the persons so running for election shall, as from the next annual general meeting, be deemed to be duly elected members of the Council.
- 55.3 If the candidates running for election are more in number than the vacancies, any candidate in excess of the number to be elected may within fourteen days of the Nomination Closing Date withdraw or, with his consent, be withdrawn

by the nominators in writing; but if the candidates still remain in excess of the number to be elected, the election shall be conducted by voting papers as hereinafter provided.

56. Election by Voting Papers

If an election by voting papers be necessary, the procedure shall be as follows:

- (a) Not less than three scrutineers shall be appointed by the Council from the Members.
- (b) The Secretary shall, with all convenient speed, forward a voting paper to every Member entitled to vote and the voting paper shall be in such form and in such manner as the Council from time to time directs.
- (c) The voting papers, duly sealed or otherwise fastened up in accordance with the directions printed thereon, shall be delivered to the scrutineers at least ten days before the date fixed for the annual general meeting. Any voting paper not received by that date shall be invalid.
- (d) As soon as the voting papers have been examined and the results of the election ascertained by the scrutineers, the voting papers shall be closed up under the seals of the scrutineers, and shall be retained by them until after the conclusion of the annual general meeting when they shall be destroyed by the scrutineers.
- (e) The scrutineers shall make and sign a report in which they shall state the total number of voting papers received, the number rejected and the grounds for rejection, the total number of votes in favour of each candidate, and the names of those who are duly elected and shall hand such report to the Secretary not later than eight days before the date of the annual general meeting.
- (f) The scrutineers' report shall be conclusive as to the facts of the election, notwithstanding any irregularity or informality. Provided always that if there be an equality of votes the chairman of the annual general meeting may give such casting vote or votes as may be necessary to remove the equality and complete the election.
- (g) Subject to (f) above, the report of the scrutineers shall be copied to the President and published on the Institute's website seven days before the annual general meeting.
- (h) Elections under Articles 55 and 56 shall take effect as from 1 January immediately after the annual general meeting at which a person is elected or re-elected.

57. Chairman of Meetings

The President, failing whom a Vice-President, shall take the chair of all Council meetings. If neither be present and willing to act within 30 minutes after the time appointed for holding the meeting, the Council members present shall choose one of their member to chair the meeting.

58. Quorum

58.1 The quorum necessary for the transaction of the business of the Council shall be four. A meeting of the Council at which a quorum is present when the meeting proceeds to business and continues to be present until the conclusion of the meeting shall be competent to exercise all powers and discretions for the time being exercisable by the Council.

58.2 Any member of the Council may participate where practicable in a meeting of the Council by means of a telephone or any communications equipment which allows all persons participating in the meeting to speak and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly.

59. Votes

Questions arising at any meeting of the Council shall be determined by a majority of votes. The chairman of any meeting shall have a second or casting vote.

60. Declaration of Material Interest

A Council member who is in any way, whether directly or indirectly, materially interested in a contract, arrangement or transaction or proposed contract, arrangement or transaction with the Institute shall declare the nature of his interest at the earliest meeting of the Council at which it is practicable for him to do so, in accordance with the Ordinance. A general notice to the Council by a Council member stating that, by reason of facts specified in the notice, he is to be regarded as interested in contracts, arrangements or transactions or proposed contracts, arrangements or transactions of any description which may subsequently be made or contemplated by the Institute shall be deemed for the purposes of this Article to be a sufficient declaration of his interest, so far as attributable to those facts, in relation to any contract, arrangement or transaction of that description which may subsequently be made or contemplated by the Institute, but no such general notice shall have effect in relation to any contract, arrangement or transaction or proposed contract, arrangement or transaction unless it is given before the date on which the question of entering into the same is first taken into consideration on behalf of the Institute.

61. Interested Council Member's Vote

A Council member may not vote in respect of any contract, arrangement or transaction or proposed contract, arrangement or transaction in which he is materially interested notwithstanding that he may be counted in the quorum at any meeting of the Council at which any such contract, arrangement or transaction or proposed contract, arrangement or transaction shall come before the meeting for consideration provided that he has, where relevant, first disclosed his interest in accordance with the immediately preceding Article.

