

## 6.5 Articles of Association

Prepared by the Chief Executive

### 1. Introduction

The purpose of this paper is to seek Board approval to proposed revisions to CAPA's Memorandum and Articles of Association (M&A) to be in compliance with the new Hong Kong Companies Ordinance (CO).

### 2. Commentary

This matter was raised at the Board meeting in May 2015, noting the new Hong Kong Companies Ordinance issued in March 2014 included a new approach to constitutional documents. Memorandum of Association have been abolished and just Articles of Association (Articles) now form the constitutional document of a company.

The current M&A remains valid as the new Companies Ordinance (CO) has deeming provisions. However, at the last Board meeting in October 2015 it was agreed to revise the articles and the task was included in the approved 2016 Work Program. It is proposed the revision occur in two stages:

- Stage 1 – revisions to ensure CO compliance
- Stage 2 – any revisions to improve the form and content

This paper only reflects Stage 1. Accordingly, the underlying content of CAPA's current M&A remains unchanged (with some exceptions, see below) and the revisions are purely to ensure compliance with the new CO, for which reference has been made to a set of Model Articles available under the new CO.

The revised Articles are included as **Attachment B** - all changes in track mode (with some exceptions, see below). The Company Secretary has confirmed the proposed revisions are satisfactory.

The main changes to CAPA's current M&A are described in **Attachment A**. In addition:

- Titles, headers and references to CO sections or clauses now reflect the new CO
- Matters in the current M&A that dealt with transitional matters when CAPA was first incorporated, and hence are no longer required, have been deleted.
- Typographical errors or similar in the current M&A have been corrected
- Objects in the current Memorandum of Association are now relocated to the Articles Part B, Part 2 (not shown in track change for ease of review)
- Articles are now divided into 'Part A: Mandatory Articles' and 'Part B: Other Articles'
- All numbering in the current M&A has been retained to facilitate links to other Articles. The final numbering will be adjusted once the changes are confirmed.

The next steps are anticipated as:

- Board to review and approve Stage 2 revisions in October 2016
- Members to approve the new Articles at the Annual General meeting in May 2017.

### 3. Action Required

Board to approve the Stage 1 revisions to the Articles as per **Attachment B**

**Attachment A****Main Amendments to the CAPA Articles of Association**

<b>Section</b>	<b>Suggested Change/Clarification</b>
Cover page	Outdated or unnecessary information deleted.
Part A	Article 2 and last page - No longer required.
Part B, Part 1 <b>Preliminary</b>	New required section to clarify that the Model Articles apply to CAPA, unless stated otherwise in the Articles*
Part B, Part 1 <b>Definitions</b>	Added "Proxy notice" – to be consistent with Model Articles. Previous M&As silent on proxy, however the use is allowable under CAPA policy 6.4.7.
Part B, Part 3 <b>Vote of Members</b>	Addition of new article (Model Article 48) for 'Proxy Notice' (as above).
Part B, Part 3 <b>Seal</b>	Deleted Articles 63 & 64 – With the new CO, the keeping and use of a common seal becomes optional. CAPA does not use the seal for execution of documents.
Part B, Part 3 <b>Proceedings of the Board</b>	Addition of new Article (Model Article 67) allowing Board (director) meetings by electronic means. Current M&As and CAPA policies are currently silent on this matter, however this is regarded as a contemporary approach.
Part B, Part 3 <b>Accounts</b>	Article 77 – replacing current article with specific requirements of Section 373 of the new CO.
Part B, Part 4 <b>Operating Language</b>	New Articles 83 – 86 (from the Model Articles) to deal with communication matters not previously addressed in current M&A.

\*The CAPA Articles do not address the following matters included in the Model Articles:

- Part 2, Division 1, Item 5 - Committees
- Part 2, Division 2, **Item 14 - Alternates voting at directors' meetings**
- Part 2, Division 2, Item 17 - Validity of acts of meeting of directors
- Part 2, Division 3, Item 22 - Composite resolution
- Part 2, Division 3, Item 24 - Directors' remuneration
- Part 2, Division 3, Item 25 - Directors' expenses
- Part 2, Division 4 - Alternate Directors
- Part 2, Division 5, Item 30 - Insurance
- Part 2, Division 6 - Company Secretary
- Part 3, Division 2, Item 41 - Attendance and speaking by non-members
- Part 3, Division 3, Item 44 - Errors and disputes
- Part 3, Division 3, Item 47 - Votes of mentally incapacitated members
- Part 4, Division 2, Item 57 - Auditor's insurance

A review of the Model Articles suggests only item 14 may need to be addressed as part of the Stage 2 review.

