

ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed on 26 May 2016)

OF

THE HONG KONG INSTITUTE OF DIRECTORS LIMITED

香港董事學會有限公司

Incorporated the 1st day of February, 1996

HONG KONG

No. 537986

編號

[COPY]

COMPANIES ORDINANCE

(CHAPTER 32)

香港法例第 32 章

公司條例

CERTIFICATE OF INCORPORATION

公司註冊證書

* * *

I hereby certify that

本人謹此證明

THE HONG KONG INSTITUTE OF DIRECTORS LIMITED

is this day incorporated in Hong Kong under the Companies Ordinance,

於本日在香港依據公司條例註冊成為

and that this company is limited.

有限公司

Issued by the undersigned on 1 February 1996.

本證書於一九九六年二月一日簽發。

(Sd.) R. Chun

Mrs. R. Chun

.....
for Registrar of Companies
Hong Kong

香港公司註冊處處長

(公司註冊主任秦梁素芳代行)

**Company Limited by Guarantee
and not having a Share Capital**

ARTICLES OF ASSOCIATION
(Adopted by Special Resolution passed on 26 May 2016)

OF

香港董事學會有限公司
The Hong Kong Institute of Directors Limited

PART I

- * 1. The name of the Company is “The Hong Kong Institute of Directors Limited 香港董事學會有限公司”, hereinafter called “the Institute”.
2. The registered office of the Institute is situated in Hong Kong.
3. The objects for which the Institute is established are:
- 3.1 The promotion and advancement of the profession of directors in Hong Kong and the interests of members of the Institute as directors or holders of other equivalent office by improving the knowledge and skill with respect to their rights, duties and responsibilities and the inculcation of the highest standards of ethics, enterprise and integrity amongst such directors or holders of other equivalent office.
- 3.2 The development, promotion and implementation of good corporate governance in Hong Kong.
- 3.3 The establishment of standards and rules of professional conduct and guidelines for persons to serve as directors of companies incorporated or registered in Hong Kong.
- 3.4 The consideration and clarification of the law and practice relating to matters connected with corporate and unincorporated bodies and the duties and responsibilities of directors and the bringing and defending of actions on its own behalf or on behalf of members of the Institute or any section of members of the Institute to protect the character and status of the profession and the subscription towards the costs of actions which may be considered to be matters of general interest to the Institute or to members of the Institute or any section of members of the Institute.
- 3.5 The establishment and promotion of good standards of practice and rules of professional conduct, the settlement of disputed points of practice, the repression of malpractice and the regulation of members' conduct including exercising such professional supervision and disciplinary powers over its members as the Institute shall in its sole discretion deem fit.
- 3.6 The maintenance of a register of members and/or persons who, in the opinion and view of the Institute, meet the Institute's guidelines and standards of professional conduct and who are prepared to hold themselves out as willing to serve as non-executive directors of public companies.
- 3.7 The provision to companies, particularly public companies in Hong Kong, of advice and assistance in selecting and appointing non-executive directors and in determining the role to be played by the non-executive directors so appointed.
- 3.8 The development and maintenance of contact and co-operation with The Stock Exchange of Hong Kong Limited, the Securities & Futures Commission and any organisations having similar or complimentary objects in respect of the fulfillment of the Institute's objects.
- * Name was changed on 16 April 1997.

