

THE COMPANIES ORDINANCE (Chapter 32)

**Company Limited by Guarantee
And Not Having a Share Capital**

**ARTICLES OF ASSOCIATION
OF
HONG KONG SAILING FEDERATION
(香港帆船運動總會)**

*(as adopted at the Extraordinary General Meeting
held on 21 December 2004)*

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

"the Ordinance" means the Companies Ordinance (Chapter 32) of the Laws of Hong Kong and every other Ordinance incorporated therewith or any Ordinance or Ordinances substituted therefor, and in case of any such substitution, the reference in these Articles to the provisions of the Ordinance shall be read as reference to the provisions substituted therefor in the new Ordinance or Ordinances.

"the Federation" means "Hong Kong Sailing Federation (香港帆船運動總會)".

"Special Resolution" and "Extraordinary Resolution" have the meanings assigned thereto respectively 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.

"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 Secretariat 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.

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.

2. These Articles shall be construed with reference to the provisions of the Ordinance and terms used in these Articles shall be taken as having the same respective meanings as they have when used in the Ordinance. The Federation is established for the purposes expressed in the Memorandum of Association.

Membership

3. 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.

4. 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.

5. 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 who at the date of election has been an Ordinary Member for five (5) years or more or**
 - (iii) **A Life Member - any person eligible for full membership or**
 - (iv) **An Honorary Member - any person, not necessarily a Member, who is recommended as an Honorary Member by the Council and elected by a three quarters (3/4) majority of those present and voting at a General Meeting of the Federation 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 club having objects or interests similar to the objects of the Federation and determined by the Council to be a Member Club which pays the Federation a subscription pro rata to their membership income annually.**
- (c) **Member Association - Any club, organisation, association, company or similar institution having objects or interests similar to the objects of the Federation and determined by the Council to be a Member Association which pays the Federation an annual fee.**

Election

6. (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

7. (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 and entrance fee (if any) shall be paid within thirty (30) days of election or appointment and annual subscriptions shall be payable thereafter 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

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 the objects or interest of such Member cease to be similar to the objects of the Federation.
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 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 an Extraordinary General Meeting of the Federation and if such meeting shall pass an extraordinary resolution rescinding the expulsion then the Member shall be re-instated as a Member from the date of the resolution rescinding the resolution 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 seven (7). If there shall be more than seven (7) nominated candidates, 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 Association elected to the Council shall not be more than two (2). If there shall be more than two (2) nominated candidates, 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.

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 income and expenditure account, balance sheet, 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. The Federation shall in each calendar year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; not more than fifteen (15) months shall elapse between the date of one Annual General Meeting and that of the next. The Annual General Meeting shall be at such time and place as the Council shall appoint.

18. All General Meetings shall be either Annual General Meetings or Extraordinary General Meetings.

19. (a) The Council may whenever it thinks fit call an Extraordinary General Meeting and shall, on a requisition in writing of one-twentieth (1/20) or more of the total number of Members entitled to attend and vote at a General Meeting convene an Extraordinary General Meeting.

(b) Any requisition made by Members must state the object of the meeting proposed to be called and must be signed by the requisitionists and deposited at the Office.

(c) On receipt of any such requisition the Council shall forthwith convene an Extraordinary General Meeting; if it does not, within twenty-one (21) days from the date of deposit of the requisition, proceed to call such a meeting, the requisitionists or a majority in number of them may themselves convene a meeting but any meeting so convened shall not be held after the expiration of three (3) months from the said date.

20. (a) Not less than twenty-one (21) days' notice of any Annual General Meeting specifying the place, the day and hour of the 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 twenty-one (21) days' notice of any Extraordinary General Meeting specifying the place, day and hour of the meeting shall be given.

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 accounts, balance sheet, 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 an Extraordinary General Meeting shall be special business.

23. 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.

24. 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. 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 stand adjourned to such day and to such place as may be appointed by the Chairman. 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. 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 the meeting, adjourn any General Meeting from time to time, and from place to place, 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.

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 and having the right to vote or by a Member or Members present in person and representing not less than one-twentieth ($1/20$) 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.

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.

Votes of Members

30. Ordinary Members, Full Members, Life Members and Member Clubs shall, subject to these Articles, be entitled to vote at General Meetings of the Federation in the manner hereinafter provided but Honorary Members, Junior Members, and Member Associations 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 representative who must be a Full Member or Life Member to attend on his behalf at General Meetings of the Federation and to exercise his voting rights on a poll. 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.

32. On a show of hands at a General Meeting, every Ordinary Member, Full Member and Life Member present in person or by representative and the authorised representative of every Member Club who must be a member of the relevant Member Club present in person shall have one vote.

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 votes according to the annual subscription paid by such Member Club as the Council shall from time to time decide prior to the date of the meeting at which a poll is demanded or a ballot is held.

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.

Officers

35. (a) The Officers shall consist of a President, two Vice Presidents and an Honorary Treasurer who 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.
- (b) 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.