Draft 21 April 2016

**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
CONFEDERATION OF ASIAN AND PACIFIC  
ACCOUNTANTS LIMITED**

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~~{Adopted on 20 November 2013}~~

Incorporated in Hong Kong on  
~~the 12th day of~~ September, 2001

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~~JOHNSON STOKES & MASTER  
Solicitors & Notaries  
16th-19th Floors  
Prince's Building  
10 Chater Road  
Central  
Hong Kong~~

These Articles of Association were adopted by a special resolution on {{insert date}}

NOTE

~~The reprinted Memorandum & Articles of Association  
incorporate the Special Resolutions passed on 23rd May 2004,  
31st October 2009 and 20th November 2013 respectively.~~

**No. 769638**

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

**CONFEDERATION OF ASIAN AND PACIFIC  
ACCOUNTANTS 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 12 September 2001.**

本 證 書 於 二 〇 〇 一 年 九 月 十 二 日 簽 發 。

(Sd.) MISS R. CHEUNG

.....  
**For Registrar of Companies  
Hong Kong**

香港公司註冊處處長

(公司註冊主任張潔心代行)

THE COMPANIES ORDINANCE (~~CHAPTER 622~~CAP. 32)

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

**ARTICLES ~~MEMORANDUM~~ OF ASSOCIATION**

**OF**

**CONFEDERATION OF ASIAN AND PACIFIC  
ACCOUNTANTS LIMITED**

**PART A: Mandatory Articles**

**1. NAME**

The name of the Company ("the Company") is "CONFEDERATION OF ASIAN AND PACIFIC ACCOUNTANTS LIMITED".

**~~2. REGISTERED OFFICE~~**

~~The registered office of the Company will be situated in Hong Kong.~~

**4. LIMITED-MEMBERS' LIABILITY**

The liability of the members of the Company is limited.

**5. CONTRIBUTION TO ASSETS-LIABILITIES OR CONTRIBUTIONS OF MEMBERS**

Every member of the Company undertakes to contribute to the assets of the Company, in the event of its being wound up while such person is a member or within one year after he ceased to be a member, for payment of the debts and liabilities of the Company contracted before such person 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 but not exceeding HK\$100.

WE, the several persons whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association.

Names, Addresses and Descriptions of Subscribers

The Institute of Chartered Accountants  
—of Sri Lanka Insert Info

30A, Malalasekera Mawatha  
Colombo 7  
Sri Lanka Insert Info

Body Corporate

For and on behalf of  
The Institute of Chartered Accountants  
of Sri Lanka Insert Info

(Sd.) Ranel Wijesinha SIGNATURE

\_\_\_\_\_  
Name : Ranel Wijesinha Insert Info  
Title : President

Hong Kong Society of Accountants Insert Info

4th Floor, Tower Two, Lippo Centre  
89 Queensway  
Hong Kong Insert Info

Body Corporate

For and on behalf of  
Hong Kong Society of Accountants Insert Info

(Sd.) Kam Pok Man SIGNATURE

\_\_\_\_\_  
Name : Kam Pok Man (甘博文) Insert Info  
Title : Council Member Insert Info

\_\_\_\_\_ Dated the 27th Insert Info day of August Insert Info, 2001 Insert Info

WITNESS to the above signature: \_\_\_\_\_

(Sd.) LEE Kai-fat SIGNATURE

Name : Insert Info LEE Kai-fat

Address : Insert Info 4th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong

Occupation : Insert Info Registrar and Secretary-General, Hong Kong Society of Accountants

~~THE COMPANIES ORDINANCE (CAP. 32)~~

~~COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL~~

~~ARTICLES OF ASSOCIATION~~

~~OF~~

~~CONFEDERATION OF ASIAN AND PACIFIC  
ACCOUNTANTS LIMITED~~

PART B: Other Articles

PART 1

PRELIMINARY

1. The articles contained or incorporated in the Model Articles for Companies Limited by Guarantee in Schedule 3 of the Companies (Model Articles) Notice (Chapter 622H) shall apply to the company save in so far as they are excluded or varied hereby and such articles (save as so excluded and varied) and the Articles hereinafter contained shall be the Articles of the company.
2. In case of conflict between the Model Articles and these present, these present shall prevail.

**DEFINITIONS AND INTERPRETATIONS**

1. In these Articles, except where the context otherwise requires:-

~~“Company” means the Company incorporated as “CONFEDERATION OF ASIAN AND PACIFIC ACCOUNTANTS LIMITED”.~~

~~\*\*\*~~“Board” means the Board ~~or Executive Committee~~ for the time being of the Company, whose members shall be deemed to be directors for the purposes of the Ordinance.

~~\*\*\*~~“President and Deputy President” means the persons, for the time being elected by the Board, to hold the offices of President and Deputy President of the Company.

~~\*\*\*~~“Member organisation” means an organisation admitted to membership of the Company by the Board and whose name appears on the Register of Members for the time being, and where the context requires, includes a Member, an Associate and an Affiliate.

“Office” means the registered office, for the time being, of the Company.

“Ordinance” means the Companies Ordinance (Cap. 622), ~~Chapter 32~~ of the laws of Hong Kong, and any modifications thereto.

“Register” means the Register of Members of the Company to be kept pursuant to Section 627~~95~~ of the Ordinance.

~~\*~~“Rules” means the Rules of the Company from time to time enacted under Article 62.

