

SCHEDULE

[Rule 4(e)]

Corporate Practices (Model Articles of Association)

The enclosed Model Articles of Association comprising the following titles have been drawn up by the solicitors of the Hong Kong Institute of Certified Public Accountants (the HKICPA) and issued by the Council of the HKICPA on 3 March 2014 pursuant to section 51 of the Professional Accountants Ordinance Cap. 50 (PAO).

- A.(I) Model Articles of Association for Sole Practising Member Corporate Applicants / Corporate Practices Qualified for Registration Under Section 28D(2)(c) of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong)
- A.(II) Model Articles of Association for Corporate Applicants/Corporate Practices Qualified for Registration Under Section 28D(2)(b) of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong)
- B.(I) Model Articles of Association (Transmission of Shares) for Corporate Applicants / Corporate Practices Qualified for Registration Under Section 28D(2)(b) of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong)
- B.(II) Model Articles of Association (Transmission of Shares) for Sole Practising Member Corporate Applicants/Corporate Practices Qualified for Registration Under Section 28D(2)(c) of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong)

Adherence to the Model Articles would ensure conformance with the requirement of the Council regarding the constitution of the corporate practice. However, the HKICPA accepts no responsibility for the Articles being suitably drafted as regards the interests of the members of the corporate practice or as being suitable in a particular situation. The model is issued on the understanding that the HKICPA is not engaged in giving legal advice. If legal assistance is required as regards the particular interests of the corporate practice or its members, the advice of a competent professional person should be sought. Provided always that any addition to or variation from the Model Articles does not contradict or operate inconsistently with the provisions of the Model Articles.

A. (I) MODEL ARTICLES OF ASSOCIATION

**FOR SOLE PRACTISING MEMBER CORPORATE APPLICANTS/
CORPORATE PRACTICES QUALIFIED FOR REGISTRATION
UNDER SECTION 28D(2)(c) OF THE PROFESSIONAL
ACCOUNTANTS ORDINANCE (CAP. 50, LAWS OF HONG KONG)**

THE COMPANIES ORDINANCE (CAP. 622, LAWS OF HONG KONG)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

[_____]

Preliminary and Interpretation

1. (1) Subject to sub-article (2) below, the articles contained in Schedule 2 of the Companies (Model Articles) Notice (Cap. 622H), a subsidiary legislation of the Companies Ordinance (Cap. 622, Laws of Hong Kong) ("the Ordinance") shall apply to the company, save and except in so far as they are hereby expressly excluded or are, in any way, inconsistent or conflict with the articles set out hereinbelow. In particular, but without limiting the generality of the foregoing, articles 2, 7-15, 16(3-8), 19, 22-25, 28-30, 34(2-4), 38-44, 45(2-4), 46(2), 47, 59(3), 63(1), 64-68, 71-72, 74, 78(2) and 82 shall not apply to the company. Those articles contained in Schedule 2 of the Companies (Model Articles) Notice of the Ordinance shall (in the absence of any express provision to the contrary) apply to the company with such modification as may be necessary in relation to a company which has only one member and one director.
- (2) In the event that, for any reason and in any manner whatsoever, the company has, for the time being, two or more members, the articles contained in the Model Articles of Association for Corporate Applicants/Corporate Practices qualified for Registration under section 28D(2)(b) of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong), issued or to be issued by the Council (as the same may be amended and/or supplemented from time to time) shall apply to the company in substitution for the articles herein.
2. (1) Unless the context expressly provides or otherwise requires, the words or expressions "certified public accountant (practising)", "corporate practice", "Council", "practising certificate", "certified public accountant", "Registrar" and "Institute" shall have the same meanings ascribed to each of them under section 2 of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong) (as the same may be amended and/or supplemented from time to time), and the expression "authorised person" shall have the same meaning ascribed to it under the Corporate Practices (Registration) Rules made by the Council (as the same may be amended and/or supplemented from time to time).
- (2) In these articles, if not inconsistent with the subject or context, words importing the singular number only shall include the plural number and vice versa, and words importing any gender shall include all other genders.

