

ARTICLES OF ASSOCIATION

OF

FINANCIAL DISPUTE RESOLUTION CENTRE

金融糾紛調解中心

Incorporated the 18 day of November, 2011

Reprinted by the Financial Dispute Resolution Centre

THE COMPANIES ORDINANCE (CHAPTER 622)

Company Limited by Guarantee

ARTICLES OF ASSOCIATION
OF
FINANCIAL DISPUTE RESOLUTION CENTRE
金融糾紛調解中心

(As amended by a special resolution passed on 28 February 2012)

(As amended by a special resolution passed on 6 December 2013)

(As amended by a special resolution passed on 28 December 2016)

PART A

NAME

- 1 The name of the company is "FINANCIAL DISPUTE RESOLUTION CENTRE 金融糾紛調解中心" (and in these Articles, it is the "Centre").

REGISTERED OFFICE

- 2 The registered office of the Centre will be situated in Hong Kong.

OBJECTS

- 3 The objects for which the Centre is established ("**Objects**") are as follows:
- (1) To establish, promote, manage or administer (whether alone or jointly with any other person or persons) a financial dispute resolution scheme, to promote more efficient dispute resolution for the benefit of the Hong Kong community;
 - (2) To promote, encourage and facilitate the settlement of disputes by mediation and arbitration and other alternative resolution processes of all types;
 - (3) To provide, instruct, and subject to Article 4 of Part A of these Articles, to appoint and remunerate mediators, arbitrators and experts to perform and provide financial dispute resolution services;
 - (4) In furtherance of the objects of the Centre but not otherwise, to collaborate with any public officer, government agency and regulatory body including the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) on matters

- relating to the provision of financial or other services and the settlement of complaints or disputes in relation thereto;
- (5) To co-operate with any public officer, government agency and regulatory body including the SFC and the HKMA in the promotion of public awareness in those areas which relate to the objects of the Centre;
 - (6) To charge, collect and receive membership fees, charges and other payments and expend the same in furthering all or any of the objects of the Centre or providing for the expenses of the Centre;
 - (7) On a non-profit making basis, to provide information, consultancy services and other assistance concerning mediation and arbitration;
 - (8) To promote public awareness and understanding of the services and facilities provided by the Centre, including by way of publication of relevant material or organisation of conferences, exhibitions, courses, educational seminars or lectures in such manner as is thought expedient;
 - (9) Subject to Article 4 of Part A of these Articles, to engage, retain or employ skilled, professional or technical advisers, workers or external companies in connection with the objects of the Centre and to pay such fees, remuneration or benefits as are thought expedient;
 - (10) To encourage, carry out or commission such research (including the dissemination of the research findings to the public) as is necessary in connection with any of the objects of the Centre;
 - (11) To establish, promote, co-operate with, become a member of, act as or appoint trustees, agents or delegates for, control, manage, superintend, or afford financial or other assistance to the work of, any associations and institutions and other bodies incorporated or not incorporated, whose objects are capable of furthering any of the objects of the Centre;
 - (12) To undertake and execute any trusts which help to attain any of the objects of the Centre;
 - (13) In furtherance of the objects of the Centre but not otherwise, to borrow or raise any money and obtain any form of credit or finance that are required by the Centre upon such terms and on such security as are thought fit;
 - (14) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferrable instruments;
 - (15) To invest the monies of the Centre not immediately required in a proper and prudent manner as is thought expedient;
 - (16) To acquire all or any of the undertaking, property, assets, liabilities and activities of any organisation managing or administering a scheme having objects similar to any of the objects of the Centre ("Additional Scheme(s)"), and in respect of such Additional Scheme(s) the other objects of the Centre (included but not limited to those set out in Article 3 (1), (3) and (7) of Part A of these Articles) are to be interpreted as also applying to such Additional

Scheme(s);

- (17) To pay all expenses preliminary or incidental to the formation of the Centre and its registration;
- (18) In furtherance of the objects of the Centre but not otherwise, to promote, finance and assist in the incorporation of any company to carry on activities of a type falling within the objects of the Centre and in which the Centre is to have an interest and to co-ordinate, finance and manage the activities and operations of any such company;
- (19) To procure the Centre to be registered or recognised in any foreign country or place;
- (20) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Centre;
- (21) To insure with any company or person against losses, damages, risks and liabilities of all kinds which may affect the Centre, its members and/or its employees; and
- (22) To do all such other lawful things as are necessary for, incidental or conducive to the attainment of any of the above objects.

Provided that:-

- (i) In case the Centre shall take or hold any property which may be subject to any trusts, the Centre 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 Centre shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
- (iii) In case the Centre shall acquire any liabilities of any organisation managing or administering a scheme having objects similar to any of the objects of the Centre, the Centre shall only carry out such acquisition if it does not, in the view of the Board, put, or be likely to put, the assets of the Centre at risk.

APPLICATION OF INCOME AND PROPERTY

- 4 (1) The income and property of the Centre shall be applied solely towards the promotion of the Objects as set out in these articles.
- (2) Subject to sub-article (3), none of the income or property of the Centre may be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever to any member of the Centre.
- (3) No member of the Board or governing body (except for the only one chief executive officer who is also a Director) shall be appointed to any salaried office of the Centre, or any office of the Centre paid by fees and no remuneration or other benefit in money or money's worth (except as provided in provisos (i) to (vi) below) shall be given by the

Centre to any Director or member of governing body.

