

Company Number: 0020174

ARTICLES OF ASSOCIATION

OF

Sailing Federation of Hong Kong, China
中國香港帆船運動總會

Incorporated on the 24th day of April, 1970

(As adopted pursuant to the Special Resolution passed on 23 June, 2023)

INCORPORATED IN HONG KONG

THE COMPANIES ORDINANCE (Chapter 622)

Company Limited by Guarantee
And Not Having a Share Capital

ARTICLES OF ASSOCIATION
OF
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中國香港帆船運動總會

(as adopted pursuant to the Special Resolution passed on 23 June, 2023)

Definitions

In these Articles, unless there be something in the subject or context inconsistent therewith: -

“Former Companies Ordinance” means

- (a) the Companies Ordinance 1865 (1 of 1865);
- (b) the Companies Ordinance 1911 (58 of 1911); or
- (c) the predecessor Ordinance.

“Hong Kong” means the Hong Kong Special Administrative Region.

"the Ordinance" means the Companies Ordinance (Chapter 622) of the Laws of Hong Kong, including the related subsidiary legislation.

“Predecessor Ordinance” means the Companies Ordinance (Chapter 32) as in force from time to time before 3 March 2014.

"the Federation" means "Sailing Federation of Hong Kong, China 中國香港帆船運動總會".

“World Sailing” means World Sailing Limited which is the world governing body for the sport of sailing officially recognized by International Olympic Committee.

“ordinary resolution” has the meanings assigned thereto by the Ordinance.

"special resolution" has the meanings assigned thereto by the Ordinance.

"Officers" means the officers for the time being of the Federation.

"Council" means the council for the time being of the Federation.

"Member" means a member of the Federation registered as such in accordance with these Articles.

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

"the Office" means the registered office for the time being of the Federation.

"the Register" means the Register of Members of the Federation.

"the Secretariat" means the Secretary General or such other relevant personnel as designated by the Council of the Federation.

"in writing" and "written" means written or printed, or partly written or partly printed, and includes printing, lithography and other modes of representing or reproducing words in a visible form.

"the Seal" means the seal of the Federation.

"hybrid meeting" means a general meeting convened for the (i) physical attendance by Members and/or proxies at the physical venue of the meeting or, where applicable, the Principal Meeting Venue and one or more other Meeting Venues and (ii) virtual attendance and participation by Members and/or proxies by means of virtual meeting technology.

"Meeting Venue(s)" means the physical venue(s) of a General Meeting as determined by the Council or the physical venue(s) of an adjourned meeting as specified by the Chairman.

"physical meeting" means a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the physical venue of the meeting or, where applicable, the Principal Meeting Venue and one or more other Meeting Venues.

"Principal Meeting Venue" means, if there are two or more physical venues for a General Meeting as determined by the Council or for an adjourned meeting as specified by the Chairman, the principal physical venue of such General Meeting or adjourned meeting.

"virtual meeting" means a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of virtual meeting technology.

"virtual meeting technology" means a technology that allows a person to listen, speak and vote at a meeting without being physically present at the meeting.

Words importing the masculine gender only include the feminine gender and vice versa.

Words importing the singular number only include the plural number and vice versa.

Words importing persons include corporations, clubs, societies, companies, associations.

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 Federation.

The "Model Articles for Companies Limited by Guarantee" contained in schedule 3 to the Companies (Model Articles) Notice (Cap.622H) do not apply to the Federation.

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 provided for documents or information to be authenticated for the purposes of the Ordinance.

Part A MANDATORY ARTICLES

1. The name of the Federation shall be "Sailing Federation of Hong Kong, China 中國香港帆船運動總會".
2. The Registered Office of the Federation will be situate in Hong Kong.
3. The objects for which the Federation is established are: -
 - (a) To take over all the assets and liabilities of the present unincorporated body known as "Hong Kong Yacht Racing Association".
 - (b) To promote the sport of sailing in all its branches, whether under sail or under power, including related water-borne activities (hereinafter referred to as "the sport of sailing").
 - (c) To accept, if offered, appointment, and in such event to act, as the

national, local or other authority for the sport of sailing.

- (d) To select teams and/or individuals for national and international competitions and where appropriate and so authorized to represent Hong Kong and to control the participation of the teams in any national and international competition.**
- (e) To examine, study, investigate and consider and report on all matters affecting the sport of sailing and any person interested therein or associated therewith and to collect and distribute information, statistics opinion and reports thereon.**
- (f) To represent and protect the interests of any club, association, society, committee, body or person interested in or associated with the sport of sailing.**
- (g) To encourage and co-ordinate the holding of regattas, races and competitions of all sorts, to create and stimulate interest in and publicise the sport of sailing, to convene, arrange and hold exhibitions, shows, displays, meetings, conferences and discussions, and to provide prizes, bursaries, grants and awards for competitors and others.**
- (h) In furtherance of the objects of the Federation, to purchase, take on lease, exchange, hire or otherwise acquire any land, buildings or other property necessary or convenient for the purposes of the Federation, and to construct, maintain, pull down and alter any buildings or works necessary or convenient for the purposes of the Federation.**
- (i) In furtherance of the objects of the Federation, to sell, improve, manage, develop, lease, mortgage, pledge, dispose of or otherwise deal with the property and monies of the Federation.**
- (j) In furtherance of the objects of the Federation, to invest and deal with the monies of the Federation not immediately required to be expended in such manner as from time to time shall seem expedient.**
- (k) In furtherance of the objects of the Federation, to borrow or raise money for the purposes of the Federation on such terms and on such security as may be thought fit.**
- (l) To do all such other lawful things as are incidental or conducive to the attainment of the above objects.**