Name and Objects

3. The name of the company is [] limited].
4. The registered office of the company will be situated in Hong Kong.
5. The objects for which the company is established are:
 - (a) to the extent not prevented by any law, decree, order, ordinance, rule, regulation or similar enactment which may be in force in Hong Kong from time to time, to carry on the business and to perform any of the functions of a certified public accountant (practising);
 - (b) whether gratuitously or otherwise, to undertake the office of and to act as trustee of any trust to execute trusts of any kind and to exercise, perform and discharge all powers, functions and duties arising from and incidental thereto;

[here other object clause(s) as are considered appropriate may be specified provided that such object clause(s) is not, in any respect, inconsistent with or contradictory to the object clauses stipulated hereinabove]; and

 - (c) to do all such things as are incidental or conducive to the attainment of the preceding objects of the company.
6. The liability of the members is limited to any amount unpaid on the shares held by the members.
7. The share capital and initial shareholdings on the company's formation is as follows:

Total Number of Shares Proposed to be Issued	Total Amount of Share Capital to be Subscribed by Founder Member [currency] (a)	Total Amount to be Paid Up or to be Regarded as Paid Up on the Shares Proposed to be Issued [currency] (b)	Total Amount to Remain Unpaid or to be Regarded as Unpaid on the Shares Proposed to be Issued [currency] (a) – (b)
[]	[]	[]	[]

8. The share capital to be subscribed by founder member is as follows:

Name, Address and Description of Founder Member	Shares Proposed to be Issued to the Member	
	Number of Share(s)	Amount [currency]
1. [] of [], []	[1]	[]
	[1]	[]
	=====	=====

Private Company

9. The company is a private company and accordingly:
- (a) the right to transfer shares is restricted in manner herein prescribed;
 - (b) the number of members of the company (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment of the company were while in such employment and have continued after the determination of such employment to be members of the company) is limited to 50;
 - (c) any invitation to the public to subscribe for any shares or debentures of the company is prohibited; and
 - (d) the company shall not have power to issue share warrants to bearer.

Share Capital

10. No person shall be eligible to become or remain the legal and/or beneficial owner of any share in the company unless he is:
- (i) a natural person;
 - (ii) a certified public accountant (practising); and
 - (iii) not prohibited from qualifying or acting as a director under the Ordinance

AND a person eligible in the terms of this article is in these articles referred to as "an Eligible Person".

11. Notwithstanding anything to the contrary contained in these articles, the ultimate beneficial ownership of all the issued share capital of the company shall be vested in the sole member of the company.

Lien

12. Subject to any other articles contained herein, the company may sell, in such manner as the sole director thinks fit, any shares on which the company has a lien, but no sale shall be made unless such shares shall be sold to an Eligible Person nor unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

Transfer of Shares

13. Subject to such of the restrictions of these articles as may be applicable, a member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the sole director may approve. For the avoidance of doubt, a member shall not be entitled to transfer any of his share(s) to any person other than an Eligible Person.
14. Save as set out in article 15 and subject to section 151 of the Ordinance, the sole director may in his sole and absolute discretion decline to register any transfer of shares whether or not fully paid up without assigning any reason therefore and shall so decline if in his opinion the registration thereof would or might be in breach of any other articles contained herein.

Transmission of Shares

15. (Please refer to Part B(II) of Model Articles of Association (Transmission of Shares)).

Forfeiture of Shares

16. A forfeited share may be sold or otherwise disposed of subject to any other articles contained herein on such terms and in such manner as the sole director thinks fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the sole director thinks fit. For the avoidance of doubt, such forfeited share shall not be sold to any person other than an Eligible Person.

Purchase of Own Shares

17. Subject to sections 233 to 237 and 244 to 273 of the Ordinance, the company may purchase its own shares (including any redeemable shares).
18. Subject to sections 257 to 266 of the Ordinance, the company may make a payment in respect of the redemption or purchase of its own shares otherwise than out of the distributable profits of the company or the proceeds of a fresh issue of shares.

Allotment of Shares

19. The sole director shall not exercise any power conferred on him to allot shares in the company without the prior approval of the company in general meeting where such approval is required by sections 140 to 141 of the Ordinance. In the event that the sole director is so authorised to allot any share in the company, he shall allot such share to an Eligible Person (including an existing member of the company).

General Meetings

20. The sole director may, if he thinks fit, call a general meeting. A member of the company may also call a general meeting in the same manner as nearly as possible as that in which meetings may be called by the sole director.