- 3.9 The consideration of all manner of questions and issues affecting the interests of the profession of directors and/or members of the Institute and representation of the profession whether by way of negotiation, correspondence, petition or otherwise and procurement of changes of law or practice in the administration of commerce, industry and public affairs.
- 3.10 The instruction and education of members of the public, of directors and of companies in respect of any of the matters within the scope of the Institute's objects.
- 3.11 The organisation, training and equipping of persons either on a collective or an individual basis for the achievement or promotion of any of the Institute's objects.
- 3.12 The organisation, support and promotion, whether by itself or through a wholly owned subsidiary company, of conferences, discussions, lectures, meetings, readings of papers, correspondence, publication of journals, books, pamphlets, treatises, audio cassette tapes, video cassette tapes, computer magnetic discs and other means of communications and other works of interest or benefit to the members of the Institute or which may assist in the attainment or advancement of any of the objects of the Institute.
- 3.13 The collection, collation, compilation, printing, publication, manufacture and distribution by sale, loan or otherwise, whether by itself or through a wholly owned subsidiary company, books, pamphlets, treatises, audio cassette tapes, video cassette tapes, computer magnetic discs and other means of communications and other works of interest or benefit to the members of the Institute or which may assist in the attainment or advancement of any of the objects of the Institute.
- 3.14 The promotion of any wholly owned subsidiary company for the carrying on of any of the businesses which the Institute is authorised to carry on and to subscribe for, acquire and hold shares in any such subsidiary company.
- 3.15 The establishment, administration, assistance and support of examinations, bursaries, chairs, exhibitions, fellowships, lectureships, prizes and scholarships for the advancement or encouragement of learning and study tenable at any school, technical college, university or other place of learning or otherwise and the acceptance of donations or legacies for the pursuit, administration and attainment of the objects of the Institute.
- 3.16 The establishment, administration and support of organizations, projects, research, schemes and campaigns which may assist in the attainment or advancement of any of the objects of the Institute.
- 3.17 The establishment and maintenance of libraries and collections of documents, papers, records and other effects together with the provision of facilities and services of all kinds including rooms, libraries, meeting places and offices for the use of members of the Institute.
- 3.18 To exercise such statutory functions as may from time to time be entrusted to the Institute whether by ordinance, enactment or regulations or otherwise.
- 3.19 The renting, purchasing, taking on lease or in exchange, hiring or otherwise acquisition of 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 for the purposes of the Institute, and if deemed necessary, arrangement for the same to be properly fitted and furnished.
- 3.20 The management, maintenance, improvement and development of all or any part of the property, land, building or buildings of the Institute and the entering into of any transaction 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 Institute may think fit.
- 3.21 The turning 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.
- 3.22 The receipt and acceptance of donations, endowments and gifts of money or other assets in kind whatsoever.
- 3.23 The borrowing or raising or giving security for any moneys required for the purposes of the Institute upon such securities as may be determined and in such manner as the Institute shall think fit and in particular by the issue of or upon bonds, debentures, debenture stocks, 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.

- 3.24 The offer of guarantees, giving and receiving undertakings for the purposes of the Institute.
 - 3.25 The investment of the moneys of the Institute not immediately required upon such securities and in such securities and in such manner as may from time to time be determined and permitted by law for the investment of trust funds for the purposes of the Institute.
 - 3.26 The engagement in any activities in conjunction with other bodies or associations' within the limits of the Institute's objects and the arranging of reciprocal rights and co-operation with other such bodies or associations in maintaining and promoting high professional standards and providing membership services and procuring agreements for such purposes and observing and executing the provisions thereof.
 - 3.27 The application for and obtaining of 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 regularizing any act or acts done or not done by or on behalf of the Institute.
 - 3.28 To make charitable donations.
 - 3.29 The arrangement of social and recreational activities for the members of the Institute and their guests.
 - 3.30 The establishment and promotion of any branch or agency representative in any part of the world and to carry out all or any of the Institute's objects either alone or jointly with any organisation or persons and either directly or through any such branch or agency representative or other organisation established for the attainment of the objects of the Institute in any part of the world provided that in relation to all things done outside Hong Kong, the conduct of the Institute shall be governed by the law of the relevant territory.
 - 3.31 To do all such other lawful things as are incidental or conducive to the attainment of the above objects.
 - 3.32 Each and every part of the above clauses are to be construed as a substantive clause and not be deemed to be ancillary or subsidiary to the first object.
4. 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 this Memorandum of Association; and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Institute. Provided that nothing herein shall prevent the payment in good faith, of reasonable and proper remuneration to any officer or servant of the Institute, or to any member of the Institute in return for any service actually rendered to the Institute; but so that no member of the council of management or governing body of the Institute shall be appointed to any salaried office of the Institute or any office of the Institute paid by fees save and except Article 59 of Part II, and that no member of the council of management or governing body shall receive any remuneration in respect of services as a member of the council of management or governing body or as a member of its committee or sub-committee other than expenses incurred in providing such services.
 5. The liability of the members is limited.
 6. 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 Hong Kong twenty dollars.
 7. 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 same 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, 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 Institute under or by virtue of Clause 4 hereof, such institution or institutions to be determined by the members of the Institute at or before the time of dissolution and in default thereof by a Judge of the Supreme Court of Hong Kong 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.

