

**THE COMPANIES ORDINANCE (CHAPTER 622)**

**Company Limited by Guarantee**

**ARTICLES OF ASSOCIATION**

**OF**

**THE ACTUARIAL SOCIETY OF HONG KONG**

*(revised on 1 January 2019)*

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**PART A – MANDATORY ARTICLES**

- I. The name of the company is "**THE ACTUARIAL SOCIETY OF HONG KONG**" (hereinafter called "the Society").
- II. The objects for which the Society is established are:
- (a) To increase the value to the community of the actuarial profession;
  - (b) To encourage and assist the study of actuarial science and any other subjects of interest to members of the actuarial profession;
  - (c) To uphold standards of professional conduct among members;
  - (d) To regulate the practice by its members of the actuarial profession by issuing from time to time as when necessary By-laws, Professional Standards, Professional Conduct Codes, Actuarial Guidance Notes, Circular Notices and/or and other forms of guidelines or directions;
  - (e) To discuss and comment on the actuarial aspects of public, social and economic and financial questions which from time to time may be the subject of public interest;
  - (f) To support, participate in, or sponsor activities of other bodies having objectives in whole or in part similar to these objectives and any other activity which promotes or enhances the image of the Society;

- (g) To establish and administer qualification examinations for its members;
- (h) To consider the actuarial aspects of legislation existing and proposed and to take such action as is considered desirable;
- (i) To arrange for the compilation and publication of statistical data and of actuarial tables based thereon; and
- (j) To do all such other lawful things as are incidental or conducive to the attainment of the above objects.

Provided that:-

- (i) In case the Society shall take or hold any property which may be subject to any trusts, the Society will only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
  - (ii) The objects of the Society shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
- III. No addition, alteration, or amendment shall be made to or in the regulations contained in these Articles 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 Companies Ordinance.
- IV. The liability of the Members is limited.
- V. Every Member undertakes to contribute to the assets of the Society in the event of its being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of the Society contracted before he ceases to be a Member, and of the costs, charges, and expenses of winding up, and for adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding HK\$100.00.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a Society, in pursuance of these Articles.

	Names	Address and Descriptions of Subscribers	Signatures
1.	Au Sing Hong	22/F., Tower Six China Hong Kong City 33 Canton Road, Kowloon Assistant General Manager (Operation)	
2.	Sydney Maurice Bone	Suite 1310-13, Two Pacific Place, 88 Queensway, Hong Kong Director Actuarial & Asset Consulting	
3.	Chan Yun Lam, Frank	18/F., AIA Building, 1 Stubbs Road, Hong Kong Executive Vice President & Actuary	
4.	Chan Wing Shing, Jacky	18/F., AIA Building, 1 Stubbs Road, Hong Kong Assistant Vice President & Assistant Actuary	
5.	Joe Yu Leong Chan	23/F., Harcourt House, 39 Gloucester Road, Hong Kong Actuarial Manager	
6.	Cheng Koon Wing	31/F., Manulife Tower, 169 Electric Road, North Point, Hong Kong Marketing Actuary	
7.	Cheng Tak Chi	19/F., AIA Building 1 Stubbs Road, Hong Kong Vice President & Marketing Actuary	
8.	Robert Fok Tak Pun	27/F., Sun Hung Kai Centre, 30 Harbour Road Wanchai, Hong Kong	
9.	Eddie Fong Kong Fai	22/F., Tower Six, China Hong Kong City, 33 Canton Road, Kowloon General Manger	
10.	Ip Chung Sang, Joseph	23/F., Harcourt House, 39 Gloucester Road,	

		Hong Kong Managing Director	
11.	Ip Hong Man, Richard	18/F., Bank of East Asia Building, 10 Des Voeux Road, Central, Hong Kong Actuary	
12.	Terry Douglas Jenkins	24/F., National Mutual Centre, 151 Gloucester Road, Wanchai, Hong Kong Managing Director	
13.	Garth Brian Jones	2902 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong Life Manager	
14.	Robert Charles Latham	2902 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong Life Manager	
15.	Stuart Hamilton Leckie	27/F., Sun Hung Kai Centre, 30 Harbour Road Wanchai, Hong Kong	
16.	Lee Tat On, Dominic	18/F., AIA Building, 1 Stubbs Road, Hong Kong Vice President & Corporate Actuary	
17.	Lo Lai Kan, Vicky	Room 502, Citicorp Centre, 18 Whitfield Road, Hong Kong	
18.	Russel Dean Lok	8/F., 8 Plaza, 8 Sunning Road, Causeway Bay, Hong Kong Actuarial Manager	
19.	Luk Kin Yu, Peter	31/F., Manulife Tower, 169 Electric Road, North Point, Hong Kong Financial Vice President & Chief Financial Officer	
20.	David John May	30/F., World Trade Centre PO Box 30748, Causeway Bay Hong Kong Chief Executive	
21.	Hugh Gregory McMullan	601 EIE Tower, Bond Centre, 89 Queensway, Hong Kong Regional Manager – Asia	

22.	Simon Poon Fun Chi	8/F., AIA Building, 1 Stubbs Road, Hong Kong Vice President, Group Actuary	
23.	Nathan Potaznik	24/F., National Mutual Centre, 151 Gloucester Road, Wanchai, Hong Kong General Manager & Actuary	
24.	Danny Louis Quant	27/F., Sun Hung Kai Centre, 30 Harbour Road Wanchai, Hong Kong	
25.	Trevor Charles Raper	30/F., World Trade Centre 280 Gloucester Road Hong Kong Chief Executive Officer	
26.	Dallas Reid	Level 18, One Pacific Place, 88 Queensway, Hong Kong Regional Actuarial Director	
27.	David Adam Shaffer	Suite 1310-13, Two Pacific Place, 88 Queensway, Hong Kong Consultant	
28.	Anthony Grahame Stott	27/F., Sun Hung Kai Centre, 30 Harbour Road Wanchai, Hong Kong Assistant Director & Consultant Actuary	
29.	Raymond Wai Man Tam	27/F., Sun Hung Kai Centre, 30 Harbour Road Wanchai, Hong Kong Assistant Director & Consultant Actuary	
30.	John Charles Vieren	Suite 1310-13, Two Pacific Place, 88 Queensway, Hong Kong Consulting, Actuary	
31.	Stanley David Vynder	Room 502, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong Chief Operating Officer	
32.	Yam Chi Fai	23/F., Harcourt House, 39 Gloucester Road Hong Kong	

		Consulting Actuary	
33.	Yu Yuk Wing, Kenneth	Level 18, One Pacific Place, 88 Queensway, Hong Kong Technical Service Actuary	
34.	Yuen Moon Hing, Augustus	19/F., AIA Building, 1 Stubbs Road, Hong Kong Assistant Vice President & Assistant Actuary	

WITNESS to the above signatures

Christine M. KOO

Room 2106, National Mutual Centre,  
151 Gloucester Road, Hong Kong

Solicitor  
HONG KONG

Dated the      day of      1993.