62. Minimum Number

The continuing Council members may act notwithstanding any vacancies, but if and so long as the number of Council members is reduced below the minimum number fixed by these Articles the continuing Council members or Council member may act for the purpose of filling such vacancies or of summoning general meetings, but not for any other purposes. If there be no Council member able or willing to act, then any two Members may summon a general meeting for the purposes of appointing Council members.

63. Resolutions in Writing

A resolution in writing signed by all the Council members shall be as effective as a resolution duly passed at a meeting of the Council and may consist of several documents in the like form each signed by one or more Council member.

64. Minutes

The Council shall cause minutes to be made in books provided for the purpose:

- (a) of all appointments of officers made by the Council;
- (b) of the names of the Council members present at each meeting of the Council and of any committee of the Council; and
- (c) of all resolutions and proceedings at all meetings of the Institute, and of the Council, and of committees of the Council,

and every Council member present at any meeting of Council or committee of Council shall sign his name in a register to be kept for that purpose.

65. Committees

The Council may delegate any of its powers to committees consisting of one or more Council members and (if thought fit) one or more other persons co-opted as hereinafter provided. Persons who are not Members of the Institute must not account for more than one-third of the members of any committee. The President is entitled to be a member of any committee of the Council. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Council. Any such regulations may provide for or authorise the co-option to the committee of members other than Council members and for such co-opted members to have voting rights as members of the committee. The meetings and proceedings of any committee consisting of two or more persons

shall be governed mutatis mutandis by the provisions of these Articles regulating the meetings and proceedings of the Council so far as the same are not superseded by any regulations made by the Council.

66. Defects in Appointment

All acts done by any meeting of Council, or of any of its committees, or by any person acting as a Council member or as a member of any committee, shall as regards all persons dealing in good faith with the Institute, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote or form part of a quorum, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Council member or member of the committee and had been entitled to vote and form part of a quorum.

67. Powers

The business and affairs of the Institute shall be managed by the Council, who may, subject to the Ordinance and these Articles, exercise all such powers of the Institute as are not by the Ordinance or by these Articles required to be exercised by the Institute in general meeting. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Council by any other Article.

68. Specific Powers

Without prejudice to the general powers conferred as aforesaid and the other powers conferred by these Articles, it is hereby expressly declared that the Council shall subject to Article 2 of these Articles of Association and the proviso hereinbelow appearing have the following powers, that is to say, power:

68.1 Formation Expenses

To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Institute and any subsidiary of the Institute as approved in accordance with Article 82.

68.2 Purchase

To purchase or otherwise acquire for the Institute or sell or otherwise dispose of any property, rights or privileges which the Institute is authorised to acquire at such price and generally on such terms and conditions as they shall think fit.

68.3 Employees

To engage, suspend or dismiss the employees of the Institute, and to fix and vary their salaries or emoluments and other terms of employment.

68.4 Legal Proceedings

To institute, conduct, defend, compromise or abandon any legal proceedings by or against the Institute or its officers, or otherwise concerning the affairs of the Institute, and also to compound and allow time for payment or satisfaction of any debts due and or any claims or demands by or against the Institute.

68.5 Arbitration

To refer any claims or demands by or against the Institute to arbitration and observe and perform the awards.

68.6 Receipts

To make and give receipts, releases and other discharges for moneys payable to the Institute, and for claims and demands of the Institute.

68.7 Investment

To invest, lend or otherwise deal with any of the moneys or property of the Institute in such manner as it thinks fit having regard to the Institute's Articles of Association and from time to time to vary or realise any such investment.