The requirement under sub-articles (2) & (3) above does not prevent the payment by the Centre:

- (i) of reasonable and proper remuneration and out-of-pocket expenses to any officer or employee of the Centre, or to a member of the Centre not being a Director or a member of the governing body of the Centre (except as set out in proviso (iii) below) for any goods or services supplied by him or her to the Centre;
- (ii) of reimbursement to a Director or any member of the governing body for out-of-pocket expenses properly incurred by him or her for the Centre;
- (iii) of remuneration approved by the Board to the chief executive officer of the Centre who shall be a director and who, in the opinion of the Board, shall have special qualifications which are not otherwise available to the Centre and which make for its more effective administration;
- (iv) of interest on money lent by a member of the Centre or its governing body or any Director to the Centre at a reasonable and proper rate which must not exceed two per cent (2%) per annum above the prime rate prescribed for the time being by The Hong Kong and Shanghai Banking Corporation Limited for Hong Kong dollar loans;
- (v) of rent to a member of the Centre or its governing body or any Director for premises let by him or her to the Centre, provided that the amount of the rent and the other terms of the lease must be reasonable and proper and such member or Director must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion; and
- (vi) of remuneration or other benefit in money or money's worth to a body corporate in which a member of the Centre or its governing body or any Director is interested solely by virtue of being a member of that body corporate by holding not more than a one-hundredth (1/100) part of its capital or controlling not more than a one-hundredth (1/100) part of its votes.

LIABILITY OF MEMBERS

5 The liability of the Members is limited.

6 Each person who is a Member undertakes that if the Centre is wound up while the person is a Member, or within one (1) year after the person ceases to be such a Member, the person will contribute an amount required of the person, not exceeding one hundred Hong Kong dollars (HK\$100), to the Centre's assets—

- (i) for the payment of the Centre's debts and liabilities contracted before the person ceases to be such a Member;

- (ii) for the payment of the costs, charges and expenses of winding up the Centre; and
- (iii) for the adjustment, among the contributories, of their rights.

DISTRIBUTION OF SURPLUS

- 7 If upon the winding up or dissolution of the Centre 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 Centre, but shall be given or transferred to some other institution or institutions, having objects similar to the object of the Centre, 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 Centre under or by virtue of Article 4 of Part A of these Articles, such institution or institutions to be determined by 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 regard to charitable funds and, if this provision cannot be effected, then to some charitable object.

AMENDMENTS

- 8 No addition, alteration or amendment shall be made to or in these Articles from 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 (Chapter 622 of the Laws of Hong Kong).
- 9 The Centre 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.

We, the person whose name and address is given below, wish to form a company and wish to adopt the articles of association as attached.

Name, Address and Description of Signatories	
Under Secretary for Financial Services and the Treasury 24/F, Central Government Offices 2 Tim Mei Avenue Tamar Hong Kong Public Officer	(Sd.) Name: Ms Julia Leung Fung-yee Title: Under Secretary for Financial Services and the Treasury
Monetary Authority 55 th Floor Two International Finance Centre 8 Finance Street Central Hong Kong Public Body	(Sd.) For and on behalf of the Monetary Authority Name: Ms Meena Datwani Title: Executive Director (Banking Conduct)
Securities and Futures Commission 8 th Floor Chater House 8 Connaught Road Central Hong Kong Public Body	(Sd.) For and on behalf of Securities and Futures Commission Name: Mr Mark Robert Steward Title: Executive Director, Enforcement Division

Dated the 3rd day of November, 2011

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Part 1
Interpretation

1 Interpretation

(1) In these articles—

Articles means the articles of association of the Centre;

Associated Company means—

- (a) a subsidiary of the Centre;
- (b) a holding company of the Centre; or
- (c) a subsidiary of such a holding company;

Board means the board of Directors, the governing body of the Centre;

Chief Executive Officer means the person for the time being appointed by the Board as chief executive officer of the Centre in accordance with these Articles;

Company Secretary means any person appointed to perform the duties of the company secretary of the Centre;

Director means a director of the Centre and has the same meaning ascribed by the Ordinance;

Financial Dispute Resolution Scheme means the scheme for managing and resolving disputes administered by the Centre;

FSTB means the Financial Services and the Treasury Bureau;

Government means the Government of Hong Kong;

HKMA means the Monetary Authority appointed under section 5A of the Exchange Fund Ordinance, Chapter 66 of the laws of Hong Kong;

Hong Kong means the Hong Kong Special Administrative Region;

Member means a member of the Centre;

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;

Ordinance means the Companies Ordinance (Cap. 622, including the related subsidiary legislation), and every other ordinance incorporated therein or substituted therefore;

Proxy Notice—see Article 49 (1) of Part B of these Articles;

Scheme Member means a member of the Financial Dispute Resolution Scheme;

Seal means the common seal of the Centre;

SFC means the Securities and Futures Commission;

SFST means any person from time to time occupying the post of the Secretary for Financial Services and the Treasury of the Government; and

USFST means any person from time to time occupying the post of the Under Secretary for Financial Services and the Treasury of the Government.

- (2) Words importing the singular number only shall include the plural and the converse shall also apply.
- (3) Words importing the masculine gender shall also include the feminine gender.
- (4) Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in visible form.
- (5) Unless the context otherwise requires, words or expressions used in these Articles shall bear the same meaning as in the Ordinance as in force on the date of these Articles become binding on the Centre.
- (6) For the purposes of these Articles, a document is authenticated if it is authenticated in any way in which section 828(5) or 829(3) of the Ordinance provides for documents or information to be authenticated for the purposes of the Ordinance.
- (7) These Articles comprise the provisions set out in this document, as amended from time to time. No other regulations for the management of a company set out in any schedule to the Ordinance or contained in any regulations, notice, or instrument made pursuant to the Ordinance shall apply to the Centre.

Part 2

Directors and Company Secretary

Division 1—Directors' powers and responsibilities

2 Directors' general authority

- (1) Subject to the Ordinance and these Articles, the operations and affairs of the Centre are managed by the Directors, who may exercise all the powers of the Centre.
- (2) An alteration of these Articles does not invalidate any prior act of the Directors that would have been valid if the alteration had not been made.
- (3) The powers given by this Article are not limited by any other power given to the Directors by these Articles.
- (4) A Board meeting at which a quorum is present may exercise all powers exercisable by the Directors.

3 Members' reserve power

- (1) The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

- (2) The special resolution does not invalidate anything that the Directors have done before the passing of the resolution.