Provided that:-

- (i) In case the Federation shall take or hold any property which may be subject to any trusts, the Federation 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 Federation shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.**
- 4. The Federation claims jurisdiction over the sport of sailing and all sailboat and sailboard racing in Hong Kong sponsored and/or conducted by its members and is the National Authority for Hong Kong for the purpose of the World Sailing rules and regulations.**
- 5. The Federation shall be affiliated to the Sports Federation and Olympic Committee of Hong Kong, China and to the World Sailing.**
- 6. (a) The income and property of the Federation whensoever derived, shall be applied solely towards the promotion of the objects of the Federation as set forth in these Articles.**
- (b) Subject to paragraph (d) below, none of the income or property of the Federation shall be paid or transferred directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to the members of the Federation.**
- (c) No member of the Council or Governing Body of the Federation shall be appointed to any salaried office of the Federation, or any office of the Federation paid by fees, and subject to paragraph (d) below, no remuneration or other benefit in money or money's worth shall be given by the Federation to any member of the Council or Governing Body of the Federation.**
- (d) Nothing in this Article 6 shall prevent any of the following payment by the Federation: -**
- (i) any payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Federation;**
 - (ii) any payment, in good faith, of reasonable and proper remuneration to any member of the Federation not being a member of the Council or Governing Body of the Federation, in return for any goods or services actually supplied or rendered to the Federation'**
 - (iii) any payment of interest on money lent by any member of the Federation or of its Council or Governing Body of the Federation at a reasonable and proper rate per annum not exceeding two per cent**

(2%) above the prime rate prescribed for the time being by The Hongkong And Shanghai Banking Corporation Limited for Hong Kong dollar loans;

- (iv) any payment of rent for premises demised or let by any member of the Federation or of its Council or Governing Body to the Federation; provided that the amount of the rent and the other terms of the lease must be reasonable and proper; and such member must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion;
 - (v) reimbursement of out-of-pocket expenses properly incurred by any member of the Federation or of its Council or Governing Body for the Federation; or
 - (vi) any payment to any company of which a member of the Federation or of its Council or Governing Body or any Sub-Committee may be a member and in which such member shall not hold more than one-hundredth (1/100th) part of the capital, and such member should not be bound to account for any share of profits he may receive in respect of any such payment.
7. No additions, alterations or amendments shall be made to or in the Articles for the time being in force, unless such addition, alteration or amendment has previously been submitted to and approved by the Registrar of Companies in writing or is made under a direction given under section 104(2)(b) or 105 of the Ordinance.
8. The sixth and seventh paragraphs in Part A hereof contain conditions on which a licence was granted in pursuance of Sections 21 of the Predecessor Ordinance and is regarded as granted under Section 103 of the Ordinance.
9. The liability of the members is limited.
10. Every member of the Federation undertakes to contribute to the assets of the Federation, in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Federation contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding-up the Federation, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding ten dollars.
11. If upon the winding up or dissolution of the Federation 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 Federation but if and so far as effect can be given to the next provision shall be given or transferred to some other institution or institutions having objects similar to the objects of the Federation and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Federation under or by virtue of paragraph 6 hereof and this paragraph, such institution or institutions to be determined by a resolution of the members of the Federation at or before the time of dissolution, or in default thereof by a Judge of the High Court of Hong Kong Special Administrative Region having jurisdiction in the matter. If and so far as effect cannot be given to such provision, then shall be applied for charitable purposes as directed by a Judge of the High Court of the Hong Kong Special Administrative Region having jurisdiction in the matter.

12. The accounting records of the Federation shall be kept in accordance with the provision of the Ordinance and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Federation for the time being, shall be open to the inspection of the members. Once at least in every year the accounting records of the Federation shall be examined; and the correctness of the accounting records shall be ascertained by one or more properly qualified auditor or auditors.

Part B OTHER ARTICLES

Membership

1. The number of Members with which the Federation proposes to be registered is five thousand (5,000) but the Council may from time to time register an increase of Members.

2. There shall be the following classes of Members :-

- (a) Individual Members, being either Ordinary Members, Full Members, Life Members, Honorary Members or Junior Members.
- (b) Member Clubs.
- (c) Member Associations.

3. The following shall be eligible for election or appointment to the respective classes of Members :-

- (a) Individual Members - Any individual interested in the sport of sailing

or activities associated therewith. An Individual Member shall be either :-

- (i) An Ordinary Member - if eighteen (18) years or more at the date of election, or if a Junior Member, on the date on which his subscription next falls due after attaining eighteen (18) years or
 - (ii) A Full Member - any Ordinary Member will automatically become a Full Member after two (2) years of attaining Ordinary membership or
 - (iii) A Life Member - any person who at the date of election has been an Ordinary Member for two (2) years or more or is a Full Member, and has applied to become a Life Member or
 - (iv) An Honorary Member - any person, not necessarily a Member, who is elected as an Honorary Member by a three quarters (3/4) majority of those present and voting at a meeting of the Council or
 - (v) A Junior Member - if under eighteen (18) years of age at the date of election, until the date on which his subscription next falls due after attaining eighteen (18) years.
- (b) Member Club - Any not-for-profit recreational club that satisfies all the following criteria (i) to (iii) and all of the criteria set out in Article 4 of Part B hereof and is determined by the Council to be a Member Club which pays the Federation an annual subscription pro rata to its annual membership income:-
- (i) it is primarily established for sailing or boating and has its own premises and facilities for conducting regular sailing or boating activities;
 - (ii) it organizes regular sail training, cruising or racing activities; and
 - (iii) its members are fee paying members.
- (c) Member Association - Any club, organisation, association, company or other institution that satisfies one or more of the following criteria (i) to (iv) and all the criteria set out in Article 4 of Part B hereof and determined by the Council to be a Member Association which pays the Federation an annual subscription fee:-
- (i) it is a Class Association which is a member of an International Class Association recognized by World Sailing;
 - (ii) it is a Class Association which is affiliated to and operates through a Member Club;
 - (iii) it is an association which represents the owners of boats which

hold a rating certificate issued or administered by the Federation;
or

(iv) it is a club, association, organization or institution which organizes regular sailing or boating activities.

4. Any applicant for Member Club or Member Association shall be a body corporate or unincorporated registered under the Ordinance or the Former Companies Ordinance, or Societies Ordinance (Chapter 151), or other ordinance of Hong Kong, or exempted from registration under the Societies Ordinance (Chapter 151) and have the objects or interest in the promotion of the sport of sailing clearly set out in its articles of association or constitution or otherwise shown satisfactorily to the Council.