Proceedings at General Meetings

21. No business is to be transacted at a general meeting if there is no quorum. The sole member present in person or by proxy constitutes a quorum at a general meeting.
22. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the sole member, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the sole director may determine.
23. The sole shareholder may adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Appointment of Proxy

24. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

"
I, _____, of _____ Limited
member of the above-named company, hereby
appoint _____ of _____, or failing
him, _____ of _____, as my proxy to vote for me on my behalf
at the [annual or extraordinary, as the case may be] general meeting of the company to
be held on the day of 20 _____, and at any adjournment thereof.

Signed this day of 20 _____."

25. Where it is desired to afford the sole member an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

"
I, _____, of _____ Limited
member of the above-named company, hereby
appoint _____ of _____, or failing
him, _____ of _____, as my proxy to vote for me on my behalf
at the [annual or extraordinary, as the case may be] general meeting of the company to
be held on the day of 20 _____, and at any adjournment thereof.

Signed this day of 20 _____.

This form is to be used *in favour of / against the resolution.

Unless otherwise instructed, the proxy will vote as he thinks fit.

*Strike out whichever is not desired."

26. When the sole member takes any decision that may be taken by the company in general meeting and that has effect as if agreed by the company in general meeting, he shall (unless that decision is taken by way of a resolution in writing) provide the company with a written record of that decision pursuant to section 617 of the Ordinance. Such a record shall be sufficient evidence of the decision having been taken by the member.

Directors

27. The sole member of the company shall become the company's director and save permitted by any other articles contained herein the company shall have no other directors.
28. Subject to any other articles contained herein the shareholding qualification for the company's director shall be at least one share.
29. The company may in general meeting and notwithstanding anything in these articles, subject to approval by the Council, nominate a natural person who has attained the age of 18 years as a reserve director of the company, to act in the place of the sole director who is also the sole member in the event of his death. Upon the death of the sole director, the reserve director shall be deemed to be a director of the company for all purposes until such time as an Eligible Person becomes a member and a director of the company or until he resigns from his office as director in accordance with section 464 of the Ordinance, whichever is the earlier. There is no share qualification for a reserve director at any time, whether before the death of the sole director or after the death of the sole director when the reserve director becomes a director of the company.

30. (1) In the event of incapacity or disqualification of the director, subject to approval by the Council, the company may by ordinary resolution appoint any person to be a director of the company until such time as an Eligible Person becomes a member and a director of the company, or until the date upon which the incapacity or disqualification ends. There is no share qualification for a director so appointed in such event. Sub-article (6)(b) of article 15 shall apply for the purposes of this article.
- (2) In the event of involuntary absence of the director, the director may, subject to approval by the Council, appoint any other person to act as alternate director in his place by written notification to the company and at his discretion in similar manner remove such alternate director. The alternate director, whilst acting as such, shall exercise and discharge all the functions, powers and duties of the director he represents, but shall look to such director solely for his remuneration as alternate director. The signature of an alternate director to any director's resolution in writing and any written record of the sole director's decision shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor. Any person appointed as an alternate director shall vacate his office as alternate director if and when the involuntary absence of his appointor ends, or his appointor removes him or vacates office as director. A director shall not be liable for the acts or defaults of any alternate director appointed by him. Sub-article (3) of article 34 shall apply for the purposes of this article.

Powers and Duties of Directors

31. The sole director shall have full power to represent and act for the company in all matters. He may take any decision that may be taken by way of resolution in a meeting of directors and the decision so taken shall have effect as if passed as a resolution in a meeting of the directors. In lieu of minutes of meeting, the director shall provide the company with a record in writing and sign a note or memorandum of all the decisions so taken pursuant to section 483 of the Ordinance. Such a note or memorandum shall constitute sufficient evidence of the decision having been taken by the director.
32. The company may exercise the powers conferred upon the company by sections 636 to 639 of the Ordinance with regard to the keeping of a branch register, and the sole director may (subject to the provisions of those sections) make and vary such articles as he may think fit in respect of the keeping of any such register.
33. The sole director shall be entitled to vote as the sole director in respect of any contract, arrangement or dealing in which he is interested or upon any matter arising out thereof, and if he shall so vote, his vote shall be counted and he shall be taken into account in determining the quorum for the meeting at which any such contract, arrangement or dealing is to be considered.
34. (1) All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the sole director shall from time to time by resolution determine, but any client's audit report shall be signed by the sole director holding a current practising certificate or by an authorised person,
- (a) in the event of death, incapacity or disqualification of the director during the period commencing from the death, incapacity or disqualification to the date upon which his share(s) are sold or transferred to an Eligible Person or the incapacity or disqualification ends, or
- (b) in the event of involuntary absence of the director, during the period of such absence.