4 Directors may delegate

- (1) Subject to these Articles, the Directors may, if they think fit, delegate any of the powers that are conferred on them under these Articles—
 - (a) to any person or committee and/or sub-committee consisting of such member or members who may or may not be Directors;
 - (b) by any means (including by power of attorney);
 - (c) to any extent and without territorial limit;
 - (d) in relation to any matter; and
 - (e) on any terms and conditions as the Board may see fit.
- (2) If the Directors so specify, the delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- (3) The Directors may—
 - (a) revoke the delegation wholly or in part; or
 - (b) revoke or alter its terms and conditions.
- (4) Notwithstanding anything to the contrary in these Articles, all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Centre, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be by the chairman of the Board or such person(s) as the Board may determine.

5 Committees and sub-committees

- (1) The Directors may make rules providing for the conduct of business of the committees and sub-committees to which they have delegated any of their powers.
- (2) The committees and sub-committees must comply with the rules.
- (3) Each committee and sub-committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within ten (10) minutes after the time appointed for holding the same, the members present may choose one of them to be chairman of the meeting.
- (4) Each committee and sub-committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a simple majority of votes of the members present and in the case of an equality of votes the chairman shall have a second or casting vote.

6 Board constitution

- (1) The number of Directors for each Board shall comprise not less than seven (7) and not more than fifteen (15) Directors, which number shall include, the USFST or a person to be appointed by the USFST, a person to be appointed by the HKMA, a person to be appointed by the SFC and person(s) from the financial services industries and/or

person(s) who are well-regarded in the community and who have good knowledge of financial services-related matters and/or consumer protection issues.

- (2) All Directors of the Board (other than the first Board and the USFST or persons appointed by the USFST, the HKMA or the SFC) shall be nominated by the SFST for appointment by the Board or at a general meeting.

7 Powers and duties of the Board

- (1) The operations of the Centre shall be managed by the Board which may pay all expenses incurred in promoting the Centre, and may exercise all such powers and/or exercise all such functions of the Centre as are not, by the Ordinance or these Articles, required to be exercised by the Centre in a general meeting, subject nevertheless to the provisions of the Ordinance or these Articles and to such regulations, being not inconsistent with the aforesaid provisions as may be prescribed by the Centre in a general meeting; but no regulation made by the Centre in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- (2) The Board may, following consultation with the Government, from time to time and at any time make, supplement or vary any rules, regulations or by-laws for the purposes of fulfilling the Objects of the Centre, including the amounts of fees or subscriptions charged to Scheme Members or the fees to be charged to parties in mediations or arbitrations or parties who engage any services of the Centre.
- (3) The Board may, following consultation with the Government, from time to time and at any time obtain money for the objects of the Centre, including by raising a membership fee or charge from Scheme Members or case fees.
- (4) Without prejudice to Article 7(1) of Part B of these Articles, and to the powers and duties set out elsewhere in these Articles, the Board shall have the following powers and duties for furthering the objects of the Centre but not otherwise:
 - (a) subject to Article 4 of Part A of these Articles, to appoint and maintain a panel of individuals who appear to it to have the appropriate qualifications and experience to fulfil the function of a mediator or arbitrator on such terms as the Board may determine, and to ensure, monitor and maintain their independence;
 - (b) to conduct the affairs and operations of the Centre for the relevant financial year in accordance with the financial budget adopted by the Board pursuant to Article 7(6) of Part B of these Articles; and
 - (c) to enter into appropriate arrangements to secure co-operation between the Centre and the FSTB, the HKMA and the SFC (including arrangements for the sharing of information relevant to the functions of each other) in order to enable the Centre and the FSTB, the HKMA and the SFC to attain their proper objectives.

- (5) In exercising its functions, the Board shall have regard to the effective, economic and efficient operation of the Centre.
- (6) The first Board shall as soon as practicable after the establishment of the Centre approve a financial budget for the first calendar year commencing on 1 January 2012. For the subsequent calendar years when the Centre is funded by the FSTB, the HKMA and the SFC, the Chief Executive Officer shall prepare and submit a draft financial budget to the USFST, the HKMA and the SFC for endorsement. The Board shall not approve or adopt the financial budget unless it has been endorsed in writing by the USFST, the HKMA and the SFC. Each such budget shall be prepared by the Chief Executive Officer in respect of a period coterminous with an accounting reference period of the Centre and which shall distinguish between the various functional elements of the service provided by the Centre. Any amendment to the financial budget which has been adopted by the Board shall be subject to the prior approval of the USFST, the HKMA and the SFC. Once the Centre is entirely funded by the financial industry and no longer seeks funding from the FSTB, the HKMA and the SFC for a financial year, then such endorsement and approval from the USFST, the HKMA and the SFC will not be required.

8 Borrowing Powers

In furtherance of the Objects of the Centre but not otherwise, the Board may exercise all the powers of the Centre to borrow money, and to mortgage or charge its undertaking and property or any part thereof, whether outright or as security for any debt, liability or obligation of the Centre.

Division 2—Decision-taking by Directors

9 Directors to take decision collectively

A decision of the Directors may only be taken—

- (a) by a majority of the Directors at a meeting; or
- (b) in accordance with Article 10 of Part B of these Articles.

10 Directors' decisions

- (1) A decision of the Directors is taken in accordance with this Article when the majority of the eligible Directors indicate to each other (either directly or indirectly) by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- (3) A reference in this Article to eligible Directors is a reference to Directors who would have been entitled to vote on the matter if it had been proposed as a resolution at a Board meeting.
- (4) A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at a Board meeting.

11 **Calling Board meetings**

- (1) Any Director may call a Board meeting by giving notice of the meeting to the Directors or by authorizing the Company Secretary to give such notice.
- (2) Notice of a Board meeting must indicate—
 - (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a Board meeting must be given to each Director, and shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or given in writing or by electronic means to him at his last known address or any other address given by him to the Centre for that purpose.
- (4) Subject to these Articles, any notice to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices for the time being.
- (5) A Director may agree with the Centre that notices sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty-eight (48) hours.