THE COMPANIES ORDINANCE (Chapter 622)

Company Limited by Guarantee
And not having a Share Capital

ARTICLES OF ASSOCIATION
(Adopted by Special Resolution passed on 26 May 2016)

OF

香港董事學會有限公司
The Hong Kong Institute of Directors Limited

PART II

INTERPRETATION

1. Interpretation

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

“The Institute” means The Hong Kong Institute of Directors Limited 香港董事學會有限公司.

“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 references to the provisions substituted therefor in the new Ordinance.

The “Council” means the Council of the Institute.

“Member” means a member of the Institute for the time being.

“Nomination Committee” means a committee appointed by the Council to make nominations of candidates for Council election to the Council for consideration and adoption by the Council in accordance with the provisions of these Articles.

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

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 secretary for the time being of the Institute.

“Month” means calendar month.

“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.

Wherever any provision of these Articles requires that a meeting of the Institute, its Council Members or Members be held, the requirement may be satisfied by the meeting being held by telephone or such other lawful electronic means and all participants in the meeting are able to communicate with each other.

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.

2. Purposes

The Institute is established for the purposes expressed in Part I of the Articles of Association.

MEMBERS

3. Number of Members

The membership of the Institute is unlimited.

4. Classes of Membership

The membership of the Institute shall consist of 3 classes, namely, Founder Members, Ordinary Members and Honorary members.

5. Founder Members

The Founder Members shall be the members of the First Council as elected pursuant to Article 44.

6. Ordinary Members

An Ordinary Member shall be elected by the Council. Every candidate for election to Ordinary Membership shall comply with the following conditions:

6.1 He shall be not less than eighteen years of age.

6.2 He shall be engaged, in the office of one or more companies formed or registered under the Ordinance in Hong Kong as a director or be a director/director equivalent of an organisation which meets the criteria defined by the Council.

6.3 He shall satisfy the Council that he is a fit and proper person to become an Ordinary Member, and he shall furnish the Council with such particulars as it may in its sole discretion require with regard to the nature of his duties and of the organisations which he serves and has served.

7. Honorary Members

The Council may elect any person of distinction or one who has rendered outstanding service to the Institute to be an Honorary Member of the Institute subject to that person's consent. Honorary Members shall be entitled to the ordinary privileges of membership including but not confined to the right to vote at general meetings. They shall hold office unless and until they resign by notices in writing pursuant to Article 15 of Part II. They shall not be required to pay fees or otherwise contribute to the funds of the Institute.

8. Application

Every application for membership shall be made to the Council in a form to be provided by the Institute, duly completed as regards all particulars therein required, and shall be accompanied by a remittance in payment of such entrance fee and/or annual subscription as may be determined by the Council.

9. Admission

The Council shall have absolute discretion in respect of each person proposed for election as a Member to decide conclusively whether he has or has not fulfilled the conditions applicable to his case. The decision of the Council is final and shall not be subject to any appeal.

10. Membership Certificate

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, and in the event of cessation of membership shall be returned to the Institute, unless the Council shall assent to its remaining in the possession of the former Member.

11. Articles

On being admitted to the membership of the Institute, a copy of the Articles of Association of the Institute shall be forwarded in printed form or by electronic communication or in web-link to each Member by the Institute as soon as possible. Every Member shall be bound absolutely by the Articles of Association of the Institute, any bye-laws made thereunder and regulations stipulated by the Council from time to time.

12. Register of Members

The Secretary of the Institute shall keep the Register of Members at the Office in accordance with ss.627 and 628 of the Ordinance.

13. 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.

14. Fees

14.1 Every Member 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 the "Fees").

14.2 All Fees shall be payable in advance at such rates and at such times as the Council may from time to time determine.

15. Resignation

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 to do so, accompanied by his certificate of membership, unless the Council shall assent to its remaining in his possession, provided that the Council may at its absolute discretion refuse to accept the resignation of a Member who is the subject of an allegation under Article 64.20. Notice of resignation shall not entitle the Member to any refund of Fees or relieve the Member of liability for any Fees due for payment.

16. Re-election

Candidates for re-election to membership must comply with such terms and conditions as the Council may think fit to require in each individual case.

17. Failure to Pay Fees

Subject to any general, special or individual exceptions which may be allowed by the Council, any Member who has failed to pay his Fees within six months after the date fixed for payment thereof by the Council under Article 14 of Part II, shall, ipso facto, be excluded from membership and his name shall be removed from the Register of Members. He shall, nevertheless, remain liable to the Institute for the amount due. Upon his settlement of the amount due, he shall be entitled to apply for re-election under Article 16 of Part II.