- (2) In addition to applying for the purposes of article 15(6), sub-article (6)(b) of article 15 shall apply for the purposes of this article.
 - (3) For the purposes of this article, the expression "involuntary absence", in relation to a director, means the absence of such person as a result of any extraordinary event(s) or circumstance(s) which are beyond his/her reasonable contemplation or control and which prevent him/her from attending to the business of the corporate practice.
35. The sole director shall furnish to the Registrar for the time being of the Institute full details of the sole director and sole member of the company and of the authorised person referred to in article 34 at such times as may be required by the Registrar and shall supply to the Registrar such further information in relation to the company as the Registrar shall reasonably require for the purpose of or in connection with the registration or continued registration of the company as a corporate practice.
36. (1) The sole director shall notify the Registrar in writing of any proposal to amend, in any manner whatsoever, the Articles of Association of the company not later than the day on which notice is given to the member of the company at which the amendment(s) is to be considered.
- (2) The sole director shall notify the Registrar in writing of any amendment to the Articles of Association of the company before the expiration of a period of 21 days beginning on the day on which the relevant special resolution approving and authorising such amendment is passed.

Disqualification of Directors

37. The office of the sole director shall be vacated if the sole director:
- (a) ceases to be a director under the Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or is prohibited from being a director by law; or
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) becomes prohibited from being a director by reason of any disqualification order made under Part IVA of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); or
 - (d) becomes a mentally incapacitated person; or
 - (e) resigns his office by notice in writing to the company given in accordance with section 464(5) of the Ordinance; or
 - (f) ceases to be eligible to become or remain a member of the company; or
 - (g) ceases to be or remain an Eligible Person.

Proceedings of Directors

38. The quorum for director's meeting shall be one.
39. The sole director shall, at all times, be the chairman of any meeting of the company's directors.

Dividends and Reserve

40. (1) If a dividend or other sum that is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- (a) transfer to a bank account specified by the distribution recipient in writing;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
 - (c) sending a cheque made payable to the specified person by post to the specified person at the address the distribution recipient has specified in writing.
- (2) In this article:
specified person means a person specified by the distribution recipient in writing.

A. (II) MODEL ARTICLES OF ASSOCIATION

**FOR CORPORATE APPLICANTS/CORPORATE PRACTICES
QUALIFIED FOR REGISTRATION UNDER SECTION 28D(2)(b) OF
THE PROFESSIONAL ACCOUNTANTS ORDINANCE (CAP. 50,
LAWS OF HONG KONG)**

THE COMPANIES ORDINANCE (CAP. 622, LAWS OF HONG KONG)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

[_____]

Preliminary and Interpretation

1. (1) The articles contained in Schedule 2 of the Companies (Model Articles) Notice (Cap. 622H), a subsidiary legislation of the Companies Ordinance (Cap. 622, Laws of Hong Kong) shall apply to the company, save and except in so far as they are hereby expressly excluded or are, in any way, inconsistent or conflict with the articles set out hereinbelow. In particular, but without limiting the generality of the foregoing, articles 2, 12, 15, 16(3-8), 20, 22, 23, 25, 28-30, 41, 63(1), 64-68, 71-72 and 82 shall not apply to the company.
- (2) In the event that, for any reason and in any manner whatsoever, the company has, for the time being, one member only, the articles contained in the Model Articles of Association for Corporate Applicants/Corporate Practices qualified for Registration under section 28D(2)(c) of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong), issued or to be issued by the Council (as the same may be amended and/or supplemented from time to time) shall apply to the company in substitution for the articles herein.
2. Unless the context expressly provides or otherwise requires, the words or expressions "certified public accountant (practising)", "corporate practice", "Council", "practising certificate", "certified public accountant", "Registrar" and "Institute" shall have the same meanings ascribed to each of them under section 2 of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong) (as the same may be amended and/or supplemented from time to time).