12 **Participation in Board meetings**

- (1) Subject to these Articles, Directors participate in a Board meeting, or part of a Board meeting, when—
 - (a) the meeting has been called and takes place in accordance with these Articles; and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether Directors are participating in a Board meeting, it is irrelevant where a Director is and how they communicate with each other.
- (3) If all the Directors participating in a Board meeting are not in the same place, they may regard the meeting as taking place wherever any one of them is.

13 **Quorum for Board meetings**

- (1) At a Board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for Board meetings may be fixed from time to time by a decision of the Directors, but it must be at least three (3), and unless otherwise fixed it is three (3).

14 Meetings if total number of Directors less than quorum

If the total number of Directors for the time being is less than the quorum required for Board meetings, the Directors must not take any decision other than a decision—

- (a) to appoint further Directors; or
- (b) to call a general meeting so as to enable the Members to appoint further Directors.

15 Chairing of Board meetings

- (1) The Directors shall appoint as chairman of the Board any Director who is nominated by the SFST for such position to chair their meetings.
- (2) The person appointed for the time being is known as the chairman ("Chairman").
- (3) The Directors may terminate the appointment of the Chairman at any time.
- (4) If the Chairman does not participate in a Board meeting within ten (10) minutes of the time at which it was to start or is unwilling to chair the meeting, the participating Directors may appoint one of themselves to chair it.

16 Chairman's casting vote at Board meetings

- (1) If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the Board meeting has a second or casting vote.
- (2) Paragraph (1) does not apply if, in accordance with these Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

17 Conflicts of interest

- (1) This Article applies if—
 - (a) a Director is in any way (directly or indirectly) interested in a transaction, arrangement or contract with the Centre that is significant in relation to the Centre's operations; and
 - (b) the Director's interest is material.
- (2) The Director must declare the nature and extent of the Director's interest to the other Directors in accordance with section 536 of the Ordinance.
- (3) The Director must not—
 - (a) vote in respect of the transaction, arrangement or contract in which the Director is so interested; nor
 - (b) be counted for quorum purposes in respect of the transaction, arrangement or contract.
- (4) If the Director contravenes paragraph (3) (a), the vote must not be counted.
- (5) Paragraph (3) does not apply in the case of —

(a) a Director other than the Chairman, where the Chairman has consented to and waived the material conflict of interest; or

(b) the Chairman, where the Members have consented to and waived the material conflict of interest.

(6) A reference in this Article to a transaction, arrangement or contract includes a proposed transaction, arrangement or contract.

18 **Supplementary provisions as to conflicts of interest**

(1) Subject to Article 4 of Part A of these Articles, a Director may hold any other office (other than the office of auditor) in conjunction with the office of Director for a period and on terms that the Directors determine.

(2) A Director or intending Director is not disqualified by the office of Director from contracting with the Centre —

(a) with regard to the tenure of the other office mentioned in paragraph (1); or

(b) as vendor, purchaser or otherwise.

(3) The contract mentioned in paragraph (2) or any transaction, arrangement or contract entered into by or on behalf of the Centre in which any Director is in any way interested is not liable to be avoided.

(4) A Director who has entered into a contract mentioned in paragraph (2) or is interested in a transaction, arrangement or contract mentioned in paragraph (3) is not liable to account to the Centre for any profit realized by the transaction, arrangement or contract by reason of—

(a) the Director holding the office; or

(b) the fiduciary relation established by the office.

(5) Paragraph (1), (2), (3) or (4) only applies if the Director has declared the nature and extent of the Director's interest under the paragraph to the other Directors in accordance with section 536 of the Ordinance.

(6) A Director of the Centre may be a Director or other officer of, or be otherwise interested in—

(a) any company promoted by the Centre; or

(b) any company in which the Centre may be interested as shareholder or otherwise.

(7) Subject to the Ordinance, the Director is not accountable to the Centre for any remuneration or other benefits received by the Director as a director or officer of, or from the Director's interest in, the other company unless the Centre otherwise directs.

(8) For the avoidance of doubt, the provisions on conflict of interest also apply to committees and sub-committees of Directors, with any consent under Article 17(5)(a) of Part B of these Articles being provided by the then Chairman of the Board.

19 Validity of acts of meeting of Directors

The acts of any meeting of Directors or of a committee of Directors or the acts of any person acting as a Director are as valid as if the Directors or the person had been duly appointed as a Director and was qualified to be a Director, even if it is afterwards discovered that—

- (a) there was a defect in the appointment of any of the Directors or of the person acting as a Director;
- (b) any one or more of them were not qualified to be a Director or were disqualified from being a Director;
- (c) any one or more of them had ceased to hold office as a Director; or
- (d) any one or more of them were not entitled to vote on the matter in question.

20 Record of decisions to be kept

- (1) The Directors must ensure that the Centre keeps a written record of every decision taken by the Directors under Article 9 and the matters referred to in paragraph 3, for at least ten (10) years from the date of the decision.
- (2) Such written records may be recorded in books or in electronic form.
- (3) The Board shall cause minutes to be made for the purpose:
 - (i) of all appointments of officers made by the Board;
 - (ii) of the names of the Directors present at each meeting of the Board and of any committee or sub-committee of the Board;
 - (iii) of all resolutions and proceedings at all meetings of the Centre, Board meetings, and meetings of committees and sub-committees of the Board.

21 Directors' discretion to make further rules

Subject to these Articles, the Directors may make any rule that they think fit about—

- (a) how they take decisions; and
- (b) how the rules are to be recorded or communicated to Directors.

Division 3—Appointment and retirement of Directors

22 Appointment and retirement of Directors

- (1) The Board shall have power at any time, and from time to time, to appoint any person nominated by the SFST to be a Director.
- (2) The Centre in a general meeting may appoint any person nominated by the SFST to be a Director.

(3) The Directors may be appointed for such term as determined by the Board or at a general meeting and shall be eligible for reappointment. Unless otherwise specified in the appointment, a Director appointed under paragraph (2) holds office for an unlimited period of time.