“Proxy notice” See Article 48. [this article 48 from the model accounts and for purpose of this document is inserted after article 22]

4. Other words or expressions used in these Articles have the same meaning as in the Ordinance as in force on the date these Articles become binding on the company. In the event of a significant ambiguity in the interpretation of any word, term or phrase in the Articles of Association, an interpretation, supported by two-thirds of the Board would be binding and intact until a resolution to alter the Article involved in the interpretation in accordance with that interpretation has been reviewed at a General Meeting.
5. 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.

References herein to Articles are to Articles of these Articles of Association. Words importing the singular shall include the plural and vice versa. Words importing the masculine shall include the feminine and vice versa.

## INTERPRETATION

- ~~\*\*\*\*\*2. In the event of a significant ambiguity in the interpretation of any word, term or phrase in the Articles of Association, an interpretation, supported by two-thirds of the Board would be binding and intact until a resolution to alter the Article involved in the interpretation in accordance with that interpretation had been reviewed at a General Meeting.~~

## PART 2

### OBJECTS

1. The objects of the Company are:-

- ~~(1) to acquire and take over all or any part of the assets and liabilities of the present unincorporated body known as the Confederation of Asian and Pacific Accountants;~~
- (2) to provide leadership in the development, enhancement and coordination of the accountancy profession in the Asia and Pacific region to enable the profession to provide services of consistently high quality in the public interest;
- (3) to enhance the standards and development of the profession by promoting harmonisation through the adoption of International Federation of Accountants,



International Accounting Standards Board and International Auditing and Assurance Standards Board pronouncements;

- (4) to assist with the formation and development of national and intra-regional organisations which serve the interests of accountants in public practice, commerce, industry, the public sector and education;
- (5) to foster a strong and cohesive accounting and auditing profession by providing leadership on emerging issues, co-ordinating with International Federation of Accountants, other regional, intra-regional organisations, member bodies and associates to achieve strategic objectives;
- (6) to promote the profession's role, responsibilities and achievements in advancing the interests of member bodies and in serving the public interest;
- (7) to liaise with international and regional organisations to influence the development of efficient capital markets and international trade in services;
- (8) hold or assist in holding conferences, exhibitions, competitions and organise lectures for the purpose of promoting the objects of the Company;
- (9) print, publish and sell periodicals, books or leaflets the contents of which are designed to promote the objects of the Company;
- (10) apply for, invite and collect from members of the Company or from any other persons, corporations or authorities, subscriptions, donations, gifts, bequests and any other assistance;
- (11) acquire by purchase, gift or otherwise, any real or personal property whether subject to any special trust or not;
- (12) sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property, assets, rights and privileges of the Company;
- (13) undertake and execute any trusts which may lawfully be undertaken by the Company;
- (14) borrow or raise money for the purposes of the Company and on such security as may be thought fit;
- (15) invest the moneys of the Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit;
- (16) to lend and advance money or give credit to any person or company, to guarantee, and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; to secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or company;
- (17) employ and remunerate and, from time to time if thought fit, dismiss and replace with others such employees and staff as the Company may think fit, and lawyers, accountants, surveyors and other professional or non-professional advisers or consultants as may be considered expedient;

- (18) draw, make, accept, endorse, discount, execute and issue promissory notes, cheques, bills of exchange and other negotiable or transferable instruments;
- (19) obtain any enactment or order for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient;
- (20) vest any real or personal property, rights or interest acquired or belonging to the Company in any person for the benefit of the Company with a declaration in favour of the Company;
- (21) establish and support or aid in the establishment and support of any company or companies which may seem directly or indirectly calculated to benefit the Company;
- (22) amalgamate with any companies, institutions, societies or associations which are charitable at law and have objects altogether or mainly similar to those of the Company;
- (23) procure the Company to be registered or recognised in any part of the world;
- (24) co-operate with any local or public authority or other body;
- (25) support or oppose any proceedings or applications which may seem calculated directly or indirectly to benefit or prejudice the Company's interest;
- (26) pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the incorporation and registration of the Company;
- (27) to establish and carry on institutions of education, instruction or research and to provide for the giving and holding of lectures, scholarships, awards, exhibitions, classes and meetings for the promotion and advancement of education or the dissemination of knowledge generally;
- (28) to appoint agents, experts and attorneys to do all or any of the above matters and things on behalf of the Company or anything or matter for which the Company acts as agent or is in any other way whatsoever interested or concerned in any part of the world;
- (29) carry out any other acts, works, enterprises or things which are incidental or conducive to the attainment of the above objects or any of them;

And it is hereby declared that the word "company" in this clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in Hong Kong or elsewhere and the intention is that the objects specified in each paragraph of this Clause shall except where otherwise expressed in such paragraph, be independent main objects and shall be in nowise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

## PART 3

### MEMBERSHIP

**\*~~AAA~~13.** The number of member organisations with which the Company proposes to be incorporated is 500 but the Board may, from time to time, register an increase.

**\*~~AAA~~4.** ~~Every organisation who was at the date of incorporation of the Company either a Member or an Associate of the unincorporated body known as the Confederation of Asian and Pacific Accountants shall respectively become a Member or an Associate of the Company as appropriate.~~

~~Thereafter the~~ The Board shall admit to membership from time to time such member organisations as it shall think fit.