Name and Objects

3. The name of the company is [_____ limited].
4. The registered office of the company will be situated in Hong Kong.
5. The objects for which the company is established are:

Private Company

9. The company is a private company and accordingly:
- (a) the right to transfer shares is restricted in manner herein prescribed;
 - (b) the number of members of the company (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment of the company were while in such employment and have continued after the determination of such employment to be members of the company) is limited to 50 Provided That where two or more persons hold one or more shares in the company jointly, they shall for the purpose of this regulation be treated as a single member;
 - (c) any invitation to the public to subscribe for any shares or debentures of the company is prohibited; and
 - (d) the company shall not have power to issue share warrants to bearer.

Share Capital

10. No person shall be eligible to become or remain the legal and/or beneficial holder of any share in the company unless he is:
- (a) a natural person;
 - (b) a certified public accountant who satisfies the requirements from time to time of the Institute; and
 - (c) not prohibited from qualifying or acting as a director under the Ordinance;
- AND a person eligible in the terms of this article is in these articles referred to as "an Eligible Person".
11. Notwithstanding anything to the contrary contained in these articles, not less than two-third of the ultimate beneficial ownership of the issued share capital of the company carrying voting rights shall be held by members of the Institute who hold current practising certificates.

Lien

12. Subject to any other articles contained herein, the company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless such shares shall be sold to any Eligible Person(s) nor unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

Transfer of Shares

13. Subject to such of the restrictions of these articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the directors may approve. For the avoidance of doubt, any member shall not be entitled to transfer any of his share(s) to any person other than any Eligible Person(s) (including any existing member(s) of the company).

14. The directors may in their sole and absolute discretion decline to register any transfer of shares whether or not fully paid up, save as provided for under section 151 of the Ordinance, without assigning any reason therefor and shall so decline if in their opinions the registration thereof would or might be in breach of any other articles contained herein.

Transmission of Shares

15. (Please refer to Part B(l) of Model Articles of Association (Transmission of Shares)).

Forfeiture of Shares

16. A forfeited share may be sold or otherwise disposed of subject to any other articles contained herein on such terms and in such manner as the directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit. For the avoidance of doubt, such forfeited share shall not be sold to any person other than an Eligible Person (including any existing member of the company).

Purchase of Own Shares

17. Subject to sections 233 to 237 and 244 to 273 of the Ordinance, the company may purchase its own shares (including any redeemable shares).
18. Subject to sections 257 to 266 of the Ordinance, the company may make a payment in respect of the redemption or purchase of its own shares otherwise than out of the distributable profits of the company or the proceeds of a fresh issue of shares.

Allotment of Shares

19. The directors shall not exercise any power conferred on them to allot shares in the company without the prior approval of the company in general meeting where such approval is required by sections 140 to 141 of the Ordinance. In the event that the directors are so authorised to allot any share in the company, they shall allot such share to an Eligible Person (including any existing member of the company).

Directors

20. The members of the company shall become the company's directors, all of whom shall be members of the Institute and at least two-third holding current practising certificates.
21. Each of the company's directors shall be a registered holder (whether solely or jointly with others or otherwise) in at least one share in the company.

Powers and Duties of Directors

22. The company may exercise the powers conferred upon the company by sections 636 to 639 of the Ordinance with regard to the keeping of a branch register, and the directors may (subject to the provisions of those sections) make and vary such articles as they may think fit in respect of the keeping of any such register.
23. A director shall be entitled to vote as a director in respect of any contract, arrangement or dealing in which he is interested or upon any matter arising out thereof, and if he shall so vote, his vote shall be counted and he shall be taken into account in determining the quorum for the meeting at which any such contract, arrangement or dealing is to be considered.

24. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine, but any client's audit report shall be signed by any director holding a current practising certificate.
25. The directors shall furnish to the Registrar for the time being of the Institute full details of the directors and members of the company at such times as may be required by the Registrar and shall supply to the Registrar such further information in relation to the company as the Registrar shall reasonably require for the purpose of or in connection with the registration or continued registration of the company as a corporate practice.
26.
 - (1) The directors shall notify the Registrar in writing of any proposal to amend, in any manner whatsoever, the Articles of Association of the company not later than the day on which notice is given to the members of the company at which the amendment(s) is to be considered.
 - (2) The directors shall notify the Registrar in writing of any amendment to the Articles of Association of the company before the expiration of a period of 21 days beginning on the day on which the relevant special resolution approving and authorising such amendment is passed.