#### 68.8 Borrowing

To borrow money on behalf of the Institute, provided that, unless the Members of the Institute shall otherwise agree in general meeting, the Institute's borrowings outstanding from time to time during any one financial year shall not exceed the amount received by way of income from subscriptions from Members in the previous financial year. Where the Council or the Members in general meeting (as the case may be) exercise the Institute's borrowing powers, the Council is in addition authorised to grant security over the Institute's property for the purposes of such borrowing, whether by way of pledge, mortgage, hypothecation or guarantee.

#### 68.9 Negotiations

To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Institute as they may consider expedient for, or in relation to, any of the matters aforesaid, or otherwise for the purposes of the Institute.

#### 68.10 Remuneration

To remunerate any officer or other person employed by the Institute and to pay a gratuity or pension or allowances on retirement to any person who has held any other salaried office with the Institute or to his widow or dependants and make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### 68.11 Land

To sell, improve, manage, exchange, lease, let, mortgage or turn to account all or any part of the land, property, rights and privileges of the Institute.

#### 68.12 Reserve

To employ, invest or otherwise deal with any reserve fund or reserve funds in such manner and for such purposes as the Council may think fit.

#### 68.13 Mortgage

To execute, in the name and on behalf of the Institute, in favour of any Council member or other person who may incur or be about to incur any personal liability for the benefit of the Institute, such mortgages of the Institute's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

#### 68.14 Agent

From time to time to provide for the management of the affairs of the Institute in such manner as they think fit, and in particular to appoint any person to be the attorneys or agents of the Institute with such powers (including power to sub-delegate) and upon such terms as they think fit.

#### 68.15 Rules

From time to time to make, vary or repeal rules and Byelaws for the regulation of the business of the Institute, its officers and servants.

#### 68.16 Delegation

To hold appointment as delegate of any body or association, and in particular to exercise as delegate any powers conferred from time to time by the CGI from time to time on the Council in its capacity as the CGI's Committee for China pursuant to terms agreed between that Committee and the CGI, for as long as such powers remain extant and unless and until they are otherwise revoked, in regard to –

(a) electing Fellows and Associates and admitting Graduates of the CGI under CGI Byelaws 4 to 20, conferring on Fellows, Associates and Graduates the right to use the respective designatory letters as may be determined by the Council, and supplying copies of CGI's Charter and Byelaws to such Fellows, Associates and Graduates;

(b) subject to CGI Byelaws, setting and making rules about the CGI's examinations and exemptions in the Division;

- (c) disciplinary investigations, decisions and appeals, such responsibilities to be exercised in accordance with the provisions of CGI Byelaws and terms of reference of the relevant disciplinary committees to be made by the Council in accordance with those Byelaws; and
- (d) all aspects of the CGI's activities in the Division not otherwise excepted, including responsibility for assets, liabilities, income and expenditure and setting subscriptions and other payments;

and to delegate any of the powers herein to any Council member or other person or persons as the Council may at any time think fit, and to hold appointment as delegate: provided that the power to delegate shall not be exercisable in respect of those powers which have been delegated to the Institute by the CGI.

68.17 Petition

To petition the Government or any Court Tribunal Authority or other body in the name of the Institute.

68.18 Incidental Matters

To enter into such contracts, and do all such acts and things as they may think expedient for the purposes of the Institute.

68.19 Practice Directions

To issue practice directions, rules and regulations relating to the professional ethics, conduct, practice and discipline of Members, Graduates or Students including the issue of practising certificates and conditions thereof.

68.20 Disciplinary Action

To investigate any charge of misconduct in relation to any Member, Graduate or Student and to call upon any Member, Graduate or Student for an explanation of any conduct of such Member, Graduate or Student alleged to be dishonourable, improper or unprofessional and to institute and prosecute any disciplinary proceedings.

68.21 Statutory Functions

To carry out such statutory functions and exercise such powers as may be delegated to the Council by any Ordinance, regulation, Order-in-Council or otherwise.

68.22 Nomination of CGI International Council Member

To consider the nomination of one or more Fellows who may be Council member(s) of the Institute to serve as a member of the Council of the CGI, pursuant to the Byelaws of the CGI.