(4) An appointment under paragraph (1) may only be made to—

- (a) fill a casual vacancy; or
- (b) appoint a Director as an addition to the existing Directors if the total number of Directors does not exceed the number fixed in accordance with these Articles,

and a Director appointed under paragraph (1) must retire from office at the next annual general meeting (or on the passing of a written resolution in lieu of an annual general meeting pursuant to section 612(1) of the Ordinance) following the appointment.

23 **Retiring Director eligible for reappointment**

A retiring Director is eligible for reappointment to the office.

24 **Composite resolution**

- (1) This Article applies if proposals are under consideration concerning the appointment of two (2) or more Directors to offices or employments with the Centre or any other body corporate.
- (2) The proposals may be divided and considered in relation to each Director separately.
- (3) Each of the Directors concerned is entitled to vote (if the Director is not for another reason precluded from voting) and be counted in the quorum in respect of each resolution except that concerning the Director's own appointment.

25 **Termination of Director's appointment**

- (1) A person ceases to be a Director if —
 - (a) the person ceases to be a director under the Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or is prohibited from being a director by law;
 - (b) the person becomes bankrupt or makes any arrangement or composition with the person's creditors generally;
 - (c) in the opinion of the Board the person becomes a Mentally Incapacitated Person;
 - (d) in the opinion of the Board the person becomes incapable by reason of illness or injury of managing and administering his property and affairs;
 - (e) (other than the Chief Executive Officer) the person resigns his office by giving one month's notice in writing to the Centre, (unless such notice period is waived by the Board);
 - (f) (in the case of the Chief Executive Officer) the person resigns his office by giving such notice as stipulated in his service contract with the Centre;

- (g) (in the case of the Chief Executive Officer) the Board, by an ordinary resolution, terminates the Director's employment by giving written notice or by other means permitted in accordance with the terms of his service contract;
 - (h) the person for more than six (6) months has been absent without permission of the Board from meetings of Directors held during that period and the Board resolves that his office be vacated;
 - (i) the person is directly or indirectly interested in any transaction, arrangement or contract or proposed transaction, arrangement or contract with the Centre and fails to declare the nature of his interest in the manner required by section 536 of the Ordinance;
 - (j) the person is removed from the office of Director by an ordinary resolution of the Centre;
 - (k) the person does any act which, in the opinion of the Board, is likely to bring him or the Centre into disrepute;
 - (l) the person is requested in writing by a majority of other Directors for the time being to vacate office; or
 - (m) (other than the Chief Executive Officer) the person holds a salaried office or any office of profit under the Centre.
- (2) The Centre may remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Centre and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any service contract between him and the Centre.

26 **Directors' expenses**

The Centre may pay any travelling, accommodation and other expenses properly incurred by Directors in connection with—

- (a) their attendance at—
 - (i) meetings of Directors or committees or sub-committees of Directors;
 - (ii) general meetings; or
 - (iii) separate meetings of the holders of debentures of the Centre; or
- (b) the exercise of their powers and the discharge of their responsibilities in relation to the Centre.

Division 4 —Directors' indemnity and insurance

27 **Indemnity**

- (1) A Director or former Director may be indemnified out of the Centre's assets against any liability incurred by the Director to a person other than the Centre or an associated company of the Centre in connection

with any negligence, default, breach of duty or breach of trust in relation to the Centre.

- (2) Paragraph (1) only applies if the indemnity does not cover—
- (a) any liability of the Director to pay—
 - (i) a fine imposed in criminal proceedings; or
 - (ii) a sum payable by way of a penalty in respect of non-compliance with any requirement of a regulatory nature; or
 - (b) any liability incurred by the Director—
 - (i) in defending criminal proceedings in which the Director is convicted;
 - (ii) in defending civil proceedings brought by the Centre, or an associated company of the Centre, in which judgment is given against the Director;
 - (iii) in defending civil proceedings brought on behalf of the Centre by a Member or a member of an associated company of the Centre, in which judgment is given against the Director;
 - (iv) in defending civil proceedings brought on behalf of an associated company of the Centre by a member of the associated company or by a member of an associated company of the associated company, in which judgment is given against the Director; or
 - (v) in connection with an application for relief under section 903 or 904 of the Ordinance in which the Court refuses to grant the Director relief.
- (3) A reference in paragraph (2) (b) to a conviction, judgment or refusal of relief is a reference to the final decision in the proceedings.
- (4) For the purposes of paragraph (3), a conviction, judgment or refusal of relief—
- (a) if not appealed against, becomes final at the end of the period for bringing an appeal; or
 - (b) if appealed against, becomes final when the appeal, or any further appeal, is disposed of.
- (5) For the purposes of paragraph (4) (b), an appeal is disposed of if—
- (a) it is determined, and the period for bringing any further appeal has ended; or
 - (b) it is abandoned or otherwise ceases to have effect.

28 Insurance

The Directors may decide to purchase and maintain insurance, at the expense of the Centre, for a Director of the Centre, against—

- (a) any liability to any person attaching to the Director in connection with any negligence, default, breach of duty or breach of trust (except for fraud) in relation to the Centre; or
- (b) any liability incurred by the Director in defending any proceedings (whether civil or criminal) taken against the Director for any negligence, default, breach of duty or breach of trust (including fraud) in relation to the Centre.

Division 5 —Company Secretary

29 Appointment and removal of Company Secretary

- (1) Subject to Article 4 of Part A of these Articles, the Board may appoint a Company Secretary for a term, at such remuneration and upon such conditions as it may think fit.
- (2) The Board may remove a Company Secretary appointed by it.
- (3) A provision of the Ordinance or these Articles requiring or authorising a thing to be done by or to a Director and the Company Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Company Secretary.

Division 6 —Patrons and honorary advisers

- 30 Subject to Article 4 of Part A of these Articles, the Board may appoint any person or persons to be the patrons and/or honorary advisers of the Centre who shall be entitled to attend the meetings of the Board but they shall not be entitled to vote thereat.