## **PART B – OTHER ARTICLES**

### **INTERPRETATION**

1. In the interpretation of these Articles the following words and expressions shall have the following meanings unless such meanings are excluded by the subject or context:

“Actuarial Guidance Note” means professional guidance issued under Article 64 to guide members as to professional best practice. Compliance with an Actuarial Guidance Note is not mandatory but non-compliance is only justified in exceptional circumstances where there is good reason for such non-compliance. An Actuarial Guidance Note may be issued to clarify a Professional Standard, a law, or a regulation. In this case, the Actuarial Guidance Note is intended to illustrate the application of the principles underlying the Professional Standard, law or regulation, and should not be read in any manner which would sanction departure from the Professional Standard, law or regulation. Non-compliance without good reason may lead to disciplinary proceedings under Articles 66 and 67.

“Auditor” means the auditor of the Society appointed under Articles 28 and 73.

“Associate Member” has the meaning given by Article 7(b).

“By-laws” means by-laws, rules or regulations of the Society issued under Article 61. Compliance with By-laws is mandatory and such non-compliance may lead to disciplinary proceedings under Articles 66 and 67.

“Circular Notice” means a notice published by the Society to Members under Article 65 purely for informative and advisory purposes. Compliance with a Circular Notice is not mandatory but non-compliance is only justified in exceptional circumstances where there is good reason for such non-compliance. Non-compliance without good reason may lead to disciplinary proceedings under Articles 66 and 67.

“Class” means each of the four classes of membership as defined in Article 7.

“Companies Ordinance” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) including the related subsidiary legislations.

“Council” means the Council being vested with the management of the Society for the time being pursuant to the provisions of the Articles.

“Council Member” means a member of the Council and the person so appointed shall be deemed to be a ‘director’ of the Society for the purpose of the Companies Ordinance.

“Disciplinary Committee” means the committee set up by the Council to conduct disciplinary proceedings under Articles 66 and 67.

“Disciplinary Procedures” means the disciplinary procedures the Council put in place under Article 66.

“Due Process” means the procedures to be followed by the Council in issuing and amending Disciplinary Procedures, Professional Standards, Professional Conduct Codes and Actuarial Guidance Notes as set out in the By-laws.

“electronic means” includes a communication sent by electronic transmission in any form through any medium.

“examinations” means the examinations set by the Society for its members.

“Fellow Member” has the meaning given by Article 7(a).

“General Meeting” includes Extraordinary General Meeting and Annual General Meeting of the Society as defined in Article 31.

“Honourary Member” has the meaning given by Article 7(d).

“Independent Council Member” means the Council Member who is appointed under Article 16 and who is not a Member in any Class as defined in Article 7 herein.

“Member” means any member of the Society as described in Article 7.

“mental incapacity” has the meaning given by section 2(1) of the Mental Health Ordinance (Cap. 136).

“mentally incapacitated person” means a person who is found under the Mental Health Ordinance (Cap. 136) to be incapable, by reason of mental incapacity, of managing and administering his or her property and affairs.



"misconduct" for the purposes of the disciplinary provisions in Article 67 means:

- (a) non-compliance with these Articles, the By-laws; any Professional Standards; and/or any Professional Conduct Codes;
- (b) non-compliance without good reason with any Actuarial Guidance Notes or Circular Notices in force from time to time;
- (c) any act or omission relating to the carrying on of the practice of an actuary which, in the opinion of a Disciplinary Committee, is not consistent with the standards of professional conduct expected of an actuary; or
- (d) any act or omission by a Member in any capacity which, in the opinion of a Disciplinary Committee, is not consistent with the standards of behaviour expected of a Member and/or may tend to undermine the reputation, integrity and status of the Society and the actuarial profession.

“Ordinary Student Members” refers to the sub-class of Members described in Article 7(c).

“ordinary resolution” means a resolution that is passed by a simple majority of the Voting Members if it is passed (i) at a meeting on a show of hands by a simple majority of the voting rights of the Voting Members who (being entitled to do so) vote in person or by proxy on the resolution; or (ii) on a poll taken at a meeting by Voting Members representing a simple majority of the voting rights of the Voting Members who (being entitled to do so) vote in person or by proxy on the resolution; or (iii) by way of a written resolution by all the Voting Members who are entitled to vote on the resolution.

“President” means the president of the Society as referred to in Article 16.

“Professional Conduct Code” means a code of conduct issued by the Council under Article 63 to provide standards in respect of professional conduct. Compliance with Professional Conduct Codes is mandatory. Non-compliance may lead to disciplinary proceedings under Articles 66 and 67.

“Professional Standard” means a professional standard issued by the Council under Article 62 to provide standards to the Members in respect of (i) professional matters and/or (ii) how a particular type of actuarial work is to be conducted. Compliance with Professional Standards is mandatory. Non-compliance may lead to disciplinary proceedings under Articles 66 and 67.

“Registered Address” of a Member means his address referred to in Article 12(a).

“Secretary” means the secretary of the Society appointed under Article 17(f) to perform the general duty of such office and as specified in Article 29.

“Society” shall mean the company entitled "The Actuarial Society of Hong Kong" whether or not it continues to be so named.

“special resolution” means a resolution that is passed by a majority of at least 75% of the Voting Members if it is passed (i) at a meeting on a show of hands by a majority of at least 75% of the voting rights of the Voting Members who (being entitled to do so) vote in person or by proxy on the resolution; or (ii) on a poll taken at a meeting by Voting Members representing a majority of at least 75% of the voting rights of the Voting Members who (being entitled to do so) vote in person or by proxy on the resolution; or (iii) by way of a written resolution by all the Voting Members who are entitled to vote on the resolution.

“Student Member” has the meaning given by Article 7(c).

“Treasurer” means the treasurer of the Society appointed under Article 17(g) to perform the general duty of such office and as specified in Article 30.

“University Student Members” refers to the sub-class of Members described in Article 7(c).

“Vice President” means the Council Member who has been elected as the next President upon expiry or earlier determination of the term of the President for the time being as referred to in Article 16.

“Voting Members” means the Fellow Members and the Associate Members as defined in Article 13 collectively.

References to “day” or “days” shall be references to “calendar day” or “calendar days” respectively.

The masculine gender shall include the feminine gender.

Words importing the singular number shall include the plural number and words importing the plural number shall include the singular number.

Words importing persons shall include companies and corporations.

The provisions set out in Schedule 3 of the Companies (Model Articles) Notice (Cap. 622H) shall not apply to the Society.