~~\*\*\*~~5. Every application for membership shall be in such form as the Board shall from time to time prescribe. The following categories of membership shall be established:-

(a) Member

Accountancy organisations, headquartered in the Asia and Pacific region (as defined by CAPA) and:

- recognised by law and/or general consensus, including by peers, the public and other stakeholders as being a national professional organisation in good standing in the jurisdiction;
- considered to be of high quality and good repute, meeting the quality criteria as established by the Board in CAPA's internal policies

A Member shall be entitled to attend and vote at a general meeting of the Company through its duly authorised representative.

(b) Associate

Accountancy organisations, headquartered in the Asia and Pacific region (as defined by CAPA) which have an interest in the accountancy profession. Such organisations demonstrate a commitment to, but do not meet all, the Member admission criteria.

An Associate shall be entitled to attend at a general meeting of the Company through its duly authorised representative but shall not be entitled to vote thereat or to be counted in the quorum.

(c) Affiliate

Organisations that have a recognised interest in the accountancy profession in the Asia and Pacific region which are either:

- Professional accountancy organisations (PAOs) that are headquartered outside the Asia and Pacific region (as defined by CAPA) and member bodies of the International Federation of Accountants; or
- International organisations that are not PAOs

An Affiliate shall be entitled to attend at a general meeting of the Company through its duly authorised representative but shall not be entitled to vote thereat or to be counted in the quorum.

~~\*\*\*~~6. Each member organisation shall pay such annual subscription or fees as shall from time to time be determined by a two-third majority of Members at a general meeting. The Board may expel a member organisation in accordance with Article 9 if the member organisation is in arrears with any subscription or fees for more than one year after payment is due.

~~\*\*\*~~7. Applications for membership shall be considered by the Board who shall decide upon the admission or rejection of the applicant. The Board shall not be obliged to inform a rejected applicant of the reason for his rejection.

## **TERMINATION AND EXPULSION**

- \*AAA**8. A member organisation may terminate its membership at any time upon written notice of 6 months to the Board but will remain liable to pay to the Company all moneys which, at the time of it ceasing to be a member organisation shall be due from him to the Company.
- \*AAA**9. (a) The Board shall have the right to suspend or expel with reasonable notice a member organisation in arrears with its financial contributions for more than one year after payment became due, or who is absent from two successive meetings of the Assembly without due cause.
- (b) Every member organisation on joining the Company impliedly undertakes to comply with these Articles and any refusal or neglect to do so, or any conduct unworthy of a member organisation, shall render a member organisation liable to suspension or expulsion.

## **INTRA-REGIONAL ACCOUNTANCY ORGANISATIONS**

10. Each intra-regional professional accountancy organisation which serves and functions within the Asia and Pacific region and has been recognised as such by the Company may designate one representative and two advisers to attend meetings of the Assembly but such representative and advisers shall have no right to vote.

## **GENERAL MEETINGS**

- \*\*\*\***11. ~~Subject to sections 611, 612 and 613 of the Companies Ordinance~~ The Company shall, in each financial year, hold a general meeting as its annual general meeting in accordance with Section 610 of the Companies Ordinance, in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it. ~~Not more than 15 months shall elapse between the date of one annual general meeting and the date of the next annual general meeting. Provided that so long as the Company 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. Thereafter, t~~The annual general meeting shall be held at such time and place as the Board shall appoint, subject to the provisions of Article 17.
12. Any general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.
- \*\*\***13. The Board may, by a decision of at least 75% of those present at a Board meeting, convene an extraordinary general meeting to be held at such time and place as it shall determine.
- \*14.** Subject to Section ~~578~~116C of the Ordinance, an annual general meeting shall be called by not less than ~~30~~21 days notice in writing. A general meeting other than an annual general meeting shall be called by not less than 14 days notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, date and time of the meeting and, in the case of special business, the general nature of that business and shall be given in any manner specified in these Articles or in such other manner if any as may be prescribed by the Company in general meeting to such persons as are, under these Articles entitled to receive notices from the Company.
- \*A15.** A meeting of the Company shall, notwithstanding that it is called by shorter notice than prescribed in Article 14, be deemed to have been duly convened if it is so agreed, in the case of a meeting called as an annual general meeting, by all the member organisations entitled to attend and vote at the meeting and, in the case of any other meeting, by a majority in number of the member organisations 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 member organisations entitled to attend and vote at the meeting.

- △16. ~~The Any~~ accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any member organisation shall not invalidate the proceedings at any meeting.

### **ASSEMBLY AND CONFERENCE**

- \*△△△17. The Members shall endeavour to hold a conference (each of them a “Conference”) once in every 4 years period, and shall decide the venue and host organisation for each Conference. During or immediately before or after the Conference, there shall be held an Assembly (the “Assembly”) which is a general meeting of the company.

- \*\*\*\*\*18. In the event that a CAPA Conference is postponed or cancelled for whatever reason, the Board shall be empowered to fix the date and place to hold a general meeting which will be deemed to be the Assembly that was postponed or cancelled as a result of the postponement or cancellation of the CAPA Conference, notwithstanding that the Assembly is not held in the year that the Conference was originally scheduled to take place and notwithstanding that it may not be held during or around the time of a CAPA Conference.