18. Standard of Professional Conduct and Termination of Membership

18.1 Every Member on election to membership and so long as he remains a Member shall be deemed to have undertaken strictly to observe the standards 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.

18.2 Every Member on election to membership and so long as he remains a Member shall be deemed legally qualified to become a director and has not been disqualified by an order or decision from the courts of Hong Kong or any regulatory authorities in Hong Kong ("Order") from being a director. A Member who is disqualified by an Order from being a director shall, ipso facto, be suspended from membership for the same period of being disqualified by such Order.

- 18.3 If any of the Member:-
- i. has behaved in such a way that is compromised or impaired or was likely to compromise or impair the reputation or interests of the Institute; or
 - ii. becomes bankrupt or insolvent or makes any arrangement or composition with his creditors generally; or
 - iii. dies; or
 - iv. is certified to be of unsound mind by at least two qualified medical practitioners; or
 - v. is convicted of any offence (other than a driving offence) involving dishonesty or the use of force or violence; or
 - vi. neglects or refuses to comply with any of the Articles after written notice sent to him by the Council directing his attention to such neglect or refusal and fails to take any remedial action within a reasonable time,
- the Council may by resolution call upon such Member to resign from the Institute forthwith and, if he fails to resign or in the event of sub-article 18.3(iii) or (iv) above, may by resolution strike his name off the Register of Members or may suspend his membership for such period of time as the Council deems expedient.

GENERAL MEETINGS

19. Annual General Meetings

19.1 The Institute shall in each financial year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it, to be held within 9 months after the end of the Institute's accounting reference period. Provided that so long as the Institute holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Council shall decide.

19.2 In default of a general meeting being so held and subject to s.610(7) of the Ordinance, a general meeting shall be held in the month next following and may be convened by members qualified as prescribed in ss.569 and 585(1) of the Ordinance in the same manner as nearly as possible as that in which meetings are to be convened by the Council.

20. General Meetings

All general meetings other than annual general meetings shall be called general meetings.

21. Convening of General Meetings

The Council may, whenever it thinks fit, convene a general meeting, and general meetings shall also be convened by the Council on such requisition, or, in default, may be convened by such requisitionists, as provided by ss.566, 567 and 568 of the Ordinance. If at any time there are not within Hong Kong sufficient Council Members capable of acting to form a quorum, then a majority of the Council members by written notice or, alternatively, Members of the Institute making up in total not less than one tenth of all Members entitled to vote, may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Council.

22. Notice

An annual general meeting shall be called by twenty-one days' notice in writing by post or by electronic communication at the least, and a general meeting of the Institute other than an annual general meeting shall be called by fourteen days' notice in writing by post or by electronic communication at the least. The notice shall be exclusive of the day on which it is served or deemed to be served, but inclusive of the day for which it is given, and shall specify the place, the day and hour of the general meeting, and in the case of special business, the general nature of that business shall be given in the 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 these Articles 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.

23. Accidental Omission

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

24. Business

All business shall be deemed special that is transacted at a general meeting and all that is transacted at an annual general meeting with the exception of the consideration of the income and expenditure accounts, balance sheets, and the reports of the Council and auditors, the election of Council members in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors.

25. 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. Save as herein otherwise provided, 15 Members personally present or by proxy shall be a quorum.

26. Failure to Muster a Quorum

If within thirty minutes from the time appointed for the meeting a quorum is not present at 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 thirty minutes from the time appointed for the meeting, the Members present shall be a quorum.

27. Chairman

The Chairman of the Council, failing whom a Deputy Chairman, shall preside as chairman at a general meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within 15 minutes after the time appointed for holding the meeting or is unable to act or is absent from Hong Kong or has given notice to the Institute of his intention not to attend the meeting, the Council members present shall elect 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.

28. Adjournment

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 ten days or more at any one time, 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 notice of an adjournment or of the business to be transacted at an adjourned meeting.

29. 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 at least 10 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 one-tenth 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.

30. 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.

31. 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.

32. Number of Votes

Every Member shall have 1 vote.

33. 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.

34. 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.

35. 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

36. 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 must be a Member of the Institute.

37. General Proxy

An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit it or such other form which the Council may approve:

The Hong Kong Institute of Directors Limited

I, _____, of _____ being a Member of the above-named Institute, hereby appoint _____ of _____, or failing him _____ of _____, as my proxy to vote for me on my behalf at the (annual general meeting or general meeting, as the case may be) of the Institute to be held on the _____ day of _____ 20____, and at any adjournment thereof.