Disqualification of Directors

27. The office of director shall be vacated if the director:
 - (a) ceases to be a director under the Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or is prohibited from being a director by law; or
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) becomes prohibited from being a director by reason of any disqualification order made under Part IVA of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); or
 - (d) becomes a mentally incapacitated person; or
 - (e) resigns his office by notice in writing to the company given in accordance with section 464(5) of the Ordinance; or
 - (f) shall for more than six months have been absent without permission of the directors from meetings of the directors held during that period; or
 - (g) ceases to be eligible to become or remain a member of the company; or
 - (h) ceases to be or remain an Eligible Person.

Removal of Directors

28. The company may by ordinary resolution remove any director before the expiration of his period of office notwithstanding anything in these articles or in any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company. Such director so removed shall, with immediate effect from such removal, cease to be or remain as a member of the company and shall transfer his share(s) to any Eligible Person(s) (including any existing member(s) of the company) as soon as possible but, in any event, not later than 60 days after such removal Provided

1.102 (Schedule)
(March 2014)

That, upon request in writing on the part of such director, the Council may, in its sole and absolute discretion, agree to extend such 60 day period for a further period as it may think fit.

B. MODEL ARTICLES OF ASSOCIATION (TRANSMISSION OF SHARES)

**(I) For Corporate Applicants/Corporate Practices qualified for
Registration under Section 28D(2)(b) of the Professional Accountants
Ordinance (Cap. 50, Laws of Hong Kong)**

"15. (1) In case of the death of a member, the survivor(s) where the deceased was a joint holder or the legal personal representative(s) of the deceased where he was a sole holder (as the case may be) shall be the only person(s) recognised by the company as having any title to the deceased's interest in his share(s) in the company, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

(2) Any person becoming entitled to a share in consequence of the death of a member shall, forthwith upon becoming so entitled and upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided:

(a) in case such person is, for the time being, an Eligible Person, elect either to be registered himself as holder of the share(s) owned by such deceased member or to have other Eligible Person(s) (including any existing member(s) of the company) nominated by him registered as the transferee(s) thereof; or

(b) in case such person is, for the time being, not an Eligible Person, nominate any Eligible Person(s) (including any existing member(s) of the company) to be registered as the transferee(s) thereof,

but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of any transfer of the share(s) by that member before his death, as the case may be.

(3) If the person so becoming entitled and being an Eligible Person shall elect to be registered himself as the transferee of the relevant share(s), he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If such person or the person so becoming entitled and not being an Eligible Person (as the case may be) shall nominate any Eligible Person(s) to be so registered, he shall execute transfer(s) of the share(s) in favour of such Eligible Person(s). All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer(s) as aforesaid as if the death of the member had not occurred and the notice or transfer(s) were transfer(s) signed by that member.

- (4) In the event that, within a period of 60 days after the death of the member of the company, the person so becoming entitled and being an Eligible Person fails to deliver or send to the company a notice in writing signed by him stating that he has elected to be registered himself as the transferee of the relevant share(s) or the person so becoming entitled and not being an Eligible Person fails to execute transfer(s) of share(s) in favour of the Eligible Person(s) duly nominated by him to be so registered, such person shall be deemed to have duly appointed and authorised any one of the surviving member(s) of the company as his agent who shall immediately, for and on his behalf and with intent so as to bind him, (as the case may be) register such person as the transferee of the relevant share(s) by way of serving upon the company a notice in writing stating so or nominate any Eligible Person(s) to be so registered and execute transfer(s) of share(s) in favour of such Eligible Person(s), in any manner whatsoever as such agent may, in his sole and absolute discretion, think fit Provided That, upon request in writing on the part of such person, being the person becoming entitled to the deceased's interest in article 15(1), the Council may, in its sole and absolute discretion, agree to extend such 60 day period for a further period as it may think fit.
- (5) A person becoming entitled to share(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages (if any) to which he would be entitled if he were the registered holder of the share(s), except that he shall not, before being registered as a member in respect of the share(s), be entitled in respect of such share(s) to exercise any right conferred by membership in relation to meetings of the company.