69. No Distribution of Profit

- (a) The income and property of the Institute, whencesoever derived, shall be applied solely towards the promotion of the objects of the Institute as set forth in these Articles.
- (b) Subject to (d) and (e) below, no portion of the income and property of the Institute shall be paid or transferred directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to the Members of the Institute.
- (c) No member of the Council or a committee of the Council shall be appointed to any salaried office of the Institute, or any office of the Institute paid by fees and no remuneration or other benefits in money or money's worth (except as provided in (e) below) shall be given by the Institute to any member of the Council or a committee.
- (d) Nothing herein shall prevent the payment, in good faith, by the Institute of reasonable and proper remuneration to any officer or servant of the Institute, or to any Member of the Institute not being a member of the Council or a committee of the Institute in return for any services actually rendered to the Institute.
- (e) Nothing herein shall prevent the payment, in good faith, by the Institute:-
  - (i) to any member of its Council or a committee of out-of-pocket expenses properly incurred by him for the Institute and any other reasonable expenses incidental to the operations of the Council and such a committee;



- (ii) of interest on money lent by any Member of the Institute or its Council or a committee at a rate per year not exceeding 2% above the prime rate for Hong Kong dollars loans prescribed for the time being by The Hongkong and Shanghai Banking Corporation Limited or another licensed bank as defined by the Banking Ordinance that is supervised by the Hong Kong Monetary Authority and approved by Council;
  - (iii) of rent for premises demised or let by any Member of the Institute or of its Council or a committee: Provided that the amount of the rent and the other terms of the lease must be reasonable and proper; and such Member must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion; and
  - (iv) of remuneration or other benefits in money or money's worth to a body corporate in which a Member of the Institute or of its Council or a committee is interested solely by virtue of being a member of that body corporate by holding not more than one-hundredth part of its capital or controlling not more than a one-hundredth part of its votes.
- (f) No person shall be bound to account for any benefits he may receive in respect of any payment properly paid in accordance with (d) and (e) above.

70. Cheques

All cheques, promissory notes, drafts, bills or exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Institute, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, either by two Council members or by one Council member together with one senior officer appointed by the Council for the purpose.

71. Seal and Execution of Documents

71.1 The Council shall adopt and use a seal and shall provide for the safe custody of the Seal which shall not be used without the authority of the Council. Every instrument to which the Seal shall be affixed shall be signed autographically by two Council members, and where any instrument to which the Seal is affixed is so signed the Seal shall, as regards all persons dealing in good faith with the Institute, be deemed to have been affixed to that instrument with the authority of the Council.

71.2 Notwithstanding Article 71.1:

- (a) a document signed by any two Council members and expressed, in whatever words, to be executed by the Institute has the same effect as if executed under the Seal; or
- (b) a document signed by any two Council members and expressed, in whatever words, to be executed by the Institute as a deed, has the same effect as if executed and delivered as a deed.

72. Secretary

The Secretary of the Institute shall be appointed by the Council for such term and on such conditions and removed by it as it thinks fit. No person who is not a Member may be appointed as Secretary of the Institute.

## ACCOUNTS

73. Accounts

The Council must keep accounting records of the Institute that:

- (i) comply with Subdivision 2 of Division 4 of Part 9 of the Ordinance; and
- (ii) enable the members of the Council to prepare financial statements for each financial year in accordance with Subdivision 3 of Division 4 of Part 9 of the Ordinance.

74. Inspection

The accounting records shall be kept at the Office of the Institute, or, subject to the provisions of the Ordinance, at such other place or places as the Council think fit, and shall always be open to the inspection of the members of the Council. The Council shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Institute or any of them shall be open to the inspection of Members not being Council members and no Member (not being a Council member) shall have any right of inspecting any of the accounting records or document of the Institute except as conferred by statute or authorised by the Council or by the Institute in general meeting.