Signed this _____ day of _____ 20_____.

38. Special Proxy

Where it is desired to afford Members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit or such other form which the Council may approve:

The Hong Kong Institute of Directors Limited

I, _____, of _____ being a Member of the above-named Institute, hereby appoint _____ of _____, or failing him _____ of _____, as my proxy to vote for me on my behalf at the (annual general meeting or general meeting, as the case may be) of the Institute to be held on the _____ day of _____ 20_____, and at any adjournment thereof.

This form is to be used (* in favour of/against) the resolution. Unless otherwise instructed, the proxy holder will vote as he thinks fit.

Signed this _____ day of _____ 20_____.

*Strike out whichever is not desired.

39. Execution of Proxy Form

An instrument appointing a proxy shall be signed by the appointor or his duly authorised attorney.

40. Delivery of Proxy Form

An instrument appointing a proxy in printed form or through electronic communication (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 either be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) at least 48 hours before the time appointed for holding the meeting or adjourned meeting or (in case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. 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 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.

41. 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.

42. 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

43. Number of Members

43.1 The Council shall consist of the ex-officio members and not less than 12 but no more than 30 elected Members. A majority of the Council members must be permanent residents of Hong Kong.

- 43.2 The Council may from time to time appoint such persons or such members of the community to hold office as co-opted members for such period and on such terms as it thinks fit but so that the total number of co-opted members shall not at any time exceed 6 persons. The co-opted members shall not be subject to retirement by rotation pursuant to Article 45 or be taken into account in determining the rotation of Council members.
- 43.3 The Immediate Past Chairman of the Council shall be an ex-officio member of the Council and the Executive Committee immediately from the date of his retirement as Chairman.
- 43.4 The Chief Executive Officer of the Institute to be appointed under Article 59 hereof shall be an ex-officio member of the Council and the Executive Committee.

44. First Council

The First Council members shall consist of the subscribers to the previous Memorandum of Association of the Institute and such other persons whose selection are mutually agreed upon by the subscribers. A majority of the First Council members must be permanent residents of Hong Kong. The Council members so elected under this Article shall hold office from the date of their appointments unless and until they resign by notices in writing pursuant to Article 47(b) of Part II. The Council members shall be required to retire by rotation pursuant to Article 45 of Part II.

45. Retirement

At every annual general meeting, one-third of the elected Council members for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest but not exceeding one-third, shall retire from office. The elected Council members to retire in every year shall be those who have been longest in office since their last election, but as between persons who became elected Council members on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot or by consultation. A retiring elected Council member shall be eligible for re-election. An elected Council member is a Council member who serves as such other than by reason of his being an ex-officio Council member.

46. Co-option

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 until the next following annual general meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the Council members who are to retire by rotation at such meeting. The Council has the right not to fill a casual vacancy and thereby reduce the number of Council members pursuant to Article 47(h).

47. 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 he 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 he shall resign by notice in writing signed by him and lodged at the Office by post or by electronic communication or if he shall by notice in writing signed by him offer to resign lodged at the Office by post or by electronic communication and the Council shall resolve to accept such offer, and so that in either such case the office of the 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 he shall be adjudged bankrupt 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 grounds (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 he shall be removed from office by a special resolution in accordance with the Ordinance;

- (f) if he shall for more than 6 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;
- (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; and
- (h) if, the Council decides to reduce the number of Council members in office and not to fill a casual vacancy created in any one of the events under this Article.

48. Nomination and Election

- 48.1 (a) A Nomination Committee shall make nominations of candidates for Council election to the Council for consideration and adoption by the Council. The Council shall consider and, if thought fit, adopt the list of candidates nominated by the Nomination Committee for Council election and thereafter present the adopted list of candidates for Council election to Members for election or re-election. (b) Candidates who are not on nor included in the Council's adopted list of candidates as aforesaid may seek election by obtaining not less than 40 proposers from among Members, provided that each and every one of the proposers must have been a Member with voting rights of the Institute for not less than three (3) years. (c) Each nomination of such candidate(s) as aforesaid shall be made in documents for circulation to Members, duly signed and lodged with the Institute within the first two months following the expiry of each financial year of the Institute or at such time as permitted by or required under these Articles. In the event that the documents completed and lodged with the Institute by any candidate contain any information deemed to be defamatory or frivolous or vexatious by the Institute, upon taking legal advice or otherwise, the Institute shall be entitled to withhold such documents and/or information and not be obliged to provide or circulate such documents and/or information to all or any of the Members.
- 48.2 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.
- 48.3 If the candidates running for election are more in number than the vacancies, the election shall be conducted by voting papers as hereinafter provided.