## **MEMBERS**

2. The number of Members is declared not to exceed 10,000. The Council may from time to time register new Members as the Council deems appropriate in accordance with section 114 of the Companies Ordinance.
3. The Members shall be the founder members as defined in the Companies Ordinance and such other persons as the Council shall admit to membership from time to time, excluding those Members whose membership is terminated pursuant to Article 14 and such founder members and every person admitted to membership of the Society shall be deemed to have agreed to be bound by these Articles, Disciplinary Procedures, Professional Standards, Professional Conduct Code and such By-laws of the Society as shall from time to time be in force.
4. A person wishing to become a Member shall make application to the Council and shall complete a form of application and obligation as prescribed by the Council.
5.
  - (a) An application for membership shall be forwarded to the Secretary who shall submit it to the next meeting of the Council.
  - (b) Subject to paragraph (a) above the Council may in its absolute discretion approve any application for membership if it is of the opinion that the applicant has the necessary qualifications to be a Fellow Member, an Associate Member, a Student Member or an Honourary Member.
  - (c) Upon approval by the Council of any application, the applicant shall be admitted as a Member on payment of the entrance fee (if any) and the subscription fee for the then current financial year applicable for the relevant Class and sub-class of Members.

## **FEES AND SUBSCRIPTIONS**

6. The Council may determine, from time to time:
  - (a) the entrance fee, annual subscription and other fees payable by each Class and sub-class of Members;
  - (b) that one or more Class(es) of Membership be divided into sub-classes or categories for the purposes of determining fees and subscriptions and may determine any such fees and subscriptions for such sub-classes or categories;
  - (c) the due date for payment of fees and subscriptions; and
  - (d) policies with respect to:
    - (i) non-payment of fees and subscriptions by a due date, including termination of membership;
    - (ii) deferral and/or waiver of fees and subscriptions; and
    - (iii) disputes with respect to fees and subscriptions.

## **CLASSES OF MEMBERSHIP**

7. The Members shall be of four Classes, namely:
  - (a) Fellow Members

Fellow Members shall be entitled to vote at the General Meetings, to nominate candidates for election of Council Members, be elected as Council Members, and generally to exercise the full rights of a Member.
  - (b) Associate Members

Associate Members shall be entitled to vote at the General Meetings, to nominate candidates for election of Council Members, to present papers approved by the Council and to join in discussions. They shall not be elected as Council Members.

(c) Student Members

Student Members consists of two sub-classes, namely Ordinary Student Members and University Student Members, and shall be entitled to be present at the General Meetings, to present papers approved by the Council and to join in discussions. They shall have no voting rights and shall not nominate, elect or be elected as Council Members.

(d) Honourary Members

Honourary Members shall be entitled to be present at the General Meetings, to present papers approved by the Council and to join in discussions. They shall have no voting rights and shall not nominate, elect or be elected as Council Members.

### **REQUIREMENTS FOR ADMISSION TO MEMBERSHIP**

8. Subject to the power of the Council to change the requirements as provided below under Article 10, the requirements for entry to the membership to the Society shall be as follows:

(a) Fellow Members

(i) Any person who is a fellow member of at least one of the actuarial bodies approved from time to time by the Council and who is nominated by two Fellow Members shall upon approval by the Council be eligible to become a Fellow Member.

(ii) Any person who, having been assessed by the Council as possessing appropriate professional actuarial qualifications and practical experience, shall be admitted as a Fellow Member.

(b) Associate Members

(i) Any person who is an associate member of at least one of the actuarial bodies approved from time to time by the Council and who is nominated by two Members, at least one of whom is a Fellow Member, shall upon approval by the Council be eligible to become an Associate Member.

(ii) Any person who, having been assessed by the Council as possessing appropriate professional actuarial qualifications and practical experience, shall be admitted as an Associate Member.

(c) Student Members

Student Members consist of the following two sub-classes:

(i) Ordinary Student Members

Any person who demonstrates an interest in actuarial or other related work and who is nominated by two Members at least one of whom is a Fellow Member, shall upon approval by the Council be eligible to become an Ordinary Student Member.

(ii) University Student Members

Any person who:

- (1) demonstrates an interest in actuarial or other related work;
- (2) is registered in a university study programme in subjects related to actuarial work;
- (3) is not engaged in any full-time job; and
- (4) is nominated by two Members at least one of whom is a Fellow Member

shall upon approval by the Council be eligible to become a University Student Member.

(d) Honourary Members

(i) Any person who is recommended by two Fellow Members shall upon the approval by the Council and at the General Meeting by a majority of Voting Members be eligible to become an Honourary Member.

- (ii) The person shall at the time of recommendation in the opinion of the Council possess the following pre-requisites:
    - (1) A former Fellow Member or an Associate Member who has retired from active work; or
    - (2) A distinguished actuary; or
    - (3) A person who has contributed significantly to the actuarial profession of Hong Kong; or
    - (4) Such pre-requisites as deemed appropriate by the Council.
- 9. An applicant for each Class of membership shall be a fit and proper person to carry out the inherent requirements for entry to membership to the Society. In determining whether an applicant is fit and proper, the Council may have regard to such matters as it considers appropriate, including, without limitation:
  - (a) the education or other qualifications or experience of the person;
  - (b) the person's ability to act competently, honestly and fairly;
  - (c) the reputation, character, reliability and integrity of the person;
  - (d) the person's financial status or solvency; and
  - (e) whether any disciplinary action has been taken against the person by any other body, authority or regulatory organisation, whether in Hong Kong or elsewhere.
- 10. The Council may change the requirements for entry to membership from time to time (including for the avoidance of doubt by requiring that new members must pass examinations prescribed by the Council). Any changes to the requirements for entry to membership shall be decided by way of a three-fourths supermajority vote of the total number of Council Members and shall be notified to the Members by circulation. Members are entitled to object to such changes within 14 days from the date of circulation by presenting a petition endorsed by not less than 10% of the total voting rights of the Voting Members. If such a petition is received, such changes shall only be effective if approved by a majority of the Voting Members present or by proxy at a General Meeting called for this purpose.

11. Save and except the Honourary Members, the Council shall have absolute discretion without giving any reason in (i) admitting any person as a Member; (ii) deciding a Member's Class of membership; and (iii) transferring and re-transferring a Member from one Class to another from time to time without prior notice. Removing or transferring an Honourary Member to another Class shall be approved by an ordinary resolution of the Voting Members at a General Meeting.
12. The Society shall maintain at its registered office a register of Members showing for each Member:
  - (a) his usual or last known address;
  - (b) his fax number and/or electronic address (if such fax number and/or electronic address has/have been provided by such Member);
  - (c) the Class to which he belongs;
  - (d) whether he is a Voting Member; and
  - (e) such other particulars as the Council deems fit.