- △19. Each Member may designate up to two advisors to accompany its representative authorised under Article 22 or in case of absence~~ce~~, its other duly appointed proxy to the Assembly or to general meetings of the Company. Such advisors shall not be entitled to vote at the Assembly or at general meetings of the Company.

- △20. Each Associate or Affiliate may designate one representative and up to two advisors to attend meetings of the Assembly or to general meetings of the Company but such representative and advisors shall have no right to vote at the Assembly or at general meetings of the Company.

- \*△△△21. Applications from Members to host a Conference shall be presented to the Board at least six months before the date of the general meeting at which the decision to determine the host organisation is to be made.

### **PROCEEDINGS AT GENERAL MEETINGS**

- △22. Each member organisation of the Company, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at a general meeting of the Company.

#### **NEW (Article numbering to be changed later)**

**48. The appointment of a proxy shall be by notice in writing that is authenticated or is signed on behalf of the Member appointing the proxy.**

**The proxy notice appointing a proxy shall be delivered or deposited with the secretariat not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.**

**The content of a proxy notice may be in any form which the Board shall approve.**

**The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.**

- △23. The quorum for any general meeting shall be not less than 5 Members entitled to attend and vote **through its authorised representative, or in the case of absence of the representative by the proxy duly appointed, in-person** and the quorum must continue to be present throughout the meeting.

\*\*\*24. All business shall be deemed special that is transacted at an extraordinary general meeting and all that is transacted at an annual general meeting except for consideration of the accounts, balance sheets and the reports of the Board and auditors, the election of Board members in place of those retiring and appointing and fixing the remuneration of the auditors.

\*^25. If within 15 minutes from the time appointed for a meeting, a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved but, in any other case, it shall be adjourned to the same day in the next week at the same time and place, or to such other day, time and place as the Board may determine, and if a quorum is not present at the adjourned meeting within half an hour from the time appointed for the meeting, the Members through its authorised representative, or in the case of absence of the representative by the proxy duly appointed, ~~present~~ shall be a quorum.

\*\*\*26. The President and failing him the Deputy-President, shall preside as chairman at every general meeting but if at any meeting the President or Deputy-President is not present at the time appointed for holding the meeting or is unwilling to preside, the members of the Board present shall choose one of their number to preside as chairman.

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

^28. 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 demanded (before or on the declaration of the result of the show of hands):-

- (i) by the chairman of the meeting; or
- (ii) by at least 2 Members present in person; or
- (iii) by any Member or Members present in person 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 is so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the Company 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.

\*29. Except as provided in Article 31, if a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

30. 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.

31. 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.

## VOTES OF MEMBERS

- Δ32. A Member shall be entitled to one vote by its authorised representative, or in the case of absence of the representative by the proxy duly appointed. A Member who is in arrears in paying its annual subscription for more than one year after it is due shall not be entitled to vote.

## POSTAL BALLOT

- \*ΔΔΔ33. Except for amendments to the ~~Memorandum and~~ Articles of Association and amendments to the level of financial contributions, a postal ballot of Members may be taken when so arranged by the Board. Action may be taken based on the majority of those voting within the established deadline. Votes received after the deadline will not be counted.

## WRITTEN RESOLUTIONS

- Δ34. A resolution signed by all member organisations entitled to receive notice of and to attend and vote at a general meeting shall, if passed in accordance with Section ~~548-16B~~ of the Ordinance, be treated as a resolution duly passed at a general meeting of the Company.

## \*\*\*BOARD

- \*ΔΔΔ35. The management of the Company and of its property and funds shall be vested in the Board which shall comprise not more than 12 persons who shall be duly authorised representatives of Members each of which shall be from a different jurisdiction. 10 such persons shall be elected to the Board by an ordinary resolution of the Members at an Assembly. The elected members of the Board may appoint to the Board up to two additional representatives of Members from a jurisdiction not already represented on the Board. Such appointments must be with the consent of the Member which will nominate a representative.

- \*\*\*36. The representative of a jurisdiction holding a seat on the Board must be a member of one of the member organisations of that jurisdiction.

- \*\*\*37. A jurisdiction holding a seat on the Board has the right to change its representative. Each representative is permitted to have up to two accompanying advisers at meetings of the Board.

- ~~\*\*\*38. Every person who was at the date of incorporation of the Company a member of the Board of the unincorporated body known as the Confederation of Asian and Pacific Accountants shall become the first Board members of the Company and thereafter shall be elected at an Assembly.~~

- \*\*\*39. ~~All members of the Board shall retire at the Company's first Assembly. Thereafter, all~~ All members of the Board shall retire from office at the next Assembly after their election.

- \*\*\*40. A retiring member of the Board shall be eligible for re-election at the Assembly.

- \*ΔΔ41. The Members whose representatives will retire from the Board in accordance with Article 39 shall file a letter of intent with the Board at least six months before the next Assembly if they wish to seek re-election to the Board.

- \*ΔΔΔ42. When a Member not already represented on the Board wishes to propose a candidate for a seat on the Board, the Member must file a letter of intent with the Board at least six months before the next Assembly offering a representative for election to the Board.