Election

5. (a) Every application for membership shall be in writing and upon such form and shall contain such particulars as the Council may from time to time determine.

(b) All applications for membership shall be placed before the Council which shall by a simple majority determine whether or not an applicant is elected or recommended, as the case may be, to the class for which application for membership of the Federation has been made.

Subscriptions

6. (a) The annual and other subscriptions entrance fee (if any) payable by Members shall be of such amounts as the Federation in General Meeting may from time to time prescribe.

(b) All annual and other subscriptions for the first calendar year of membership and entrance fee (if any) shall be paid within thirty (30) days of election or appointment and annual subscriptions for the subsequent calendar years shall be payable thereafter in one lump sum or instalments as determined by the Council from time to time on 1st January each year or on such other date as the Council may from time to time determine.

(c) A Member shall not be entitled to any of the rights or privileges of Membership whilst his subscription is in arrears.

Cessation of Membership

7. Membership is not transferable and a person's membership terminates

when that person dies or that body corporate or unincorporated ceases to exist.

8. A Member wishing to retire from the Federation shall notify the Secretariat in writing but shall remain liable for his subscription for the then current year.

9. A Member who has been adjudicated bankrupt or being a company has had a winding up order made against it shall automatically cease to be a Member provided that it shall be in the discretion of the Council to reinstate him as a Member.

10. The Council may in its discretion at any time cancel the membership of any Member Club or Member Association if such Member ceases to meet the criteria set out in Article 3(a) or 3(b) or 4 of Part B hereof.

11. The Council may cancel the membership of any Member whose subscription remains unpaid for more than six (6) months after it shall have become due provided that it shall be in the discretion of the Council to reinstate him as a Member.

12. Without prejudice to the provisions of Article 11 of Part B hereof, if the conduct of any Member is such as shall, in the opinion of the Council, be injurious to the character or interests of the Federation or render him unfit to remain a Member, the Council may expel such Member and if the Council shall act under this Article the Member shall be given at least fourteen (14) days' notice of the meeting of the Council at which such expulsion is to be considered and of the grounds on which his expulsion is sought and such Member shall be entitled to submit, either orally or in writing, representations to that meeting, but shall not be entitled to be present when the vote is taken.

A Member expelled under this Article shall have the right of appeal by giving written notice to the Secretariat within fourteen (14) days of the date of the decision of the Council to expel such Member. Thereupon the Council shall within fourteen (14) days of receipt of such notice proceed to call a General Meeting of the Federation and if such meeting shall pass a special resolution rescinding the expulsion then the Member shall be re-instated as a Member from the date of the resolution rescinding the decision of the Council to expel the Member.

Privileges of Membership

13. (a) An Individual Member shall be entitled :-

(i) to receive a copy of any of the publications of the Federation at such charge (if any) as the Council may from

time to time determine;

- (ii) to register with the Federation in any class specified by the Council yachts of which such Member is the owner at such charge as the Council may from time to time determine.;
 - (iii) if a Full Member or a Life Member, to propose or be elected Officer or member of the Council.
- (b) A Member Club shall be entitled : -
- (i) to receive a copy of any of the publications of the Federation at such charge (if any) as the Council may from time to time determine;
 - (ii) to register with the Federation in any class specified by the Council yachts of which such Member Club is the owner at such charge as the Council may from time to time determine;
 - (iii) to propose or to have its nominated candidate who must be its member and an Individual Ordinary Member, Full Member or Life Member stand for election to the Council provided that unless otherwise determined by the Council the number of the nominated candidates of Member Clubs elected to the Council shall not be more than the applicable maximum number set out in or determined pursuant to Article 37 of Part B hereof. If the number of nominated candidates shall be more than such maximum number, a poll shall be conducted at the Annual General Meeting.
- (c) A Member Association shall be entitled : -
- (i) to receive a copy of any of the publications of the Federation at such charge (if any) as the Council may from time to time determine;
 - (ii) to propose or to have its nominated candidate who must be its member and an Individual Ordinary Member, Full Member or Life Member stand for election to the Council provided that unless otherwise determined by the Council the number of the nominated candidates of Member Associations elected to the Council shall not be more than the applicable maximum number set out in or determined pursuant to Article 37 of Part B hereof. If the

number of nominated candidates shall be more than such maximum number, a poll shall be conducted at the Annual General Meeting.

14. All Members shall be entitled to receive a notice of and to attend all General Meetings of the Federation.

14A. All General Meetings may be held as a physical meeting, as a hybrid meeting or as a virtual meeting.

General Meetings

15. The financial year of the Federation shall until otherwise determined by the Council end on 31st March in each year.

16. The Agenda for the Annual General Meeting and a copy of the financial statements, reports of the Council and the auditors and of any other document required by law to be annexed or attached thereto or accompany the same shall be forwarded to each Member at least twenty-one (21) days before the date of the meeting.

17. Subject to section 107 of Schedule 11 to and sections 611, 612 and 613 of the Ordinance, the Federation must, in respect of each financial year of the Federation, hold a General Meeting as its Annual General Meeting in accordance with section 610 of the Ordinance. The Annual General Meeting shall be held at such time and Meeting Venue(s) and/or by means of virtual meeting technology as the Council shall appoint.

18. [Deleted]

19. (a) The Council may whenever it thinks fit call a General Meeting and shall, on a requisition in writing of Members representing at least five percent (5%) of the total voting rights of all the Members entitled to attend and vote at a General Meeting convene a General Meeting.

(b) Any requisition made by Members must state the general nature of the business to be dealt with at the meeting proposed to be called and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Such requisition must be authenticated by the requisitionists and be delivered to the Federation in hard form or in electronic form.

(c) On receipt of any such requisition the Council shall call a General Meeting within twenty-one (21) days from the date of

receipt in accordance with section 567 of the Ordinance and the meeting must be held on a date not more than twenty eight (28) days after the date of the notice convening the meeting. If the Council does 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.