### **VOTING MEMBERS**

13. A Voting Member shall be either a Fellow Member or an Associate Member.

### **TERMINATION OF MEMBERSHIP**

14. A person shall cease to be a Member:
  - (a) if he resigns by giving a notice in writing to the Society;
  - (b) if he dies;
  - (c) if he becomes bankrupt or makes any arrangement or composition with the person's creditors generally;
  - (d) if he becomes a mentally incapacitated person;
  - (e) if he is expelled; or



- (f) if he fails to pay any subscriptions or other dues for 60 days after they are due provided that a Member shall be reinstated at the discretion of the Council upon payment of such outstanding subscriptions or dues.
15. Membership is not transferable.

## **COUNCIL, OFFICERS AND COMMITTEES**

### **COMPOSITION OF COUNCIL**

16. (a) The Council shall consist of not less than 10 and not more than 16 Council Members. A maximum number of 3 Independent Council Members may be appointed by the incumbent Council as it deems appropriate and approved by an ordinary resolution of the Voting Members of the Annual General Meeting. Save and except the Independent Council Members, only Fellow Members are entitled to be elected as Council Members.
- (b) (i) Candidates to be eligible for election as Council Members, except Independent Council Members, must be nominated by a Voting Member and seconded by another Voting Member, and must be present at the Annual General Meeting or have indicated in writing to the Society of their willingness to serve if elected.
- (ii) If the number of candidates running for election of Council Members, except Independent Council Members, is not more than the number of applicable vacancies, the persons running for election shall, as from the next Annual General Meeting, be deemed to be duly elected Council Members.
- (iii) If there are more candidates than the number of applicable vacancies, the election shall be conducted in such manner as the Council directs, including but not limited to: an election by postal voting in accordance with the process set out in Article 16A; an election by electronic voting in accordance with the process set out in Article 16B; an election by way of voting at the Annual General Meeting or a General Meeting in accordance with the process set out in Article 16C. If the Council does not specifically direct the adoption of a particular process, the process shall be that as set out in Article 16C.

- (iv) The election results may be announced before or during the Annual General Meeting or General Meeting, or at any reasonable time thereafter. In the event that the election results are to be announced during the Annual General Meeting or General Meeting, the chairman of that Annual General Meeting or General Meeting shall make such announcement; such announcement shall be made by the Council at all other times.
- (c)
  - (i) Save and except as provided hereinafter for the President and Vice President, the term of office of the Council Members, including Independent Council Members, shall be three years from the first day (i.e. 1st January) in the following calendar year after their appointments are announced and adopted at an Annual General Meeting and shall retire at the end of their three years term on the last day (i.e. 31st December) of the third calendar year thereafter.
  - (ii) Subject to Article 16(a) above, the Annual General Meeting may decide by an ordinary resolution the number of Council Members and the number of vacancies to be elected thereat. In order to maintain the principle that at least one-third of the Council Members retire every year, the Council may in its absolute discretion specify the length of the term of the office of a particular vacancy, including the Independent Council Members, before the election.
  - (iii) If an Independent Council Member ceases to be so for whatever reason before his term expires, the Council or the General Meeting may appoint a replacement to fill the vacancy for the remainder of his term.
  - (iv) One Independent Council Member shall retire each year.
  - (v) Retired Council Members, including retired Independent Council Members (if any), shall be eligible for re-election immediately.
- (d) There shall be one President and one Vice President who must be Council Members.
- (e)
  - (i) Upon retirement of the preceding President, the Vice President shall automatically become the President of the Society. The term of office of the President shall be one year beginning from the first day

(i.e. 1st January) of the calendar year and end on the last day (i.e. 31st December) in the same calendar year.

- (ii) The Vice President shall be appointed by the Council. Only Council Members who have been holding office as such continuously for not less than 11 months immediately prior to the date on which the appointment is to be made shall be eligible for nomination as the candidate for Vice President. The term of office of the Vice President shall be one year, which shall begin from the first day (i.e. 1st January) of the calendar year and end on the last day (i.e. 31<sup>st</sup> December) in the same calendar year.
- (iii) If a President ceases to be so for whatever reason before his usual retirement under Article 16(e)(i) above, the Vice President shall become the President immediately. In this circumstance, the term of such President may be more than one year and he shall then retire as usual as provided in paragraph (i) above.
- (iv) If, upon retirement of the President or the President otherwise ceasing to be so, there is no Vice President who may automatically assume the office of President, the President shall be appointed by the Council. In this circumstance, only Council Members who have been holding office as such continuously for not less than 11 months immediately prior to the date on which the appointment is to be made shall be eligible for nomination as the candidate for President. If the appointment is made part way through the calendar year, the term of the President may be for more than one year and the President shall then retire as usual as provided in paragraph (i) above.
- (v) If a Vice President ceases to be so for whatever reason before his usual retirement under Article 16(e)(ii) above, a new Vice President shall be appointed by the Council who shall meet the qualification requirements in paragraph (ii) above.
- (f) Notwithstanding anything herein, the President shall continue as a Council Member for one year after his retirement as the President. The term of the President and the Vice President as a Council Member shall be extended, if applicable, accordingly during his presidency and vice-presidency or be so extended after their retirement to fulfill the requirement as provided in Article 16.

- (g) Notwithstanding anything herein, any Fellow Member may stand for election to the office of President at any Annual General Meeting or General Meeting, providing that he collects not less than 10% of the total Voting Members' endorsement and is approved by an ordinary resolution of the Voting Members of the Annual General Meeting.
  - (h) The President, the Vice President and the Council Members may be removed at an Annual General Meeting by an ordinary resolution of the Voting Members present or by proxy thereat to be held in December of each calendar year or at such time or at such General Meeting which is deemed appropriate by the Council.
  - (i) Any Council Member may resign from office by giving at least one-month's written notice to the Council.
- 16A. If an election of Council Members is necessary and the Council directs pursuant to Article 16 that the process shall be by postal voting in accordance with this Article, the procedure shall be as follows:
- (a) Not less than 1 scrutineer shall be appointed by the Council.
  - (b) The Secretary shall, at least 30 days before the Annual General Meeting, forward a voting paper to every Voting Member entitled to vote at the Annual General Meeting. The voting papers shall be in such form and in such manner as the Council from time to time directs.
  - (c) The voting papers, duly sealed in accordance with the directions printed thereon, shall be delivered to the scrutineers at least 14 days before the date fixed for the Annual General Meeting. Any voting paper not received by that date shall be invalid.
  - (d) Votes shall be given and counted in accordance with the relative majority system of voting (i.e. the "first past the post" system of voting).
  - (e) As soon as the voting papers have been examined and counted and the results of the election ascertained by the scrutineers, the voting papers shall be duly sealed by the scrutineers. The sealed voting papers shall be retained until the conclusion of the Annual General Meeting.