- ~~\*ΔΔ~~43. If the jurisdiction for the next successive Conference of Company does not have an elected representative on the Board, then the representative of a Member from that jurisdiction will automatically be appointed as a member of the Board under the powers of the Board given under Article 35.

### **\*\*\*ELECTION OF BOARD**

- \*\*\*44.** If fewer than ten Members file letters of intent to seek election as elected representatives to the Board, the Board may request Members to put forward additional candidates for election as elected representatives to the Board provided that the Board shall not request more candidates than are necessary to bring the number of candidates for election up to ten.
- \*\*\*45.** Each notice of a meeting of the Assembly shall include the names of the jurisdictions whose representatives are candidates for election as elected representatives to the Board.
- \*\*\*46.** If there are ten or fewer candidates for election as elected representatives to the Board the candidates standing for election shall be deemed elected as elected representatives.
- \*\*\*47.** If more than ten jurisdictions are candidates for election to the Board and the jurisdiction represented by the Deputy President is a candidate for election then that jurisdiction shall be deemed elected and a poll shall be held to elect the remaining nine elected representatives of the Board. Those elected at a poll shall be the nine highest polling candidates.
- \*\*\*48.** In the event that Article 47 applies and there is a tie for the ninth seat as elected representative on the Board a further poll shall be held to determine the representative of the Member elected to the Board.

### **PRESIDENT AND DEPUTY-PRESIDENT**

- \*\*\*49.** ~~The President and Deputy President of the unincorporated body known as the Confederation of Asian and Pacific Accountants at the date of incorporation of the Company shall become the first President and Deputy President of the Company respectively. Thereafter, t~~The Board shall elect a President and a Deputy-President from amongst its number. The President and Deputy-President shall hold office for one-half of the period between one Assembly and the next. Such a half period shall be a term of office as President or Deputy President. Subject to Article 51 and Article 52, a President or Deputy President shall not be elected nor serve for more than one term of office.
- \*\*\*50.** The President shall be the chairman of any meeting of the Board. The Deputy President in the absence of the President shall act as the Chairman of any meeting of the Board. In the absence of the President and the Deputy President, members present will elect a member from amongst themselves to chair the meeting.
- 51.** If during a term of office the President ceases for any reason to hold that office, the Deputy-President shall be entitled to assume the office of President and to hold that office for the balance of the previous President's term of office and to serve for a further term of office.
- 52.** Where a Deputy President is elected to that office part way through a previous Deputy President's term of office as a result of the previous Deputy President ceasing to hold the office for any reason, the new Deputy President shall be elected to hold office for the balance of the previous Deputy President's term of office.
- \*\*\*53.** The member of the Board who is elected President shall not, while President, acts as a representative of a jurisdiction on the Board and the jurisdiction which the President had represented may appoint another person to act as its representative on the Board during the period in which that jurisdiction's original representative is President.
- \*\*\*\*\*54.** The member of the Board who is holding the position of President shall not be included when determining the maximum number of persons on the Board as stated in Article 35. The President will be an additional, ex officio member of the Board.



\*\*\*55. The President shall not have a vote as a member of the Board but the new representative of the jurisdiction previously represented by the President shall have a vote at meetings of the Board.

\*\*\*56. Notwithstanding that the President does not have a vote at meetings of the Board, the chairman of the meeting, even if he is not the President, shall have a casting vote which may be used to break a tied vote at meetings of the Board.

#### **IMMEDIATE PAST PRESIDENT**

\*\*\*57. The immediate past President shall be entitled to attend meetings of the Board but shall not be entitled to vote at, or be counted ~~be voted~~ in the quorum of, such meetings.

#### **\*\*\*POWERS AND DUTIES OF THE BOARD**

\*\*\*58. The Board shall take all practicable steps to achieve the objectives of the Company and may exercise all such powers and do all such things as are not required by the Ordinance or these Articles to be exercised or done by the Company in general meeting, subject nevertheless to the provisions of the Ordinance and these Articles and to any regulations prescribed by the Company in general meeting, provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

\*\*\*59. Without prejudice to the generality of the powers and duties vested in the Board by Article 58 hereof and subject to the provisions of the Ordinance and these Articles, the Board shall have the power to :-

- (i) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.
- (ii) employ and dismiss staff of the Company and to make provision for pensions, gratuities, retirement and other benefits for such staff.
- (iii) appoint, a Secretary, a Chief Executive ~~Officer~~ and such other officers as the Board may, from time to time think fit, and on such terms as it may think fit.
- (iv) delegate in writing any of its powers to committees or sub-committees to be appointed by it, consisting of such persons as the Board may think fit, and may from time to time revoke such delegation or revoke the appointment of and discharge any such committee or sub-committee either wholly or in part and either as to persons or purposes.
- (v) consider and approve or reject, by postal ballot if thought fit by the President, applications for membership of the Company.
- (vi) decide on according recognition to intra-regional organisations within the Asia and Pacific region.