20. (a) Not less than twenty-one (21) days' notice of any Annual General Meeting and in the case of special business the general nature of the business to be transacted, shall be given in the manner hereinafter mentioned to such Members (including the auditor) as are under these Articles or under the Ordinance entitled to receive such notices from the Federation.

(b) Not less than fourteen (14) days' notice of any General Meeting (other than an Annual General Meeting) shall be given.

- (c) The notice given under paragraph (a) or (b) above shall specify:-
- (i) the time and date of the meeting;
 - (ii) if the General Meeting is to be a physical meeting or a hybrid meeting, the Meeting Venue of the meeting (and if there are two or more Meeting Venues, the Principal Meeting Venue and the other Meeting Venue(s));
 - (iii) if the General Meeting is to be a hybrid meeting or a virtual meeting, the notice shall include a statement to that effect and with details of the virtual meeting technology to be used for holding the meeting;
 - (iv) state the general nature of the business to be dealt with at the meeting;
 - (v) for a notice calling an annual general meeting, state that the meeting is an annual general meeting;
 - (vi) if a resolution (whether or not a special resolution) is intended to be moved at the meeting-
 - (a) include notice of the resolution; and
 - (b) include or be accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution;
 - (vii) if a special resolution is intended to be moved at the meeting, specify the intention and include the text of the special resolution;
 - (viii) contain a statement specifying a member's right to appoint a proxy under section 596(1) of the Ordinance;
 - (ix) paragraph (c)(vi) 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.

21. The accidental omission to give notice of a meeting or to send any voting or ballot paper or other document to or the non-receipt of such notice, voting or ballot paper or other document by any person entitled to receive such notice or document shall not invalidate any resolution passed, or proceeding had, at any meeting.

Proceedings at General Meetings

22. All business that is transacted at an Annual General Meeting, with the exception of the consideration of the financial statements, and the reports of the Council and auditors, the election or announcement of the election of the Officers and the Members of the Council, and the appointment and fixing of the remuneration of the auditors and all business that is transacted at the other General Meetings shall be special business.

23. (1) At all General Meetings the chair shall be taken by the President, and in his absence by either Vice President. If none of the President and either Vice President shall be present within fifteen (15) minutes after the time appointed for holding the meeting, or shall be willing to act as Chairman, the Members present shall choose one of their number to take the chair.

(2) If the Chairman of a General meeting is participating in the General Meeting using a virtual meeting technology or technologies and becomes unable to participate in the General Meeting using such virtual meeting technology or technologies, another person (determined in accordance with Article 23(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the General Meeting using the virtual meeting technology or technologies.

24. (1) No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business, and for all purposes the quorum shall be fifteen (15) Members personally or by proxy present and entitled to vote. A member who attends a general meeting by using the virtual meeting technology specified in the notice of the meeting is to be regarded as being present while so attending.

(2) If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall be adjourned.

(3) At any such adjourned meeting the Members present and entitled to vote, whatever their number, shall constitute a quorum and have power to decide upon all matters, which could properly have been disposed of at the

meeting from which the adjournment took place.

25. The Chairman may, with the consent of Members in the meeting, adjourn any General Meeting from time to time, but no business shall be transacted by any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

25A. If it appears to the Chairman of the General Meeting that:-

- (i) the virtual meeting technologies at the Principal Meeting Venue or at such other Meeting Venue(s) at which the meeting may be attended have become not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting;
- (ii) in the case of a virtual or a hybrid meeting, virtual meeting technologies being made available by the Federation have become inadequate;
- (iii) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
- (iv) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman may, at his/her absolute discretion, without the consent of Members in the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting. All business conducted at the meeting up to the time of such adjournment shall be valid.

25B. (1) When adjourning a General Meeting, the Chairman shall specify:-

- (a) the time and date of the adjourned meeting;
- (b) if the adjourned meeting is to be a physical meeting or a hybrid meeting, the Meeting Venue of the adjourned meeting (and if there are two or more Meeting Venues, the Principal Meeting Venue and the other Meeting Venue(s)); and
- (c) if the adjourned meeting is to be a hybrid meeting or a virtual meeting, the virtual meeting technology to be used for holding the adjourned meeting.

(2) When a meeting is adjourned for ten (10) days or more, notice of the

adjourned meeting shall be given as in the case of an original meeting.

- (3) If no notice of an adjourned meeting is given, a person who attends the adjourned meeting by using the virtual meeting technology specified by the Chairman under paragraph (1) above is to be regarded as being present while so attending.

26. At any General Meeting a resolution put to the vote of the meeting shall be decided by a show of hands unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman or by at least five (5) Members present in person or by proxy and having the right to vote or by a Member or Members present in person or by proxy and representing at least 5% of the total voting rights of all the Members having the right to vote at the meeting and unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive and an entry to that effect in the Minutes Book shall be conclusive evidence thereof. The demand for a poll may be withdrawn. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Council or the chairman of the meeting may determine.

27. If a poll be demanded in the manner aforesaid it shall be taken at such time and place and in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Members who were not present at an original meeting shall be entitled to attend and vote at an adjournment thereof.

28. In the case of an equality of votes either on a show of hands or on a poll the Chairman of the meeting shall be entitled to a further or casting vote.

29. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question of which a poll has been demanded.

29A. (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 Council 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 Meeting Venue as each other.

(5) Two or more persons who are not in the same Meeting Venue as each other are regarded as attending a General Meeting if their circumstances are such that they are able to exercise their rights to speak and vote at the meeting.

(6) A person attends a general meeting by using virtual meeting technology if -

(a) the person uses the virtual meeting technology specified in the notice of the meeting; and

(b) where the person has rights to speak and vote at the meeting, the person is able to exercise them.

(7) where Members attend a meeting by being present at one of the Meeting Venues and/or where Members participating in a virtual meeting or a hybrid meeting by means of virtual meeting technologies, a failure (for any reason) of the virtual meeting technologies or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Venue other than the Principal Meeting Venue to participate in the business for which the meeting has been convened or in the case of a virtual meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the virtual meeting technologies despite adequate virtual meeting technologies having been made available by the Federation, shall not affect the validity of the meeting or the resolutions passed, or any business conducted thereat or any action taken pursuant to such business provided that there is a quorum present throughout the meeting.