- (f) 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 7 days before the date of the Annual General Meeting.
- (g) The scrutineers' report shall be conclusive as to the facts of the election, notwithstanding any irregularity or informality. In the case of an equality of votes, the chairman of the Annual General Meeting shall have a second or casting vote.
- (h) Subject to (f) above, the scrutineers' report shall be copied to the President before the Annual General Meeting and be presented at the Annual General Meeting. The results of the election of the Council and appointment of such persons as Council Members will be announced pursuant to Article 16(b)(iv).
- (i) The election of the Council Members shall take effect from the first day (i.e. 1<sup>st</sup> January) in the following calendar year after the Annual General Meeting at which such Council Members' appointments are announced and adopted.

16B. If an election of Council Members is necessary and the Council directs pursuant to Article 16 that the process shall be by electronic voting in accordance with this Article, the procedure shall be as follows:

- (a) The Secretary shall, at least 30 days before the Annual General Meeting, provide all Voting Members with:
  - (i) the instructions to access and cast votes on the Society's online ballot system; and
  - (ii) the time period in which the Voting Members can do so;
- (b) Articles 16A(a), 16A(c), 16A(d) to (i) shall apply *mutatis mutandis*.

16C. If an election of Council Members is necessary and the Council directs pursuant to Article 16 that the process shall be by voting at the Annual General Meeting or a General Meeting in accordance with this Article, the procedure shall be as follows:

- (a) The Secretary shall provide all Voting Members and proxies with a voting paper on registration. The voting papers shall be in such form and in such manner as the Council from time to time directs.

- (b) The voting shall be conducted in such manner as the Council directs.
- (c) The scrutineers shall supervise the voting process, including the examination and counting of the votes.
- (d) 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 President and Secretary at the Annual General Meeting or the General Meeting or at any reasonable time thereafter.
- (e) The results of the election of the Council and appointment of such persons as Council Members will be announced pursuant to Article 16(b)(iv).
- (f) Articles 16A(a), 16A(d), 16A(e), 16A(g) and 16A(i) shall apply *mutatis mutandis*.

#### **POWERS AND DUTIES OF THE COUNCIL**

- 17. (a) The management of the Society and the administration of its assets shall be vested in the Council including but not limited to the powers:
  - (i) to set, review and amend the qualification standards (including to set, review and amending regulations, exemptions and disciplines relating to the examinations) for admittance to all Classes of membership, various fees, waiver and related membership application matters;
  - (ii) to examine and verify the qualifications of those persons who apply for membership;
  - (iii) to receive, examine, accept or reject applications for admission and renewal of membership of all Classes;
  - (iv) to deal with Disciplinary Procedures as described in Article 66;
  - (v) to keep proper record of proceedings;

- (vi) to regulate continuing professional development training; and
  - (vii) to carry out such other function as these Articles may prescribe.
- 
- (b) Subject to Article 77, the Council may in its absolute discretion approve the payment by the Society in whole or in part of expenses incurred by the Secretary or by a Council Member in connection with the affairs of the Society.
  - (c) The Council may in discharging its duties delegate, subject to such conditions as it thinks fit, any of its powers to the Members or committees set up by the Council including but not limited to the accounts committee, membership committee, professional conduct committee, Disciplinary Committee, Appeal Committee etc. provided that the majority members of such committees shall be Members and shall include at least 1 Council Member. The chairmen of these committees need not be a Council Member.
  - (d) The Council shall have power to pass By-laws as described in Article 61 below. The Council shall also have the power to cause to be published the Professional Standards, Professional Conduct Codes, Actuarial Guidance Notes, Circular Notes and Disciplinary Procedures as described in Articles 62 to 66 below.
  - (e) The duties and powers of the officers not specifically fixed in the By-laws shall be determined by the Council.
  - (f) The Council shall annually appoint a Secretary who may be a Member, or a professional firm, or an employee, or a person retained by the Society under terms agreed by the Council. The Secretary shall not vote at meetings of Council unless he is a duly elected Council Member.
  - (g) The Council shall annually appoint a Treasurer from among the Council Members.
  - (h) If a vacancy occurs in the office of a Council Member, the Council may appoint a Fellow Member to fill the casual vacancy till the next General Meeting or if the Society has dispensed with the holding of Annual General Meetings or is not required to hold Annual General Meetings, he must retire from office before the end of 9 months after the end of the Society's accounting reference period by reference to which the financial year in which the Council Member was appointed to be determined.

- (i) The Council shall cause minutes to be made in books provided for the purpose of recording:
  - (i) all appointments of officers made by the Council;
  - (ii) the names of Council Members present at each meeting of the Council and of any committee of the Council;
  - (iii) all resolutions and proceedings at all meetings of the Society and of the Council and of committees of Council; and
  - (iv) every Council Member present at any meeting of the Council or committee of Council shall sign his name in a book to be kept for that purpose.

#### **DISQUALIFICATION OF COUNCIL MEMBER**

- 18. A Council Member shall vacate his office if he:
  - (a) resigns his office by giving a notice in writing to the Society in accordance with section 464(5) of the Companies Ordinance; or
  - (b) ceases to be a Member; or
  - (c) holds any office of profit under the Society.

#### **PROCEEDINGS OF THE COUNCIL**

- 19. Meetings of the Council may be held at such times and places as the Council from time to time determines.
- 20. Meetings of the Council may also at any time be convened by the President or at the written request of any 3 Council Members to the Secretary. In the case of request by 3 Council Members, the Council Meeting shall be convened by the Secretary.
- 21. Notice of meetings of the Council shall be sent by the Secretary to each Council Member at his usual or last known address or by fax or electronic means at least 14



- days before the meeting. Such notice shall indicate the proposed date, time and place of the Council meeting.
22. The President shall preside as the chairman at the Council meeting. In the absence of the President from any meeting of the Council, the Vice President shall be the chairman thereof. In the absence of both of them, the Council may appoint a Member present to act as chairman.
  23. Six Council Members as determined and/or elected in the latest General Meeting shall constitute a quorum for a meeting of the Council. A Council Member may be counted as a quorum if he is present in person, by video conference or by telephone conference. At a Council meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another Council meeting.
  24. Matters of the Council (except for the election of chairman of Council meeting above) shall be decided by a majority of votes in favour. Each Council Member shall have one vote.
  25. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote. However, the above does not apply if, in accordance with these Articles, the chairman is not to be counted as participating in the decision-making process for quorum or voting purposes.
  26. The Council Members must ensure that the Society keeps a written record of every decision taken by the Council Members for at least 10 years from the date of the decision. The Council Members must cause the information of the Society to be adequately recorded for future reference as required by the Companies Ordinance.
  27. The Council Member must declare the nature and extent of his interests to the other Council Members in accordance with section 536 of the Companies Ordinance.

#### **APPOINTMENT AND REMUNERATION OF OFFICERS**

28. The Council may appoint and remove and may, subject to these Articles, determine the duties and remuneration (if any) of the Secretary, Treasurer, Auditor, solicitors or other officers and servants provided that no Council Member shall be entitled to receive any remuneration for or in connection with the performance of any of the duties herein.