Division 7—Chief Executive Officer

- 31
- (1) Subject to Article 4 of Part A of these Articles, the Board shall appoint such person nominated by the SFST as Chief Executive Officer for such term, at such remuneration and upon such conditions as the Board (excluding the Chief Executive Officer – if so appointed) may think fit and any person so appointed may be removed by the Board following consultation with the SFST.
 - (2) The Chief Executive Officer shall not be entitled to attend any meetings of the Board at which any matters concerning his appointment, replacement, removal, conditions of service and remuneration are discussed and must not vote thereon.
 - (3) The Board may include the Chief Executive Officer, if he is also appointed as a Director.

Part 3

Members

Division 1—Becoming and ceasing to be Member

32 Application for Membership

- (1) The signatories of the original Articles are the founder Members of the Centre.
- (2) A person may become a Member of the Centre only if—
 - (a) that person has been nominated by the SFST;
 - (b) the Board has admitted the person as a Member; and
 - (c) that person has agreed to become a Member.
- (3) The Board may from time to time register an increase of number of Members, subject to the prior approval of the SFST.
- (4) A Member may be either an individual, a body corporate, a public body or a public officer.
- (5) Unless and until these Articles shall otherwise provide, all Members shall have the same rights and liabilities as specified in these Articles, rules, regulations and by-laws of the Centre.

33 Termination of Membership

- (1) A Member may withdraw from membership of the Centre by giving not less than one (1) month's notice to the Centre in writing.
- (2) Membership is not transferable.
- (3) A person's membership terminates when:
 - (a) the SFST has declared it in the interests of the Centre for such Member to cease to be a Member of the Centre; or
 - (b) in the case of incapacity or death of such Member or that person ceases to exist.

Division 2—Organization of general meetings

34 General meetings

- (1) Subject to section 107 of Schedule 11 to and sections 611, 612 and 613 of the Ordinance, the Centre must, in respect of each financial year of the Centre, hold a general meeting as its annual general meeting in accordance with section 610 of the Ordinance.
- (2) The Directors may, if they think fit, call a general meeting.
- (3) If the Directors are required to call a general meeting under section 566 of the Ordinance, they must call it in accordance with section 567 of the Ordinance.
- (4) If the Directors do not call a general meeting in accordance with section 567 of the Ordinance, the Members who requested the

meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting in accordance with section 568 of the Ordinance.

- (5) All general meetings other than annual general meetings shall be called extraordinary general meetings.
- (6) If at any time there are not within Hong Kong sufficient Directors capable of acting to form a quorum, any Director may convene an extraordinary general meeting "in the same manner as nearly as possible as that in which meetings may be convened by the Board.
- (7) Pursuant to section 612 of the Ordinance the Centre is not required to hold an annual general meeting if:
 - (i) everything that is required or intended to be done at the meeting (by resolution or otherwise) is done by a written resolution; and
 - (ii) a copy of each document that under the Ordinance would otherwise be required to be laid before the Centre at the meeting or otherwise is produced at the meeting is provided to each Member, on or before the circulation date of the written resolution.

35 **Notice of general meetings**

- (1) An annual general meeting must be called by giving notice of at least twenty-one (21) days in writing in hard copy form or electronic form or by publishing the notice on the Centre's website in accordance with section 573 of the Ordinance.
- (2) A general meeting other than an annual general meeting must be called by notice of at least fourteen (14) days in writing in hard copy form or electronic form or by publishing the notice on the Centre's website in accordance with section 573 of the Ordinance.
- (3) The notice is exclusive of—
 - (a) the day on which it is served or deemed to be served; and
 - (b) the day for which it is given.
- (4) The notice must—
 - (a) specify the date and time of the meeting;
 - (b) specify the place of the meeting (and if the meeting is to be held in two (2) or more places, the principal place of the meeting and the other place or places of the meeting);
 - (c) state the general nature of the business to be dealt with at the meeting;
 - (d) for a notice calling an annual general meeting, state that the meeting is an annual general meeting;
 - (e) if a resolution (whether or not a special resolution) is intended to be moved at the meeting—
 - (i) include notice of the resolution; and

- (ii) include or be accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution;
 - (f) if a special resolution is intended to be moved at the meeting, specify the intention and include the text of the special resolution; and
 - (g) contain a statement specifying a Member's right to appoint a proxy under section 596(1) of the Ordinance.
- (5) Paragraph (4) (e) does not apply in relation to a resolution of which—
- (a) notice has been included in the notice of the meeting under section 567(3) or 568(2) of the Ordinance; or
 - (b) notice has been given under section 615 of the Ordinance.
- (6) Despite the fact that a general meeting is called by shorter notice than that specified in this Article, it is regarded as having been duly called if it is so agreed for an annual general meeting, by all the Members entitled to attend and vote at the meeting.

36 Persons entitled to receive notice of general meetings

- (1) Notice of a general meeting must be given to—
- (a) every Member; and
 - (b) every Director.
- (2) If notice of a general meeting or any other document relating to the meeting is required to be given to a Member, the Centre must give a copy of it to its auditor (if more than one (1) auditor, to everyone of them) at the same time as the notice or the other document is given to the Member.

37 Accidental omission to give notice of general meetings

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

38 Attendance and speaking at general meetings

- (1) A person is able to exercise the right to speak at a general meeting when the person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions that the person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when—
- (a) the person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - (b) the person's vote can be taken into account in determining whether or not those resolutions are passed at the same time as the votes of all the other persons attending the meeting.

- (3) The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two (2) or more Members attending it are in the same place as each other.
- (5) Two (2) or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have rights to speak and vote at the meeting, they are able to exercise them.

39 Corporations and public bodies acting by representatives at general meetings

- (1) Any corporation which is a Member may by resolution of its Directors or other governing body from time to time authorise such persons as it thinks fit to act as its representative at any general meeting of the Centre, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member.
- (2) Any public body which is a Member may by written notice of such person(s) who is/are authorised to exercise the powers of such public body from time to time authorise such person as it thinks fit to act as its representative at any general meeting of the Centre, and the person so authorised shall be entitled to exercise the same powers on behalf of the public body which he represents as that public body could exercise if it were an individual Member.