~~\*\*\*\*~~(vii) Subject to Article 6, set annually the schedule of financial contributions to be made by each member organisation and determine the purposes and uses of funds, provided that the travel and subsistence costs of members of the Board in attending the meetings of the ~~Committee Company~~ shall not be met from the funds of the Company.

(viii) decide on the appropriate organisation required to carry out its tasks subject to the availability of funds.

~~Δ~~(ix) accept the resignation of a member organisation.

- (x) advise the Member hosting the succeeding Conference on aspects of the format and technical programme for that Conference, having regard to other proposed Conferences at regional or international levels.
- (xi) authorise the Member hosting a Conference to invite non-members of the Company to attend such Conference.
- (xii) have the right to invite such other organisations as shall be approved by the Board to send one representative and two advisers to attend meetings of the Board as observers. Such observers shall have no right to vote at meetings of the Board.
- (xiii) decide where the Chief Executive ~~Officer~~ should be located.
- (xiv) publish, at regular intervals, materials covering the activities of the Company and other matters of interest.

~~\*\*\*~~60. All cheques drawn on the Company's bank account or accounts, all orders for payment and other negotiable instruments made or issued by the Company, all receipts for moneys paid to the Company and all other contracts entered into by the Company in the ordinary course of business, shall be signed jointly by any two of the President, Deputy President and Chief Executive ~~Officer~~ or any such person or persons duly authorised by the Board.

~~\*\*\*~~61. The members of the Board shall cause minutes to be made in books provided for the purpose:-

- (i) of all appointments of officers made by the members of the Board;
- (ii) of the names of the members of the Board 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 Company, and of the Board and of any committee or sub-committee of the Board.

#### **RULES**

~~\*\*\*~~62. The Board shall have power from time to time to make, amend and repeal all such Rules as it may deem necessary or convenient for the carrying out of the objects of the Company and for the proper conduct and management of the Company. No Rules shall be inconsistent with, nor shall they affect or repeal anything contained in the ~~Memorandum or~~ Articles of Association and any Rule may be repealed by an ordinary resolution passed at a general meeting of the Company.

#### **SEAL**

~~\*\*\*~~63. ~~The Board shall provide for the safe custody of the Seal of the Company which shall not be affixed to any instrument except by authority of a resolution of the Board. Every instrument to which the Seal of the Company is affixed shall be signed jointly by any two of the President, Deputy President and Chief Executive Officer.~~

~~\*\*\*~~64. ~~The Company may exercise all the powers of having official seals conferred by the Ordinance and such powers shall be vested in the Board.~~

#### **\*\*\*PROCEEDINGS OF THE BOARD**

~~\*\*\*~~65. The Board may meet at such time and place as it may decide and regulate its business as it thinks fit, provided that it shall hold at least one meeting each calendar year.

~~\*\*\*~~66. The quorum for a meeting of the Board shall consist of not less than half of the number of members of the Board provided that if, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting shall be adjourned to such other day, time and place as those present may determine and if, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting the members of the Board present shall be a quorum.

NEW (Article numbering to be changed later)

67. (a) Any members of the Board may, if entitled to participate, participate in a meeting of the directors by telephone, video conference or other audio or audio visual link or any other form of telecommunication provided all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Ordinance, he or she shall be entitled to vote and be counted in the quorum accordingly.

(b) If all members of the Board 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. The directors not present at the place where the meeting is deemed to be held shall nevertheless be marked as present for the purposes of any minutes of the meeting.

~~\*\*\*~~67. Questions arising at any meeting of the Board shall be decided by a simple majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a casting vote.

~~\*\*\*~~68. A member of the Board may vote in regard to any contract or arrangement in which he is interested or upon any matter arising thereof, and if he shall so vote, his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration, provided that the nature of his interest is disclosed by him at the meeting of the Board at which the contract or arrangement is first taken into consideration if his interest then exists or in any other case at the first meeting of the Board after the acquisition of his interest whether such acquisition is before or after the contract or arrangement in question is entered into.

~~\*\*\*~~69. A member of the Board or the Chief Executive ~~Officer~~ may convene a meeting of the Board at any time.

~~\*\*\*~~70. The continuing Board members may continue to act, and to carry out all the functions of the Board notwithstanding any vacancy.

~~\*\*\*~~71. A resolution in writing (which shall include a facsimile transmission) signed by all members of the Board entitled to receive notice of the meeting shall be as effective as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents, each signed by one or more of the members of the Board.

~~\*\*\*~~72. All acts done at any meeting of Board members or of a committee or sub-committee of the Board or by any person acting as an Board member shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any such Board member or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member of the Board.

~~\*\*\*~~73. The Board members shall have power at any time and from time to time to appoint any person to be a Board member to fill a casual vacancy, but so that the total number of Board members shall not at any time exceed the number fixed in accordance with these Articles. Any person so appointed to the Board shall hold office only until the next Assembly.

~~\*\*\*~~74. The Company may by special resolution remove any Board member before the expiration of his period of office notwithstanding anything in these Articles.