## **THE SECRETARY AND THE TREASURER OF THE SOCIETY**

29. The Secretary shall where possible attend the meetings of the Council and of the Society and prepare minutes of proceedings in connection therewith. In his absence, the chairman of the meeting shall nominate a deputy Secretary for the purpose of that meeting. The Secretary or the deputy secretary shall keep account of receipts and expenditure under the direction of the Treasurer.
30. The Treasurer shall ensure that the Council has set up proper procedures for control of receipts and expenditure including signing of cheques. Cheques required to be signed by the Society shall be signed by the Treasurer and a Council Member or two Council Members or such other two persons as authorised by the Council from time to time.

## **MEETINGS**

### **GENERAL MEETINGS**

31.
  - (a) Subject to sections 611, 612 and 613 of the Companies Ordinance, the Society must, in respect of each financial year of the company, hold an Annual General Meeting in accordance with section 610 of the Companies Ordinance. The Annual General Meeting convened by the Society shall be held in December of every calendar year or such other time as the Council may decide to, inter alia, receive the report of the President, to pass the audited accounts (for the period ending 30th September each year), to announce the election of and/or elect Council Members, to approve Honourary Members and to appoint the Auditor and/or to discuss and resolve such matters as are deemed appropriate by the Council.
  - (b) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
  - (c) An Extraordinary General Meeting may be convened by the Council or upon requisition in writing and signed by at least 5% of the total voting rights of the Voting Members. The meeting convened upon requisition shall be called in accordance with section 567 of the Companies Ordinance.
  - (d) If the Council Members do not call a General Meeting as stated in (c) above, 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 Companies Ordinance.

32. At all General Meetings, the President of the Society or failing him the immediate past President or failing him the Vice President shall be the chairman. In their absence, the chairman shall be a Council Member appointed by the Council.
33. Subject to the provisions of these Articles and section 578 of the Companies Ordinance, notice of every General Meeting shall be given in the manner hereinafter mentioned to all Members and also to the Auditor for the time being of the Society:
  - (a) in case of the Annual General Meeting, not less than 21 days' notice in writing; and
  - (b) in case of a meeting other than an Annual General Meeting, not less than 14 days' notice in writing.
34. The said period shall exclude the day on which it is served or deemed to be served and the day on which it is given.
35. The notice shall specify the place (if the meeting is to be held in two or more places, the principal place of the meeting and the other place or places of the meeting), date and time of meeting and the general nature of the business to be dealt with at the meeting. The notice convening an Annual General Meeting shall specify the meeting as such. If a resolution (whether or not a special resolution) is intended to be moved at the meeting, the notice shall include the notice of the resolution and include or be accompanied by a statement containing any information or explanation, if any, that is reasonably necessary to indicate the purpose of the resolution. The notice convening a meeting to pass a special resolution shall specify the intention and include the text of the special resolution. The notice shall also contain a statement specifying a Member's right to appoint a proxy under section 596(1) of the Companies Ordinance.
36. Provided that a General Meeting of the Society shall, notwithstanding that it is called by shorter notice than that specified in these Articles, be deemed to have been duly called if it is so agreed:
  - (a) in the case of an Annual General Meeting, by all the Voting Members entitled to attend and vote at the meeting; and

- (b) in the case of an Extraordinary General Meeting, by a majority in number of the Voting Members having the right to attend and vote at the meeting, being a majority together representing at least 95% of the total voting rights at the meeting of all the Voting Members.
37. The accidental omission to give notice of the General Meeting to or the non-receipt of notice of a General Meeting by any person entitled to receive notice shall not invalidate the proceedings at that General Meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

38. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of the consideration of the accounts, balance sheets, 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.
39. The passing of resolutions shall except in cases otherwise specially provided for (such as the Professional Standards in Article 62 and the Professional Conduct Codes in Article 63) be decided by a majority of votes disregarding blank or invalid votes and abstentions.
40. 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. Save as herein otherwise provided, 20 Voting Members shall be a quorum.
41. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.
42. (a) The chairman of a General Meeting at which a quorum is present may, with the resolution of the Voting Members present or by proxy thereat (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 adjourning a General Meeting, the chairman of the meeting shall specify the date, time and place to which it is adjourned. 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 of the business to be transacted at any adjourned meeting.

- (b) At any General Meeting a resolution put to the vote of the meeting may be decided on a show of hands unless a poll is demanded.
  - (c) 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 a particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the Society shall be conclusive evidence of the fact without the proof of the number or proportion of the votes recorded in favour of or against such resolution.
43. Save as provided in Articles 16 and 16C, if a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
44. Save as provided in Articles 16 and 16C,
- (a) A poll on a resolution may be demanded by:
    - (i) the chairman of the meeting; or
    - (ii) by at least 5 Voting Members having the right to vote at the meeting;  
or
    - (iii) by a Member or Members representing at least 5% of the total voting rights of all the members having the right to vote at the meeting.
  - (b) If, before or on the declaration of the result on a show of hands at a General Meeting, the chairman of the meeting knows from the proxies received by the Society that the result on a show of hands will be different from that on a poll, the chairman must demand a poll.
45. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
46. (a) Any objection to the qualification of any person voting at a General Meeting may only be raised at the meeting or adjourned meeting at which the vote objected to is tendered, and a vote not disallowed at the meeting is valid.

- (b) Any objection must be referred to the chairman of the meeting whose decision is final.
47. A resolution in writing signed by all Voting Members for the time being entitled to receive notice of and to attend and vote at General Meetings shall be as valid and effective as if the same had been passed at a General Meeting duly convened and held.
48. (a) An ordinary resolution to be proposed at a General Meeting may be amended by ordinary resolution if:
- (i) notice of the proposed amendment is given to the Secretary in writing; and
  - (ii) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (b) The notice must be given by a person entitled to vote at the General Meeting at which it is to be proposed at least 72 hours (or a later time the chairman of the meeting determines) before the meeting is to take place (or a later time the chairman of the meeting determines).
- (c) A special resolution to be proposed at a General Meeting may be amended by ordinary resolution if:
- (i) the chairman of the meeting proposes the amendment at the meeting at which the special resolution is to be proposed; and
  - (ii) the amendment merely corrects a grammatical or other non-substantive error in the special resolution.
- (d) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the vote on that resolution remains valid unless the High Court of the Hong Kong Special Administrative Region orders otherwise.

## **VOTES OF MEMBERS**

49. Each Voting Member shall have one vote.

50. On a poll or show of hand, votes may be given either personally or by proxy.
51. A proxy must be a Voting Member.
52. The instrument appointing a proxy shall be deposited with the Secretary:
  - (a) for a General Meeting or adjourned General Meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and
  - (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.