49. Election by Voting Papers

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

- (a) Not less than 3 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 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 seven clear 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 the third day next 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) The report of the scrutineers shall be read at the annual general meeting.

- (h) Elections under this or the preceding Article shall take effect as from the conclusion of the annual general meeting.

50. Chairman and Officers

The Council shall elect one of their number to be Chairman and may at a meeting immediately after the incorporation of the Institute and after each annual general meeting, elect among themselves a number of Deputy Chairmen and a Treasurer. The Chairman, Deputy Chairmen and Treasurer shall each respectively hold office until the next following annual general meeting or until they resign by notice in writing pursuant to Article 47(b) of Part II. The Council shall from time to time determine by resolution the number of Deputy Chairmen and elect from its body the necessary number of Council members to fill the offices which may then be vacant.

The Chairman, failing whom a Deputy Chairman, shall take the chair of all Council meetings. If the Chairman or Deputy Chairman is not present within 15 minutes after the time appointed for holding the meeting, the Council members present shall choose one of their number to chair the meeting.

51. Quorum

The quorum necessary for the transaction of the business of the Council shall be 7. 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.

52. Votes

Questions arising at any meeting of the Council shall be determined by a majority of votes. In the case of an equality of votes, the chairman of any meeting shall have a second or casting vote.

53. Declaration of Material Interest

A Council member who is in anyway, 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.

54. 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, 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.

55. 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.

56. Resolutions in Writing

A resolution in writing, signed by a majority of 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 members.

57. 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;
- (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 the Council or committee of the Council shall sign his name in a book to be kept for that purpose.

58. Patron, Honorary Presidents and Honorary Advisers

The Council may from time to time and at its discretion invite:-

- (a) any distinguished or prominent person to become Patron of the Institute for such term of office as it shall decide; and
- (b) such Honorary Members as it shall think fit to become Honorary Presidents or Honorary Advisers of the Institute for such term of office as it shall decide.

59. Chief Executive Officer

The Council may from time to time appoint a Chief Executive Officer to assist in the administration of the daily affairs of the Institute for such period and on such terms as it thinks fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The Chief Executive Officer so appointed shall be entitled to a monthly salary or remuneration to be agreed by the Council.

60. Executive Committee

- 60.1 The Council may at the first Council meeting after each annual general meeting by resolution form the Executive Committee, which shall consist of the Chairman, Deputy Chairmen, Treasurer and chairman of each committee for the time being and (if thought fit) Member or Members of the Institute co-opted to the Executive Committee but so that the total number of Executive Committee members shall not be less than 5 persons to oversee the management of the Institute until the conclusion of the next annual general meeting.
- 60.2 The Immediate Past Chairman and the Chief Executive Officers shall be the ex-officio members of the Executive Committee.
- 60.3 The Council may entrust to and confer upon the Executive Committee any of its powers upon such terms and conditions and with such restrictions as it may think fit, and either collaterally with or to the exclusion of its own powers and may from time to time revoke, withdraw, alter or vary all or any such powers.
- 60.4 The Chairman shall take the chair of all Executive Committee meetings. If at any meeting the Chairman or a Deputy Chairman is not present within 15 minutes after the time appointed for holding the meeting, the Executive Committee members present may choose one of their number to be chairman of the meeting. The Executive Committee may meet and adjourn as it thinks proper. 5 Executive Committee members present, or, 30% of the Executive Committee members for the time being after rounded up to the nearest figure present, whichever is less, shall be a quorum for all Executive Committee meetings. Questions arising at any meeting shall be determined by a majority of votes of the Executive Committee members present, and in the case of an equality of votes, the Chairman shall have a second and casting vote.

61. 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. 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 of the Institute 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.

62. Defects in Appointments

All acts done by any meeting of the Council, the Executive Committee or committees formed under Article 61 of Part II, 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.

63. Powers

The business, affairs and management of the Institute shall be vested in 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.

64. Specified 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 Part I of the Institute's Articles of Association and the proviso hereinbelow appearing, have the following powers, that is to say, power:-

64.1 Formation Expenses

To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Institute.

64.2 Purchases/Sales

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.