~~\*\*\*~~75. The Company may by ordinary resolution appoint another person in place of a Board member removed from office under the immediately preceding Article. Without prejudice to the powers of the Board members under Article 73, the Company in general meeting may appoint any person to be an Board member either to fill a casual vacancy or as an additional Board member. Any person so appointed to the Board shall hold office only until the next Assembly.

~~\*\*\*~~**DISQUALIFICATION OF BOARD MEMBERS**

~~\*△△△~~76. The office of a member of the Board shall be vacated if such member:-

- (i) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (ii) becomes prohibited by law or court order from being a director of a company; or
- (iii) becomes of unsound mind; or
- (iv) resigns his office by notice to the Company; or
- (v) ~~if~~ **if** the Member whom he represents is in arrears in paying fees due to the Company for more than one year after each payment is due; or
- (vi) shall have been absent for 2 consecutive Board meetings without satisfactory explanation;

**ACCOUNTS**

~~\*\*\*~~77. ~~The Board shall cause proper books of account to be kept with respect to:-~~

- ~~(i) — all sums of moneys received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;~~
- ~~(ii) — the assets and liabilities of the Company;~~
- ~~(iii) — all sales and purchases of goods by the Company; and~~
- ~~(iv) — all other matters necessary to show a true and fair view of the financial state and condition of the Company.~~

77. In accordance with Section 373 of the Companies Ordinance (Cap 622), the Board shall cause accounting records that comply with the following:

- (1) The accounting records must be sufficient—
  - (a) to show and explain the company's transactions;
  - (b) to disclose with reasonable accuracy, at any time, the company's financial position and financial performance; and
  - (c) to enable the directors to ensure that the financial statements comply with the Companies Ordinance.
- (2) The accounting records must contain—
  - (a) daily entries of all sums of money received and expended by the company, and the matters in respect of which the receipt and expenditure takes place; and
  - (b) a record of the company's assets and liabilities.

~~\*\*\*~~78. The books of account shall be kept at the Office or at such other place as the Board thinks fit and shall always be open to the inspection of the members of the Board.

~~\*\*\*~~79. The Board shall determine the extent to which the accounts and books of the Company or any of them shall be open to the inspection of member organisations, not being members of the Board, and no member organisation (not being a member of the Board) shall have any right of inspection of any account, book or document of the Company except as conferred by statute or authorised by the Board or by the Company in general meeting.

~~\*\*\*~~80. The members of the Board shall from time to time in accordance with sections ~~122, 124 and 129D~~379 to 391 of the Ordinance, cause to be prepared and to be laid before the Company in general meeting such ~~profit and loss accounts, balance sheets~~financial statements and reports as are referred to in those sections.

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

## Part 4 Miscellaneous Provisions

### OPERATING LANGUAGE AND COMMUNICATIONS TO AND BY COMPANY

82. The official operating language of the Company shall be English.

~~83. Subject to these Articles, anything sent or supplied by or to the company under these Articles may be sent or supplied in any way in which Part 18 of the Companies Ordinance provides for documents or information to be sent or supplied by or to the company for the purposes of the Companies Ordinance.~~

~~84. Subject to these Articles, any notice or document 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 a notice or document for the time being.~~

~~85. A director may agree with the company that notices or documents sent to that director by post 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 7 days.~~

~~86. If the Company sends or supplies notices or other documents by electronic means, the intended recipient may agree with the company that such notices or other documents are deemed to have been received at the time when it is recorded by the Company's electronic equipment as having being sent.~~

### INDEMNITY

~~\*\*\*~~84. Every member of the Board, and any officer, servant or agent for the time being of the Company shall be indemnified out of assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connexion with any application under ~~section 358 of~~ the Ordinance in which relief is granted to him by the court.

### AMENDMENTS TO THE ~~MEMORANDUM~~ AND ARTICLES OF ASSOCIATION

85. The Company may by Special Resolution, and in accordance with the Ordinance amend its ~~Memorandum and~~ Articles of Association.

Names, Addresses and Descriptions of Subscribers

~~The Institute of Chartered Accountants  
—of Sri Lanka~~

~~30A, Malalasekera Mawatha  
Colombo 7  
Sri Lanka~~

~~Body Corporate~~

~~For and on behalf of  
The Institute of Chartered Accountants  
of Sri Lanka~~

~~(Sd.) Ranel Wijesinha~~

~~\_\_\_\_\_  
Name :Ranel Wijesinha~~

~~Title —:President~~

~~Hong Kong Society of Accountants~~

~~4th Floor, Tower Two, Lippo Centre  
89 Queensway  
Hong Kong~~

~~Body Corporate~~

~~For and on behalf of  
Hong Kong Society of Accountants~~

~~(Sd.) Kam Pok Man~~

~~\_\_\_\_\_  
Name :Kam Pok Man (甘博文)~~

~~Title —:Council Member~~

~~Dated the 27th day of August, 2001~~

~~WITNESS to the above signature: \_\_\_\_\_~~

~~(Sd.) LEE Kai-fat~~

~~Name \_\_\_\_\_ : LEE Kai-fat~~

~~Address \_\_\_\_\_ : 4th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.~~

~~Occupation \_\_\_\_\_ : Registrar and Secretary-General, Hong Kong Society of Accountants~~