In default, the instrument of proxy shall be treated as valid. In calculating the periods mentioned above, no account is to be taken of any part of a day that is a public holiday.

53. An appointment under a proxy notice may be revoked by delivering to the Society a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
54. A notice revoking the appointment only takes effect if it is received by the Society:
  - (a) for a General Meeting or adjourned General Meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and
  - (b) a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.
55. A proxy's authority in relation to a resolution is to be regarded as revoked if the Voting Member who has appointed the proxy:
  - (a) attends in person the General Meeting at which the resolution is to be decided; and
  - (b) exercises, in relation to the resolution, the voting right that the Voting Member is entitled to exercise.
56. A Voting Member who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a General Meeting remains so entitled in respect of the meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Society by or on behalf of the Voting Member.

57. A vote given in accordance with the terms of a proxy notice is valid despite:
- (a) the previous death or mental incapacity of the Voting Member appointing the proxy; or
  - (b) the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy is executed.
58. Article 57 does not apply if the notice in writing of the death, mental incapacity or revocation is received by the Society:
- (a) for a General Meeting or adjourned General Meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and
  - (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.
59. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit -

"I [name] of [address]  
 being a Voting Member hereby appoint [name] of [address]  
 being a Voting Member or failing him [name] of [address]  
 being a Voting Member as my proxy to vote for me on my behalf at the  
 [Annual or Extraordinary, as the case may be] General Meeting to be held on the  
 day of , and at any adjournment thereof.

Signed this day of ."

60. Unless a proxy notice indicates otherwise, it must be regarded as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the General Meeting; and
  - (b) appointing that person as a proxy in relation to any adjournment of the General Meeting to which it relates as well as the meeting itself.



**BY-LAWS, DISCIPLINARY PROCEDURES, PROFESSIONAL  
STANDARDS, PROFESSIONAL CONDUCT CODES, ACTUARIAL  
GUIDANCE NOTES AND CIRCULAR NOTICES**

61. (a) The Council may make, amend or set aside By-laws governing such matters (including but not limited to continuing professional development requirements) as it sees fit by way of a three-fourths supermajority vote of the total number of Council Members. All Members agree to comply with and be bound by the By-laws of the Society from time to time in force, provided that no such By-laws may be contrary to any provisions in these Articles. The By-laws shall set out the Due Process to be followed by the Council in issuing and amending Disciplinary Procedures, Professional Standards, Professional Conduct Codes and Actuarial Guidance Notes.
- (b) The By-laws are not subject either to Due Process or voting by Members. However, any new By-laws or amendments to the By-laws shall be notified to the Members by circulation, and Members are entitled to object to such By-laws within 14 days from the date of circulation by presenting a petition endorsed by not less than 10% of the total voting rights of the Voting Members. If such a petition is received, such By-laws shall only be effective if approved by a majority of the Voting Members present or by proxy at a General Meeting called for this purpose.
62. The Council may cause to be published Professional Standards. In formulating Professional Standards, the Council shall follow the Due Process. Professional Standards will come into force only after being passed by a three-fourths supermajority vote of the total number of Council Members and subsequently being approved by a majority of the Voting Members present or by proxy at a General Meeting called for this purpose.
63. The Council may cause to be published Professional Conduct Codes. In formulating Professional Conduct Codes, the Council shall follow the Due Process. Professional Conduct Codes will come into force only after being passed by a three-fourths supermajority vote of the total number of Council Members and subsequently being approved by a majority of the Voting Members present or by proxy at a General Meeting called for this purpose.
64. The Council may cause to be published Actuarial Guidance Notes. In formulating Actuarial Guidance Notes, the Council shall follow the Due Process. Actuarial

Guidance Notes will come into force only after being passed by a three-fourths supermajority vote of the total number of Council Members.

65. The Council may cause to be published Circular Notices for any matters as it deems appropriate. These are not subject either to Due Process or voting by Members.
66. The Council may cause to be published Disciplinary Procedures providing for the composition of any Disciplinary Committee and Appeal Committees, and the procedures to be followed in disciplinary proceedings and on appeal. Members shall be obliged to cooperate in any investigation in connection with any disciplinary matter, including answering fully and frankly any questions raised, and to comply with any directions of any Disciplinary Committee or Appeal Committee. In formulating and amending Disciplinary Procedures, the Council shall follow the Due Process. Disciplinary Procedures will come into force only after being passed by a three-fourths supermajority vote of the total number of Council Members and subsequently being approved by a majority of the Voting Members present or by proxy at a General Meeting called for this purpose.

### **DISCIPLINARY ACTIONS**

67. Where any Member is determined by a Disciplinary Committee or an Appeal Committee to be not fit and proper to be a Member or to have been guilty of misconduct, such Member may be subject to disciplinary actions which may include one or more of the following:
  - (a) a private or public reprimand;
  - (b) a fine of up to HK\$250,000;
  - (c) suspension from the membership for such period as the Disciplinary Committee or Appeal Committee considers appropriate;
  - (d) expulsion from the membership and a prohibition on the Member re-applying for admission;
  - (e) an order requiring the Member concerned to pay any legal costs or expenses incurred by the Society in connection with the disciplinary proceedings; and/or
  - (f) an order requiring the Member to complete a period of education and/or training in connection with the By-laws of the Society.

In determining whether a Member is fit and proper, the Disciplinary Committee or the Appeal Committee may have regard to the same factors that apply to new applicants under Article 9.

Any fine imposed under Article 67(b) and any order requiring a Member to pay any legal costs or expenses under Article 67(e) shall give rise to a civil debt, which may be enforced by the Society. If a disciplinary action has been imposed under Article 67(f), the same Disciplinary Committee or a new Disciplinary Committee (as this Council considers appropriate) may impose a further sanction should the Member not comply with the terms of the disciplinary action of education and/or training first imposed. Any Member aggrieved by a decision of a Disciplinary Committee shall have a right of review to an Appeal committee in accordance with the Disciplinary Procedures.

#### **INDEMNITY**

68. Subject to sections 415, 468 and 469 of the Companies Ordinance, the Society shall indemnify all those acting on its behalf whether by election, appointment or employment, against all losses, expenses and liabilities that arise in respect of their service to the Society out of the assets of the Society except:
- (a) where such liability attaches to the Auditor and arises in connection with any negligence, default, breach of duty or breach of trust occurring in the course of performance of the duties as auditor in relation to the Society; and
  - (b) where such liability attaches to a Council Member and arises in connection with any negligence, default, breach of duty or breach of trust in relation to the Society.

#### **EXPENDITURE**

69. All expenditures exceeding the limit set by the Council annually must be approved by the Council prior to incurring the expense.