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 Secretary-General is incapable of acting or if no Secretary-General has been appointed.

Council

37. The Council of the Federation shall consist of :-
- (a) The Officers;
- (b) Not more than ten (10) Full or Life Members elected by the Federation as hereinafter provided;
- (c) Unless otherwise determined by the Council from time to time not more than seven (7) members elected by the Federation as hereinafter provided from the nominated candidates of the Member Clubs pursuant to Article 13(b)(iii) hereof;
- (d) Unless otherwise determined by the Council from time to time not more than two (2) members elected by the Federation as hereinafter provided from the nominated candidates of Member Associations pursuant to Article 13(c) (ii) hereof;

(e) Additional Council Members appointed by the Council pursuant to Article 43 hereof.

38. At the Annual General Meeting in each year, two (2) Officers and one third (1/3) of the elected members of 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.

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.

44. If the Vice Presidents, the Honorary Treasurer, or an elected member of the Council 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.

If an elected member of the Council who is a Member Association representative 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 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 Receiving 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 no longer either a Full Member or a Life Member of the Federation;
- (d) if by notice in writing to the Federation he resigns his office;
- (e) if he ceases to be eligible to hold office by reason of any order made under the Ordinance;
- (f) if he is removed from office by an Extraordinary 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.

Ballot Procedure

- 46. (a) If a ballot shall be required on the election of members of the Council the Secretary-General 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) Every ballot paper when completed by the Members to whom it was sent must contain one vote in favour of each of a number of candidates equal to the number of vacancies to be filled, otherwise it shall be treated as a spoiled paper,

- (d) Only those properly completed ballot papers received by the Secretary-General 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.

48 The Council may from time to time appoint such committees and sub-committees as it may deem necessary and may delegate to any such committee 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 and sub-committees 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 and sub-committees except the Racing Rules and Appeals Committee. The Council however shall exercise its overall control and supervision over the committees and sub-committees and the committees or sub-committees shall in exercise of the powers so delegated conform to all the provisions of the Memorandum and Articles of Association and any regulation that may be imposed by the Council.

Meetings of the Council

49. The President shall preside at all ordinary 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 personally present when the meeting 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.

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 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 Appeals 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.

Yacht Racing

60. Yacht 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 yacht races in which sailing boats participate shall be conducted under the "Racing Rules of Sailing" published by International Sailing Federation as adopted and prescribed by the Council.

62. Protests arising in yacht 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

65. The Council shall have power to make bye-laws to govern all or any race and competition organised by or in conjunction with the Members. Such bye-laws may be set aside by a resolution passed at a General Meeting of the Federation.

General

66. The Council may from time to time make and enforce any Rules and Regulations 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 and Regulations may be set aside by a resolution passed at a General Meeting of the Federation.

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 twenty-one (21) 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 Annual General Meeting or an Extraordinary General Meeting convened for such purpose.

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

Accounts

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

- (a) all sums of money received and expended by the Federation and the matters in respect of which such receipts and expenditures shall take place;
- (b) all sales and purchases of goods by the Federation; and
- (c) the assets and liabilities of the Federation.

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

71. The Council shall subject to Clause 12 of the Memorandum of Association 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. Once at least in every year the accounts of the Federation shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified auditor or auditors.

73. At the Annual General Meeting in every year the Council shall lay before the Federation a proper income and expenditure account and balance sheet for the period since the last preceding account made up to a date not more than nine (9) months before the date of such meeting. A copy of every balance sheet (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. A notice may be given by delivery, prepaid letter (airmail in the case of a registered address outside Hong Kong), cable, telex or facsimile message.

76. (a) A notice delivered to the registered address shall be deemed to have been served at the time of delivery.
- (b) A notice sent by prepaid letter, cable, telex or facsimile message shall be deemed to have been served at the time when it was

posted or despatched and in proving such service it shall be sufficient to prove that the notice was properly addressed, stamped and posted or was properly despatched.

77. Where a given number of days' notice or notice extending over any other period is required to be given neither the day of service nor the day upon which such notice will expire shall be included in such number of days or other period.

Indemnity

78. Subject to the provisions of the Ordinance, if any prosecution, action or suit at law be commenced against any Member or Member of the Council, or any Officer, servant or agent of the Federation for anything done by him or them in the proper or reasonable discharge of their duties, such person or persons shall be defended and indemnified by and at the cost of the Federation from all damages, costs and expenses which may be incidental to or result from such prosecution, action or suit at law and the property and funds of the Federation may be applied for such purpose as may be directed by the Council from time to time. Provided however, that none of such funds shall be applied either directly or indirectly in payment of the whole or part of any fine or penalty imposed upon any person by sentence or order of a Court of Justice.

Winding-Up

79. The provisions of Clause 11 of the Memorandum of Association relating to the winding-up or dissolution of the Federation shall have effect and be observed as if the same were repeated in these Articles.