(8) All persons seeking to attend and participate in a virtual meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 25A, any inability of a person or persons to attend or participate in a general meeting by way of virtual meeting technologies shall not invalidate the proceedings of and/or resolutions passed at that meeting.

Votes of Members

30. Ordinary Members, Full Members, Life Members, Member Clubs and Member Associations shall, subject to these Articles, be entitled to vote at General Meetings of the Federation in the manner hereinafter provided but Honorary Members and Junior Members shall not be entitled to vote at General Meetings of the Federation.

31. A Member entitled to vote at a General Meeting of the Federation shall be entitled to appoint a proxy to attend on his behalf at General Meetings of the Federation and to exercise his voting rights on a poll. A proxy must be an Ordinary Member, a Full Member or Life Member. Every Member entitled to attend a General Meeting of the Federation shall (if circumstances so require) be given a voting paper or papers which shall indicate the number of votes, if any, attributable to such voting paper and shall otherwise be in such form as the Council may determine.

31A. A proxy may only be validly appointed by a proxy notice, that is, a notice in writing that-

- (a) states the name and membership number of the Member appointing the proxy (the donor);
- (b) states the name and membership number of the Member appointed to be the donor's proxy (if the donor is not appointing the chairman for that purpose);
- (c) states the General Meeting in relation to which the proxy is appointed;
- (d) is authenticated, or is signed on behalf of the donor;
- (e) is delivered to the Secretariat not less than forty eight (48) hours before the time appointed for holding the General Meeting in accordance with these Articles and any instructions contained in the notice of the General Meeting in relation to which the proxy is appointed.

31B. The Federation may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.

31C. If the Federation requires or allows a proxy notice to be delivered to it in electronic form, it may require the delivery to be properly protected by a security arrangement it specifies.

31D. 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.

31E. 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.

31F. An appointment under a proxy may be revoked by delivering to the Secretariat not less than forty eight (48) hours before the time appointed for holding the General Meeting a notice in writing to that effect signed by the Member appointing the proxy.

31G. A proxy's authority in relation to a resolution is to be regarded as revoked if the Member who 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.

31H. A member who is entitled to attend, speak or vote at a General Meeting remains so entitled in respect of that meeting even though a valid proxy notice has been delivered to the Secretariat by or on behalf of that Member.

31I. A vote given at the General Meeting or any adjournment thereof in accordance with the terms of a proxy notice is valid despite the previous death or mental incapacity of the Member appointing the proxy, unless at least 48 hours before the time appointed for holding the General Meeting or adjourned meeting notice in writing of the said death or mental incapacity of the Member is given to the Secretariat, together with written proof of such death or mental incapacity as shall be acceptable to the Secretariat.

32. Subject to Article 30 of Part B hereof, on a show of hands at a General Meeting, every Member present in person shall have one vote, and every proxy present who has been duly appointed by one or more Members entitled to vote at the General Meeting shall have one vote. Where a Member who is entitled to vote has been appointed a proxy by another Member, the appointee Member present at a General Meeting shall have one vote only on a show of hands.

33. On a poll taken at a General Meeting and on a ballot for the election of members of the Council a Member Club shall have such number of votes according to the annual subscription payable by such Member Club for the calendar year in which the General Meeting is held, and calculated at the rate of one vote for every entire sum of HK\$1,000 of annual subscription .

34. On a poll taken at a General Meeting and on a ballot for the election of members of the Council every Ordinary Member, every Full or Life Member shall have one vote.

34A. On a poll taken at a General Meeting and on a ballot for the election of

members of the Council every Member Association shall have three (3) votes.

**Authorised Representatives of Member
Club and Member Association at General
Meetings**

34B. Any Member Club or Member Association which is a body corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of the Federation and such representative shall be entitled to exercise the same powers on behalf of such Member Club or Member Associations which he represents as such Member Club or Member Association could exercise if it were an individual member present at the meeting in person, including (without limitation) power to vote on a show of hands or on a poll and to demand or concur in demanding a poll.

Officers

35. (a) The Officers shall consist of a President, three (3) Vice Presidents, an Honorary Treasurer and such other Officer positions as may be determined by the Council from time to time. The additional Officer positions created by the Council pursuant to this Article may be cancelled by the Council at any time.

(b) The Officers shall be Full or Life Members and shall be elected at the Annual General Meeting. The Council shall have the power to appoint any person to fill any casual vacancy in any of the aforesaid offices and such person shall hold office until the next following Annual General Meeting.

(c) An Officer may be removed from office by an ordinary resolution duly passed at a General Meeting of the Federation. The Council may also remove an Officer which has been appointed by the Council to fill a casual vacancy.

(d) The Officers and the Secretary-General shall be the executive organ of the Federation who shall attend to the routine and daily matters and business of the Federation.

(e) With effect from the end of the first Annual General Meeting to be held after adoption of these Articles, the maximum number of years that an Officer can serve in any particular Officer position is eight (8) continuous years. An Officer who has served the maximum number of years in the same Officer position shall not be eligible to hold the same Officer position in the Council for one (1) year following completion of his maximum term.

President

35A. The duties and responsibilities of the President include:-

- (a) to preside at General Meetings of the Federation and meetings of the Council;**
- (b) to set, review and revise the vision, mission and objectives of the Federation as agreed by the Council;**
- (c) to establish, review and oversee the implementation of the long term strategic policy of the Federation as agreed by the Council;**
- (d) to oversee the compliance and implementation of the corporate governance principles and measures as agreed by the Council; and**
- (e) to act as the chief spokesperson of the Federation.**

Vice Presidents

35B. The duties and responsibilities of the Vice Presidents include:-

- (a) to support the President in the execution of his duties;**
- (b) to chair General Meetings of the Federation and meetings of the Council in the absence of the President;**
- (c) to chair such committees, sub-committees, working groups and panels as approved by the Council; and**
- (d) to take up such responsibilities as endorsed by the Council.**

Honorary Treasurer

35C. The duties and responsibilities of the Honorary Treasurer include:-

- (a) to formulate, review and oversee the implementation of the long term financial strategy and finance policies as agreed by the Council;**
- (b) to formulate the annual budget of the Federation for the Council's approval;**
- (c) to monitor the financial situation of the Federation and make recommendations on financial matters to the Council; and**

- (d) to chair the Finance Committee.