40 Quorum for general meetings

- (1) Two (2) Members (one of whom must be the USFST) present in person or by proxy shall constitute a quorum at a general meeting.
- (2) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

41 Chairing general meetings

- (1) The chairman of the Board shall preside as chairman at every general meeting.
- (2) The USFST or a proxy of the USFST shall be chairman of the meeting if—
 - (a) there is no chairman of the Board;
 - (b) the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting;
 - (c) the chairman is unwilling to act; or
 - (d) the chairman has given notice to the Centre of the intention not to attend the meeting.
- (3) The Directors present at a general meeting must elect one of themselves to be the chairman if there is no chairman present and if the USFST or a proxy of the USFST is not present.

- (4) The Members present at a general meeting must elect one of themselves to be the chairman if—
 - (a) no Director is willing to act as chairman; or
 - (b) no Director is present within fifteen (15) minutes after the time appointed for holding the meeting.
- (5) A proxy may be elected to be the chairman of a general meeting by a resolution of the Centre passed at the meeting.

42 Attendance and speaking by non-Members

- (1) Directors may attend and speak at general meetings, whether or not they are Members.
- (2) The chairman of a general meeting may permit other persons to attend and speak at a general meeting even though they are not—
 - (a) Members; or
 - (b) otherwise entitled to exercise the rights of Members in relation to general meetings.

43 Adjournment

- (1) If a quorum is not present within half an hour from the time appointed for holding a general meeting, the meeting must—
 - (a) if called on the request of Members, be dissolved; or
 - (b) in any other case, be adjourned to the same day in the next week, at the same time and place, or to another day and at another time and place that the Board may determine.
- (2) If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting, the Member or Members present in person or by proxy constitute a quorum.
- (3) The chairman may adjourn a general meeting at which a quorum is present if—
 - (a) the meeting consents to an adjournment; or
 - (b) it appears to the chairman that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (4) The chairman must adjourn a general meeting if directed to do so by the meeting.
- (5) When adjourning a general meeting, the chairman must specify the date, time and place to which it is adjourned.
- (6) Only the business left unfinished at the general meeting may be transacted at the adjourned meeting.
- (7) If a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting must be given as for an original meeting.
- (8) If a general meeting is adjourned for less than thirty (30) days, it is not necessary to give any notice of the adjourned meeting.

Division 3—Voting at general meetings

44 General rules on voting

- (1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.
- (2) If there is 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, is entitled to a second or casting vote.
- (3) On a vote on a resolution on a show of hands at a general meeting, a declaration by the chairman that the resolution—
 - (a) has or has not been passed; or
 - (b) has passed by a particular majority,is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (4) An entry in respect of the declaration in the minutes of the meeting is also conclusive evidence of that fact without the proof.

45 Errors and disputes

- (1) 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.
- (2) Any objection must be referred to the chairman of the meeting whose decision is final.

46 Demanding a poll

- (1) A poll on a resolution may be demanded—
 - (a) in advance of the general meeting where it is to be put to the vote; or
 - (b) at a general meeting, either before or on the declaration of the result of a show of hands on that resolution.
- (2) A poll on a resolution may be demanded by—
 - (a) the chairman of the meeting;
 - (b) at least two (2) Members present in person or by proxy; or
 - (c) any Member or Members present in person or by proxy and representing at least five per cent (5%) of the total voting rights of all the Members having the right to vote at the meeting.
- (3) The instrument appointing a proxy is regarded as conferring authority to demand or join in demanding a poll on a resolution.
- (4) A demand for a poll on a resolution may be withdrawn.

47 **Number of votes a Member has**

On a vote on a resolution, whether on a show of hands at a general meeting or on a poll taken at a general meeting—

- (a) the USFST has two (2) votes;
- (b) the HKMA has one (1) vote;
- (c) the SFC has one (1) vote;
- (d) all other Members present in person have one (1) vote; and
- (e) every proxy present who has been duly appointed by a Member entitled to vote on the resolution has the number of votes which correspond to the type of Member they are appointed to represent.

48 **Votes of mentally incapacitated Members**

A Member who is a Mentally Incapacitated Person shall not have the right to vote himself or by proxy at any general meeting of the Centre.

49 **Content of proxy notices**

- (1) A proxy may only validly be appointed by a notice in writing (proxy notice) that—
 - (a) states the name and address of the Member appointing the proxy;
 - (b) identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is authenticated, or is signed on behalf of the Member appointing the proxy; and
 - (d) is delivered to the Centre in accordance with these Articles and any instructions contained in the notice of the general meeting in relation to which the proxy is appointed.
- (2) The Centre may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) The Centre shall allow a proxy notice to be delivered to it in electronic form and shall provide an electronic address for delivery of proxy notices. The Centre may require the delivery to be properly protected by a security arrangement it specifies.
- (4) A proxy notice may specify how the proxy appointed under it is to vote (or that the proxy is to abstain from voting) on one or more resolutions dealing with any business to be transacted at a general meeting.
- (5) 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.

50 Execution of appointment of proxy on behalf of Member appointing the proxy

If a proxy notice is not authenticated, it must be accompanied by written evidence of the authority of the person who executed the appointment to execute it on behalf of the Member appointing the proxy.

51 Delivery of proxy notice and notice revoking appointment of proxy

- (1) A proxy notice does not take effect unless it is received by the Centre —
- (a) for a general meeting or adjourned general meeting, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting; and
 - (b) for a poll at least forty-eight (48) hours before the time appointed for taking the poll.

Delivery of the proxy notice may be delivered via electronic means as specified by the Centre from time to time, or by a notarially certified copy of the proxy deposited at the registered office of the Centre or at such other place within Hong Kong as is specified for that purpose in the notice convening the meeting.

- (2) An appointment under a proxy notice may be revoked by delivering to the Centre a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking the appointment only takes effect if it is received by the Centre —
- (a) for a general meeting or adjourned general meeting, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting; and
 - (b) for a poll taken more than forty-eight (48) hours after it was demanded, at least twenty-four (24) hours before the time appointed for taking the poll.