75. Annual Accounts

The Council shall from time to time in accordance with the Ordinance, cause to be prepared and to be laid before the Institute in annual general meeting the reporting documents. A copy of the reporting documents which is to be laid before the Institute in annual general meeting shall not less than 21 days before the date of the meeting be sent to every Member of the Institute:

Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Institute is not aware.

76. Audit

Auditor shall be appointed and their duties regulated in accordance with the Ordinance.

## NOTICES

77. Service

77.1 Subject to Article 77.2 any notice, document or other publication by the Institute may be given or issued by the following means:

- (a) by serving it personally on the Member;
- (b) by sending it through the post in a prepaid envelop or wrapper addressed to a Member at his address supplied to the Institute;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by sending or transmitting it as an Electronic Communication to any Member at such electronic address as he may provide under Articles 20 and 78(a), subject to the Institute complying with the Institute's Articles and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (e) by publishing it on the Institute's computer network to which the Members may have access, subject to the Institute complying with the Articles and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from the Members for giving notification to Members stating that the notice, document or publication is available on the Institute's computer network; or
- (f) by sending or otherwise making it available to Members through such other means to the extent permitted by and in accordance with the Institute's Articles and other applicable laws, rules and regulations.

77.2 Any notice of publication of communications may be given or issued by any of the means mentioned in Article 77.1, other than the means specified in paragraph (e) thereof.

78. Persons to Receive Notice

Notice of every general meeting shall be given in any authorised manner to:

- (a) every Member except those Members who have not supplied to the Institute an address within Hong Kong and/or the electronic address for the giving of notices to them; and
- (b) the auditor for the time being of the Institute.

No other person shall be entitled to receive notices of general meetings.

#### INDEMNITY

79. Indemnity

Subject to sections 468 and 469 of the Ordinance, every Council member, auditor and officer of the Institute for the time being shall be indemnified out of the funds and assets of the Institute against any liabilities and obligations incurred by them, or any of them, to a person other than the Institute or an associated company of the Institute in good faith in the proper and reasonable or purported performance of their duties in relation to the Institute other than liability which attaches to them by law in respect of any negligence, default, breach of duty or trust. Further, they shall be indemnified out of the funds and assets of the Institute against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in connection with any application under section 358 of the predecessor Companies Ordinance or sections 902 to 904 of the Ordinance in which relief is granted to them by the court provided that none of the funds or assets of the Institute shall be applied in payment of the whole or part of any fine or penalty imposed upon any person by sentence or order of a Court of Justice.

#### WINDING UP

80. Winding Up

If upon the winding up or dissolution of the Institute there remains, after the satisfaction of all its debts and liabilities, any property whatsoever ("the net assets"), the net assets shall not be paid to or distributed among the Members of the Institute; but shall be given or transferred to some other institution or institutions, having objects similar to the objects of the Institute, such institution or institutions to be determined by the Members of the Institute at or before the time of dissolution, or if there be no such other institution or institutions capable or willing to pursue such objects, then to the CGI of London, United Kingdom, constituted by Royal Charter in 1902 (or any incorporated or unincorporated body nominated by the CGI on its behalf), provided that such institution or institutions, the CGI, or any body nominated on its behalf (as the case may be) shall prohibit the distribution of its or their income or property amongst its or their members directly or indirectly by way of dividend, bonus, or otherwise howsoever, and in default thereof by a Judge of the High Court of the Hong Kong Special Administrative Region having jurisdiction in regard to charitable funds, and if and so far as effect cannot be given to the aforesaid provision then to some charitable object.

#### ALTERATION

81. Amendment

No addition, alteration, or amendment shall be made to or in these Articles of Association for the time being in force, unless such addition, alteration or amendment has previously been submitted to and approved by the Registrar of Companies in writing or is made under a direction given under section 104(2)(b) or 105 of the Ordinance.

82. Restriction to form Subsidiary

The Institute shall not form a subsidiary or hold a controlling interest in another body corporate, unless the formation of such a subsidiary or the holding of such a controlling interest has previously been approved by the Registrar of Companies in writing.