Secretary-General

36. The Council may appoint a Secretary-General of the Federation for such time and such remuneration and upon such conditions as it may think fit. Any Secretary-General so appointed may, subject to the terms of any contract between him and the Federation, be removed by the Council. The Council may from time to time appoint such further officials as it shall deem necessary and may empower any such official to act as Secretary-General if the incumbent Secretary-General is incapable of acting.

Office of Honor

36A. In recognition of a person's distinguished achievements or contributions to the sport of sailing or the Federation, the Council may, with the approval of a three quarters (3/4) majority of those present and voting at a meeting of the Council, elect such person to an Office of Honor.

36B. Offices of Honor may include that of Patron, Honorary President, or such other title of Honor that the Council may consider appropriate.

36C. An Officer of Honor is entitled to attend General Meetings of the Federation and meetings of the Council but not entitled to vote at such meetings.

Council

37. The Council of the Federation shall consist of :-
- (a) The Officers;
 - (b) Such number of Full or Life Members elected by the Federation as hereinafter provided so that the number of Full or Life Members elected and the number of Officers together do not exceed thirteen (13);
 - (c) Unless otherwise determined by the Council from time to time not more than four (4) members elected by the Federation as hereinafter provided from the nominated candidates of the Member Clubs pursuant to Article 13(b)(iii) of Part B hereof;
 - (d) Unless otherwise determined by the Council from time to time not more than six (6) members elected by the Federation as hereinafter provided from the nominated candidates of Member Associations pursuant to Article 13(c) (ii) of Part B hereof;
 - (e) Additional Council Members appointed by the Council pursuant to

Article 43 of Part B hereof,

save that in the period until the first Annual General Meeting to be held after adoption of these Articles, the number of Full or Life Members elected as members of the Council together with the number of Officers shall not exceed fourteen (14) and the number of nominated candidates of Member Associations elected as members of the Council shall not exceed five (5).

38. At the Annual General Meeting in each year, two (2) Officers and one third (1/3) of the elected Full or Life Members sitting on the Council (or such Officers and elected members as together with any vacancy caused by death, resignation or retirement of them equals two (2) and one-third (1/3) respectively) shall retire in order of seniority of election and in the case of equal seniority the order of retirement shall, failing agreement between the Officers and Council members concerned, be determined by lot. Member Club Council members and Member Association Council members shall all retire at each Annual General Meeting. Retiring Council members and if so nominated, retiring Member Club Council members and Member Association Council members shall be eligible for re-election.

39. Apart from Member Club Council members and Member Association Council members, no person who is not either a Full Member or Life Member may be a member of the Council. A Member Club nominated candidate or a Member Association nominated candidate must be a member of the Member Club or Member Association nominating him and an Individual Ordinary Member, Full Member or Life Member.

40. Other than the nominated candidates of the Member Clubs and Member Associations hereinbefore provided, candidates for election to the Council shall be proposed and seconded only by Full/Life Members entitled to vote at a General Meeting.

41. The names of such candidates together with the names of their proposers and seconders shall be communicated in writing to the Secretariat at least three (3) weeks before the Annual General Meeting. A Member Club may only nominate one person from amongst its members as a candidate. A Member Association may only nominate one person from its members as a candidate.

42. If there shall be more candidates for election than vacancies a ballot shall be held in accordance with these Articles and the result of the ballot shall be announced at the Annual General Meeting. If the number of candidates for election is equal to or less than the number of vacancies to be filled, all candidates shall be deemed to be elected to the office for which they have been proposed and seconded.

43. The Council shall have power at any time and from time to time to appoint any Full or Life Member to be a member of the Council either to fill a casual vacancy or as an addition to the existing elected members of the Council but so that :-

- (a) no appointment shall be made under this Article which would cause the number of members already appointed and then to be appointed under this Article to exceed one-third (1/3) of the number of elected members at the date of such appointment,**
- (b) the total number for the time being of the elected members and of the members appointed under this Article shall at no time exceed twenty-three (23) and be less than ten (10),**
- (c) where the casual vacancy is that of a Member Club representative the Member Club must first be invited to appoint a representative to fill the vacancy and,**
- (d) where the casual vacancy is that of a Member Association representative the Member Association must first be invited to appoint a representative to fill the vacancy.**

Any person so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for election or appointment but shall not be taken into account in determining the persons who are to retire at such meeting under Article 38 of Part B hereof.

44. If the Vice Presidents, the Honorary Treasurer, such other Officer whose position was created by the Council pursuant to Article 35(a) of Part B hereof, or an elected member of the Council (including those nominated by a Member Club or a Member Association) shall not attend at least fifty per cent (50%) of the meetings of the Council held between one Annual General Meeting and the next he shall, unless the Council otherwise determines, be deemed to have retired as a member of the Council and shall not be eligible to serve as an Officer or as a member of the Council for one year after such retirement.

45. The office of a member of the Council shall be vacated :-

- (a) if a bankruptcy order is made against him or he makes any arrangement or composition with his creditors;**
- (b) if he becomes of unsound mind;**
- (c) if he is a representative of a Member Club or of a Member Association, he ceases to be a Member of the Federation; or if he**

is a member of the Council referred to in Article 37(a), (b) or (e) of Part B hereof, he ceases to be a Full Member or Life Member;

- (d) if by notice in writing to the Federation he resigns his office;
- (e) if he ceases to be a member of the Council under the Ordinance or under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), or is prohibited from being a director by law;
- (f) if he is removed from office by an ordinary resolution duly passed at a General Meeting of the Federation;
- (g) if he is a representative of a Member Club, he is no longer a member of such Member Club or his representation is otherwise revoked by the Member Club nominating him;
- (h) if he is a representative of a Member Association, he is no longer a member of such Member Association or his representation is otherwise revoked by the Member Association nominating him;
- (i) if he is an Officer, he is removed by the Council pursuant to Article 35(c) of Part B hereof; or
- (j) if he is an Officer, upon completion of the maximum term of years as specified in Article 35(e) of Part B hereof.