52 Effect of Member's voting in person on proxy's authority

- (1) A proxy's authority in relation to a resolution is to be regarded as revoked if the 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 Member is entitled to exercise.
- (2) A 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 Centre by or on behalf of the Member.

53 **Effect of proxy votes in case of death, mental incapacity, etc. of Member appointing the proxy**

- (1) A vote given in accordance with the terms of a proxy notice is valid despite—
 - (a) the previous death or mental incapacity of the 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.
- (2) Paragraph (1) does not apply if notice in writing of the death, mental incapacity or revocation is received by the Centre —
 - (a) for a general meeting or adjourned general meeting, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting; and
 - (b) for a poll at least forty-eight (48) hours before the time appointed for taking the poll.

54 **Amendments to proposed resolutions**

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
 - (a) notice of the proposed amendment is given to the Company Secretary in writing; and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) The notice must be given by a person entitled to vote at the general meeting at which it is to be proposed at least forty-eight (48) hours before the meeting is to take place (or a later time the chairman of the meeting determines).
- (3) A special resolution to be proposed at a general meeting may be amended by ordinary resolution if—
 - (a) the chairman of the meeting proposes the amendment at the meeting at which the special resolution is to be proposed; and
 - (b) the amendment merely corrects a grammatical or other non-substantive error in the special resolution.
- (4) 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 Court orders otherwise.

55 **Written resolutions**

Subject to the Ordinance, a resolution in writing signed by or on behalf of all the Members of the Centre or of any class thereof (as the case may be) shall be as valid and effective as if it had been passed as an ordinary or special resolution (as the case may be) at a general meeting of the Centre or of the relevant class of Members (as the case may be) duly called and constituted. Such a resolution may consist of one or more documents in like form signed by one or more Members and shall not be invalidated by failure

of the Company Secretary to certify the wording of the same prior to signature. A written message sent by a Member shall be deemed to be a document signed by him for the purposes of this Article.

Part 4

Miscellaneous provisions

Division 1—Communications to and by Centre

56 Means of communication to be used

- (1) A notice may be given by the Centre to any Member or Director either personally or by sending it:
 - (i) by post to him or to his address entered in the Register of Members or Directors, or to the address, if any, within Hong Kong last supplied by him to the Centre for the giving of notice to him; or
 - (ii) by electronic means to such address notified by him to the Centre for the giving of notice to him.
- (2) Service of notice personally shall be deemed to have been effected at the time at which the notice was left at the address.
- (3) Service of notice by post shall be deemed to have been effected, subject to properly addressing, prepaying and posting a letter containing the notice:
 - (i) in the case of registered post, on the fourth working day after posting; and
 - (ii) in the case of ordinary post, on the second working day after posting.
- (4) Service of notice by electronic means shall be deemed to have been effected on the second working day after transmission.
- (5) "Working day" shall mean any day of the week excluding Sundays, Saturdays, public holidays and gale warning or black rainstorm warning days as defined in the Interpretation and General Clauses Ordinance (Cap. 1).
- (6) Subject to these Articles, anything sent or supplied by or to the Centre under these Articles may be sent or supplied in any way in which Part 18 of the Ordinance provides for documents or information to be sent or supplied by or to the Centre for the purposes of the Ordinance.

Division 2—Administrative arrangements

57 **Company seals**

- (1) A common seal may only be used by the authority of the Board or of a committee or sub-committee of the Board authorised by the Board on its behalf.
- (2) A common seal must be a metallic seal having the Centre's name engraved on it in legible form.
- (3) Subject to paragraph (2), the Board may decide by what means and in what form a common seal is to be used.
- (4) Unless otherwise decided by the Board, if the Centre has a common seal and it is affixed to a document, the document must also be signed by one (1) Director of the Centre and countersigned by a second Director of the Centre.

58 **Auditors and Auditor's insurance**

- (1) Subject to Article 4 of Part A of these Articles, auditors shall be appointed and their duties regulated in accordance with the applicable statutory requirements.
- (2) The Directors may decide to purchase and maintain insurance, at the expense of the Centre, for an auditor of the Centre, against—
 - (a) any liability to any person attaching to the auditor in connection with any negligence, default, breach of duty or breach of trust (except for fraud) occurring in the course of performance of the duties of auditor in relation to the Centre; or
 - (b) any liability incurred by the auditor in defending any proceedings (whether civil or criminal) taken against the auditor for any negligence, default, breach of duty or breach of trust (including fraud) occurring in the course of performance of the duties of auditor in relation to the Centre.
- (3) In this Article, a reference to performance of the duties of auditor includes the performance of the duties specified in section 415(6)(a) and (b) of the Ordinance.

59 **Accounts**

- (1) The Directors must prepare annual financial statements for each accounting reference period as required by the Ordinance. Subject to applicable exemptions permitted under the 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 Certified Public Accountants or its successors and adhere to all of its recommended practices.
- (2) The Directors must keep accounting records as required by the Ordinance.
- (3) Without prejudice to the preceding paragraphs, the Board shall cause to be kept at the registered office of the Centre or at such other place in Hong Kong as the Board thinks fit, proper books of account with respect to:

- (i) all sums of money received and expended by the Centre and the matters in respect of which the receipt and expenditure takes place;
 - (ii) all sales and purchases of goods and/or services by the Centre; and
 - (iii) the assets and liabilities of the Centre.
- (4) The Board shall from time to time in accordance with the requirements of the Ordinance, cause to be prepared and laid before the Centre in general meetings such annual financial statements, auditor's reports, Director's reports and annual consolidated financial statements (if any) as are required by the Ordinance.
- (5) A person is not entitled to inspect any of the Centre's accounting or other records or documents merely because of being a Member, unless the person is authorised to do so by—
- (a) an enactment;
 - (b) an order under section 740 of the Ordinance;
 - (c) the Directors; or
 - (d) an ordinary resolution of the Centre.