## **SEAL**

70. The Council shall provide for the safe custody of the Seal of the Society, which shall only be used by the authority of the Council and every instrument to which the Seal is affixed shall be signed by a Council Member and shall be countersigned by a second Council Member or by some other person appointed by the Council for that purpose.

## **ACCOUNTS**

71. (a) The Council shall keep true and proper accounts of the sums of money received and expended by the Society, and the matters in respect of which such receipts and expenditure take place, and of all the sales and purchase of goods by the Society, the assets, the property, credits and liabilities of the Society.
- (b) Once at least in every year the accounts of the Society shall be examined, and the correctness of the balance sheet ascertained by one or more properly qualified auditor or auditors.
- (c) The Council must prepare annual financial statements for each accounting reference period as required by the Companies Ordinance. The financial statements must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Hong Kong Institute of Certificated Public Accountants or its successors and adhere to all of its recommended practices.
72. The Council must keep accounting records as required by the Companies Ordinance. The Council shall from time to time determine at what times and places and under what conditions or regulations the accounting and the other records of the Society shall be open to inspection of the Members. If the Society is required to hold an Annual General Meeting in accordance with section 610 of the Companies Ordinance in respect of a financial year, the Council shall, not less than 21 days before the date of the Annual General Meeting, distribute the financial statements and reports for the financial year, including copies of every income and expenditure account and balance sheet (including every document required by law to be attached thereto) accompanied by a copy of the Council's report and the Auditor's report thereon to Council Members. The Council shall from time to time in accordance with, inter alia, the sections 379-381, 383, 388-391 and 429-431 of the Companies Ordinance, cause to be prepared and laid before the Society in each General

Meeting such balance sheets, income and expenditure accounts and reports as referred to in those sections. [If, by virtue of section 612(2) of the Ordinance, the Society is not required to hold an Annual General Meeting in accordance with section 610 in respect of a financial year, the Society must send a copy of the reporting documents for the financial year to every Member within the period specified in section 431.]

73. The Auditor shall be appointed with their duties regulated in accordance with the Companies Ordinance.

### NOTICES

74. A notice may be served on, delivered to or made available by the Society to any Member by any of the following means:

- (a) by serving it personally on such Member;
- (b) by sending it by mail, postage prepaid, at such Member's Registered Address;
- (c) by leaving it at his Registered Address;
- (d) by sending it by fax or electronic means at such fax number or electronic address (as the case may be) as appearing in the Society's register of Members;
- (e) by making it available on the Society's website or computer network to which Members may have access; or
- (f) by any other means authorised by the Member concerned.

75. Any notice served, delivered or issued by the Society to any Member:

- (a) if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which such notice was put in to the post, and, in providing such service, it shall be sufficient to prove that the relevant notice was properly addressed and put into the post as prepaid mail;
- (b) if left by the Society at a Registered Address, shall be deemed to have been served or delivered on the day it was left;

- (c) if sent by fax or electronic means, other than by making it available on the Society's website, shall be deemed to have been served or delivered on the day on which such fax or electronic communication was sent;
- (d) if made available by the Society on its website or computer network to which Members may have access, shall be deemed to have been served or delivered on the day on which such notice was first made available on the Society's website or such computer network; or
- (e) if sent by any other means authorised by the Member concerned, shall be deemed to have been served or delivered when the Society carried out the action it had been authorised to take for that purpose.

### **POWERS OF THE SOCIETY**

76. For the furtherance of the Society's objects but not otherwise, or where it is conducive or incidental to doing so, the Society shall have powers:
- (a) to accept subscriptions, donations and endowments and promoting social and cultural functions and other forms of entertainment;
  - (b) to support and subscribe to any charity or relief or public fund in Hong Kong or elsewhere and to make donations to such persons or institutions and in such cases as the Society shall think fit;
  - (c) to purchase, take on lease, to hire or otherwise acquire any real or personal property or any rights or interests therein which the Society may think necessary or convenient for effectuating any of its objects and to work, use, maintain, improve and to sell, let, surrender, mortgage, charge, dispose of or otherwise deal with the same or any other property of the Society for the objects of the Society;
  - (d) to account for and receive subscriptions and other contributions towards the cost of the activities of the Society and generally to raise money for the objects of the Society;
  - (e) to borrow any money required for the objects of the Society upon such terms and on such securities as may be determined; and

- (f) generally to do all such other lawful things as are incidental or conducive to the attainment of the above objects or any of them.

Provided that:

- (1) in case the Society shall take or hold any property which may be subject to any trusts, the Society will only deal with or invest the same in such manner as allowed by law, having regard to such trust; and
- (2) the objects of the Society shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

### **INCOME AND PROPERTY OF THE SOCIETY**

- 77. (a) The income and property of the Society, however derived, shall be applied solely towards the promotion of the objects of the Society as set out in these Articles.
- (b) Subject to sub-clauses (d) and (e) below, no portion of the income and property of the Society shall be paid or transferred directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to any of the Members.
- (c) No Council Member shall be appointed to any salaried office of the Society, or any office of the Society paid by fees and no remuneration or other benefit in money or money's worth (except as provided in (e) below) shall be given by the Society to any Council Member.
- (d) Nothing herein shall prevent the payment, in good faith, by the Society of reasonable and proper remuneration to any officer or servant of the Society, or to any Member in return for any services actually rendered to the Society.
- (e) Nothing herein shall prevent the payment, in good faith, by the Society:
  - (1) of reimbursement to any Member or Council Member for out-of-pocket expenses properly incurred by him or her for the Society;
  - (2) of interest on money lent by any Member or Council Member to the Society at a reasonable and proper rate which must not exceed 2% per

annum above the prime rate prescribed for the time being by The Hongkong and Shanghai Banking Corporation Limited for Hong Kong dollar loans;

- (3) of rent to a Member or Council Members for premises let by him or her to the Society: Provided that the amount of the rent and the other terms of the lease must be reasonable and proper; and such Member or Council Member must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion; or
  - (4) of remuneration or other benefit in money or money's worth to a body corporate in which a Member or Council Member 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 to any benefit he may receive in respect of any payment properly paid in accordance with (d) and (e) above.

#### **WINDING-UP**

78. If upon the winding up or dissolution of the Society there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members; but shall be given or transferred to some other institution or institutions, having objects similar to the objects of the Society, and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Society under by virtue of Article 77 hereof and this article, such institution or institutions to be determined by a resolution of the Members at or before the time of dissolution and in default thereof by a Judge of the High Court of the Hong Kong Special Administrative Region having jurisdiction in the matter. If and so far as effect cannot be given to the aforesaid provisions, the net assets shall be applied for charitable purposes as directed by a Judge of the High Court of the Hong Kong Special Administrative Region having jurisdiction in the matter.

#### **REGISTERED OFFICE**

79. The registered office of the Society will situate in Hong Kong.



## **RESTRICTION ON FORMATION OF SUBSIDIARY**

80. The Society 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.