Ballot Procedure

- 46. (a) If a ballot shall be required on the election of members of the Council the Secretariat shall prepare ballot papers containing the names of all candidates together with the names of their proposers and seconders which shall be sent to all Members entitled to vote on such ballot;
- (b) One ballot paper shall be sent to a Member in respect of each vote to which he is entitled on a ballot and ballot papers shall be sent to Members at least fourteen (14) days before the Annual General Meeting;
- (c) A ballot paper completed by a Member to whom it was sent shall be invalid if it contains votes in favour of a number of candidates exceeding the number of vacancies to be filled or if it does not contain any vote;
- (d) Only those properly completed ballot papers received by the

Secretariat or such other person as the Council may appoint not later than forty-eight (48) hours before the time fixed for the Annual General Meeting at which the result is to be announced shall be taken into account;

- (e) If two or more candidates obtain an equal number of votes, the Council shall select by lot from such candidates the candidate or candidates to be elected.

Powers of Council

47. The business of the Federation shall be managed by the Council which may pay all such expenses of and preliminary and incidental to the creation, formation, establishment and registration of the Federation as it thinks fit, and may exercise all such powers of the Federation, and do on behalf of the Federation all such acts as may be exercised and done by the Federation, and as are not by statute or by these Articles required to be exercised or done by the Federation in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the statutes for the time being in force and affecting the Federation, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Council or by the Federation in General Meeting, but no such regulation made by the Federation in General Meeting shall invalidate any prior act of the Council which would have been valid if such regulation had not been made.

47A. The Members may, by special resolution, direct the Council to take, or refrain from taking, specified action. The special resolution does not invalidate anything that the Council has done before the passing of the resolution.

48. The Council may from time to time appoint such committees, sub-committees, working groups and panels as it may deem necessary and may delegate to any such committee, sub-committee, working group and panel such of the powers and duties of the Council (including the power to appoint committees and sub-committees, the power to appoint additional members thereof, the power to regulate their procedure and the power to delegate powers and duties) as it may think fit. Such committees, sub-committees, working groups and panels shall consist of such members of the Council or of such Members entitled to attend and vote at General Meetings as the Council may think fit. The Officers shall be ex-officio members of all such committees, sub-committees, working groups and panels except the Racing Rules and Appeals Committee. The Council however shall exercise its overall control and supervision over the committees, sub-committees, working groups and panels, which shall in exercise of the powers so delegated conform to all the provisions of the Articles of Association and any regulation that may be imposed by the Council.

48A. The Council may invite individual persons with special knowledge or expertise in particular fields to sit on its committees, sub-committees, working group and panels as observer or non-voting member. While such individual may attend Council and General Meetings upon invitation of the Council, they shall not be entitled to vote at such meetings.

Meetings of the Council

49. The President shall preside at all meetings of the Council, or in his absence either Vice President shall take the chair. If none of the President or the Vice Presidents shall be present within fifteen (15) minutes after the time appointed for holding the meeting, or shall be willing to act as the Chairman, the Council members present shall choose one from amongst themselves to take the chair.

50. Five (5) members of the Council personally present when the meeting of the Council proceeds to business shall constitute a quorum.

51. In addition to his own vote, the Chairman of the meeting shall have a second or casting vote in case of a tie in the voting.

52. Voting on all motions shall be by a show of hands unless a secret ballot is demanded by no less than two (2) members at the meeting.

53. Unless otherwise specified, voting on all motions of which notice has been given shall require only a simple majority of those present and voting.

54. Motions without due notice having been given shall not be discussed without the sanction of the Chairman and two thirds (2/3) of the members present. Voting on such motions shall require a two-thirds (2/3) majority of those present and voting and any decision thus taken shall be binding on all members whether present or not at the meeting.

54A. (a) Subject to these Articles, members of the Council participate in the Council meetings, or part of a Council meeting, when they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(b) In determining whether members of the Council are participating in the Council meeting, it is irrelevant where a member of the Council is and how they communicate with each other.

(c) If all the members of the Council in a Council meeting are not in the same place, they may regard the meeting as taking place wherever any one of them is.

Conflicts of interest

- 54B. (1) This article applies if-
- (a) a member of the Council is in any way (directly or indirectly) interested in a transaction, arrangement or contract with the Federation that is significant in relation to the Federation's business; and
 - (b) the member's interest is material.
- (2) The member of the Council must declare the nature and extent of his interest to the other member of the Council in accordance with section 536 of the Ordinance.
- (3) The member of the Council must neither-
- (a) vote in respect of the transaction, arrangement or contract in which he is so interested; nor
 - (b) be counted for a quorum purposes in respect of the transaction, arrangement or contract.
- (4) If the member of the Council contravenes paragraph (3)(a) above, the vote must not be counted.
- (5) Paragraph (3) above does not apply to –
- (a) an arrangement for giving a member of the Council any security or indemnity in respect of money lent by the member of the Council to or obligations undertaken by the member of the Council for the benefit of the Federation;
 - (b) an arrangement for the Federation to give any security to a third party in respect of a debt or obligation of the Federation for which the member of the Council has assumed responsibility wholly or in part under a guarantee or indemnity or by the deposit of a security; or
 - (c) subject to Article 6 of Part A hereof, an arrangement under which benefits are made available to employees and members of the Council or former employees and member of the Council of the Federation, which do not provide special benefits for members or former member of the Council.
- (6) A reference to a transaction, arrangement or contract includes a proposed transaction, arrangement or contract.

54C. In addition to the requirement set out in Article 54B of Part B hereof, the Council shall have power to lay down, vary and set aside guidelines on conflict of interest of members of the Council or its committees, sub-committees, working groups or panels which shall be complied with by members of the Council, committees, sub-committees, working group and panels. Such guidelines shall not conflict with Article 54B of Part B hereof and in case of conflict, Article 54B of Part B hereof shall prevail.