64.3 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.

64.4 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.

64.5 Arbitration

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

64.6 Receipts

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

64.7 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 Part I of the Institute's Articles of Association and from time to time to vary or realise any such investment.

64.8 *Borrowing*

To borrow money on behalf of the Institute and to pledge, mortgage or hypothecate any of the property of the Institute.

64.9 *Bank and Other Accounts*

To open bank accounts on behalf of the Institute and to receive any monies advanced to the Institute with or without interest and upon such terms and conditions as it shall think fit.

64.10 *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.

64.11 *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 dependents and make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

64.12 *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.

64.13 *Reserves*

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

64.14 *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.

64.15 *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 as the attorneys or agents of the Institute with such powers (including power to sub-delegate) and upon such terms as they think fit.

64.16 *Rules*

From time to time to make, prescribe, vary or repeal rules, by-laws, regulations, procedures, guidelines and/or arrangements for the management, administration and/or regulation of the business of the Institute, its officers and servants.

64.17 *Delegation*

To delegate any or all of the powers herein to the Executive Committee or any Council member or other person or persons as the Council may at any time think fit.

64.18 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.

64.19 Practice Directions

From time to time to issue practice directions, rules and regulations relating to the professional ethics, conduct, practice and discipline of Members.

64.20 Disciplinary Action

To investigate any charge of misconduct against any Member and to call upon the Member concerned for an explanation of any conduct alleged to be dishonourable, improper or unprofessional and to institute and (if the Council thinks fit) prosecute any disciplinary proceedings. Any disciplinary proceedings including expulsion commenced in this respect shall, in each and every case, be in accordance with the practice directions, rules and regulations issued by the Council and amended from time to time.

64.21 Statutory Functions

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

65. Cheques

All cheques, promissory notes, drafts, bills of 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, by two or more persons one of whom shall be a Council member in such manner as the Council shall from time to time by resolution determine.

66. Seal

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 any one or more persons authorised for the purpose by the Council, 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.

67. 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. The Council may at any time appoint a temporary substitute for the Secretary and such Secretary shall carry out such duties as the Council from time to time allocates to him. The Secretary himself need not be a member of the Institute or a Council member.

The first Secretary of the Institute shall be Tengis Limited who may resign from this office upon giving notice to the Institute of such intention and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

ACCOUNTS

68. Accounts

The Council shall cause proper books of account to be kept with respect to:-

- (a) all sums of money received and expended by the Institute and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the Institute; and
- (c) the assets and liabilities of the Institute.

Proper books shall not be deemed to have been kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Institute's affairs and to explain its transactions.

69. Inspection

The books of account shall be kept at the Office of the Institute, or, subject to s.374 of the Ordinance, at such other place or places as the Council thinks fit, and shall always be open to the inspection of the Council members. 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 accounts and books 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 account or books or document of the Institute except as conferred by statute or authorized by the Council or by the Institute in general meeting.

70. Annual Accounts

The Council shall from time to time in accordance with ss.357(3), 379, 381, 383, 388, 389, 390, 391, 429, 431, 452(3) and 610 of the Ordinance, Companies (Directors' Report) Regulation and Companies (Disclosure of Information about Benefits of Directors) Regulation, cause to be prepared and to be laid before the Institute in general meeting such income and expenditure accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Institute in general meeting together with a copy of the Council report and a copy of the auditor's report, shall not less than 21 days before the date of the meeting be sent to every Member of, and every holder of debentures if any, 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 or to more than one of the joint holders of any debentures.

71. Audit

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

NOTICES

72. Service

A notice may be given by the Institute to any Member either personally or by sending it by post or by electronic communication to him or to his registered address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting after the letter containing the same is posted and in any other case at the time of transmission.

73. Persons to Receive Notice

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

- (a) every Member except those Members who have not supplied to the Institute an address within Hong Kong for the giving of notices to them; and
- (b) the auditors for the time being of the Institute. No other person shall be entitled to receive notices of general meetings.

74. Indemnity

Every Council member, secretary, auditor, manager and other officer for the time being of the Institute shall be indemnified out of the assets of the Institute against any liability incurred by him in relation to the Institute in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under ss.902, 903 and 904 of the Ordinance in which relief is granted to him by the court.

75. Winding Up

The provisions of Article 7 of Part I of the Articles of Association relating to the winding-up or dissolution of the Institute shall have effect and be observed as if the same were repeated in these Articles.