Racing Rules And Appeals Committee

55. The Council at its first meeting after the Annual General Meeting shall each year elect a Chairman of the Racing Rules and Appeals Committee. The Committee shall consist of not exceeding nine (9) persons or as the Council may determine from time to time who shall be Ordinary Members, Full Members or Life Members. The Chairman elected shall seek approval from the Council on the appointment of members of the Committee at the following meeting.

56. Four (4) members present when the Committee proceeds to business shall form a quorum.

57. In any matter put to the vote in the event of a tie, the Chairman shall have a casting vote.

58. The Council shall have the power to cancel the appointment of any of the nine (9) persons appointed by it under Article 55 of Part B hereof and shall have the power of filling vacancies during the year in the event of any of the said nine (9) persons ceasing to be members of the Racing Rules and Appeals Committee.

59. Subject to the provisions of these Articles and to the prior approval of the Council, the Racing Rules and Appeal Committee shall have power to lay down standing Rules, Orders and Instructions to govern and provide for all of its activities including the hearing of protest appeals referred to it.

Sailboat and Sailboard Racing

60. Sailboat and sailboard racing, whether sail power or otherwise organised by or in association with any Member Club or Member Association shall be subject to the provisions of these Articles of Association. By joining the Federation all Members agree to abide by these Articles of Association and any bye-law made hereunder by the Federation.

61. All races in which sailing boats, windsurfing boards, kiteboards or radio controlled watercraft participate shall be conducted under the "Racing

Rules of Sailing" published by World Sailing as adopted and prescribed by the Council.

62. Protests arising in sailboat or sailboard racing organised by or in conjunction with any Member Club or Member Association shall be heard by the Race Committee or Protest Committee of such Member Club or Member Association in accordance with the Racing Rules of Sailing or such procedures as may be laid down by such Member Club or Member Association from time to time. Appeals from decisions of such Race Committees or Protest Committees shall be referred to the Racing Rules and Appeals Committee of the Federation.

63. The procedure for referring appeals to the Racing Rules and Appeals Committee shall be notified to Member Clubs and Member Associations by the Federation. The fee for each appeal shall be fixed by the Council from time to time.

64. Decisions of the Racing Rules and Appeals Committee shall be final and binding upon the parties concerned.

Bye-Laws and Prescriptions

65. The Council shall have power to make, alter or set aside bye-laws or prescriptions to govern all or any race and competition organised by or in conjunction with the Members.

General

66. The Council may from time to time make and enforce, alter or set aside any rules, regulations, bye-laws, policies and guidelines for the administration of the Federation and the sport of sailing and associated activities which shall be binding on all Members of the Federation. Such rules, regulations, bye-laws, policies and guidelines shall not conflict with these Articles of Association and in case of conflict, these Articles of Association will prevail.

International

67. The Council shall have full power to decide any matters of an international nature which may arise concerning the Federation and the Members.

Alteration of Articles

68. No Article of the Federation shall be altered or revoked nor a new Article introduced unless fourteen (14) days' notice of such intention has

been given to all Members and passed by a three quarters (3/4) majority of those present and entitled to vote at the General Meeting convened for such purpose.

69. No Article may be altered without the prior written approval of the Registrar of Companies.

Records of Federation

69A. The Council must cause the information of the Federation to be adequately recorded for future reference as required by the Ordinance.

Accounts

70. The Council must keep the accounting records that:

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

71. The Council shall subject to Article 12 of Part A of these Articles from time to time determine at what times and places and under what conditions or regulations the accounts and books of the Federation shall be open to the inspection of Members not being members of the Council.

72. (1) The Council must prepare annual financial statements for each accounting reference period as required by the Ordinance. The financial statements must be prepared in accordance with the applicable statutory requirements 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 Council must keep accounting records as required by the Ordinance.

73. At the Annual General Meeting in every year the Council shall in accordance of the Ordinance, cause to prepare and lay before the Federation the reporting documents. The accounting records (including every document required by law to be annexed thereto) which is to be laid before the Federation in General Meeting, together with a copy of the Auditor's Report and the report of the Council, shall, not less than twenty-one (21) days before the date of the meeting, be sent to all such Members as are entitled to receive notices of General Meetings of the Federation, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Federation is not aware.

Notices

74. Every Member shall register with the Federation an address either in Hong Kong or elsewhere to which notices can be sent and if any Member shall fail so to do notice may be given to such Member by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, by posting the same for three (3) days at the Office.
75. (1) Subject to these Articles, anything sent or supplied by or to the Federation 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 Federation for the purposes of the Ordinance.
- (2) Subject to these Articles, any notice or document to be sent or supplied to a member of the Council in connection with the taking of decisions by a member of the Council may also be sent or supplied by the means by which that member of the Council has asked to be sent or supplied with such a notice or document for the time being.
- (3) A member of the Council may agree with the Federation that notices or documents sent to that member of the Council 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 48 hours.
76. [Deleted]
77. [Deleted]

Indemnity

78. (1) Only in furtherance of the objects of the Federation but not otherwise, subject to section 468 of the Ordinance, every member of the Council may be indemnified out of the Federation's assets against any liability incurred by such member of the Council to a person other than the Federation in connection with any negligence, default, breach of duty or breach of trust in relation to the Federation.
- (2) Paragraph (1) only applies if the indemnity does not cover-
- (a) any liability of the member of the Council 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 member of the Council-
 - (i) in defending criminal proceedings in which the member of the Council is convicted;
 - (ii) in defending civil proceedings brought by the Federation in which judgment is given against the member of the Council;
 - (iii) in defending civil proceedings brought on behalf of the Federation by a member of the Federation, in which judgment is given against the member of the Council; or
 - (iv) in connection with an application for relief under section 903 or 904 of the Ordinance in which the Court refuses to grant the member of the Council 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.

79. [Deleted]

Restriction on formation of subsidiary

80. The Federation 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.