Provided always that the directors may at any time give notice requiring any such person to elect either to be registered himself as the transferee of the share(s) or to transfer such share(s), and if the notice is not complied with within 90 days, the directors may thereafter withhold payment of all dividends, bonuses or other moneys (if any) payable in respect of the share(s) until the requirements of the notice have been complied with.

- (6) Any person to whom the right to any shares in the company has been transmitted by operation of law shall, if the directors refuse to register the transfer(s), be entitled to call on the directors to furnish a statement of the reason(s) for the refusal within 28 days after his request therefor.
- (7) (a) In the event that a member of the company suffers from incapacity or disqualification and such incapacity or disqualification continues for a period of 60 days, such incapacitated or disqualified member shall be deemed to have duly appointed and authorised any one of the other member(s) of the company as his agent who shall immediately, for and on his behalf and with intent so as to bind him, sell or transfer to any Eligible Person(s) the incapacitated or disqualified member's share(s) in the company upon any terms and conditions whatsoever and in any manner whatsoever as such agent may, in his sole and absolute discretion, think fit Provided That, upon request in writing on the part of such member, the Council may, in its sole and absolute discretion, agree to extend such 60 day period for a further period as it may think fit.

- (b) For the purposes of this sub-article:
- (i) the expression "incapacity", in relation to a member of the company, means any incapacity or incompetence certified by two qualified medical practitioners in writing due to the fact that such member of the company is incapacitated or incompetent, whether through illness, old age, accident or otherwise, for carrying on accountancy practice or business of a certified public accountant (practising) in a proper and effective way; and
 - (ii) the expression "disqualification", in relation to a member of the company, means any disqualification for being a director of the company by reason of the occurrence of any one of the events set out in article 27."

(II) For Sole Practising Member Corporate Applicants/Corporate Practices qualified for Registration under Section 28D(2)(c) of the Professional Accountants Ordinance (Cap. 50, Laws of Hong Kong)

- "15. (1) In case of the death of a member, the legal personal representative(s) of the deceased shall be the only person(s) recognised by the company as having any title to the deceased's interest in his share(s) in the company.
- (2) Any person becoming entitled to a share in consequence of the death of a member shall, forthwith upon becoming so entitled and upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided:
- (a) in case such person is, for the time being, an Eligible Person, elect either to be registered himself as holder of the share(s) owned by such deceased member or to have any Eligible Person(s) nominated by him registered as the transferee(s) thereof; or
 - (b) in case such person is, for the time being, not an Eligible Person nominate any Eligible Person(s) to be registered as the transferee(s) thereof,

and the directors in such cases may not decline or suspend registration of the transfer of the share(s).

- (3) If the person so becoming entitled and being an Eligible Person shall elect to be registered himself as the transferee of the relevant share(s), he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If such person or the person so becoming entitled and not being an Eligible Person shall nominate any Eligible Person(s) to be so registered, he shall execute transfer(s) of the share(s) in favour of such Eligible Person(s). All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer(s) as aforesaid as if the death of the member had not occurred and the notice or transfer(s) were transfer(s) signed by that member, except that the directors may not decline or suspend registration of the transfer of the share(s).

- (4) In the event that, within a period of 60 days after the death of the member of the company, the person so becoming entitled and being an Eligible Person fails to deliver or send to the company a notice in writing signed by him stating that he has elected to be registered himself as the transferee of the relevant share(s) or the person so becoming entitled and not being an Eligible Person fails to execute transfer(s) of share(s) in favour of the Eligible Person(s) duly nominated by him to be so registered, such person shall be deemed to have duly appointed and authorised the authorised person (referred to in article 34) or the reserve director (referred to in article 29) as his agent who shall immediately, for and on his behalf and with intent so as to bind him, (as the case may be) register such person as the transferee of the relevant share(s) by way of serving upon the company a notice in writing stating so or nominate any Eligible Person(s) to be so registered and execute transfer(s) of share(s) in favour of such Eligible Person(s), in any manner whatsoever as such agent may, in his sole and absolute discretion, think fit Provided That, upon request in writing on the part of such person, being the person becoming entitled to the deceased's interest in article 15(1), the Council may, in its sole and absolute discretion, agree to extend such 60 day period for a further period as it may think fit.
- (5) A person becoming entitled to share(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages (if any) to which he would be entitled if he were the registered holder of the share(s), except that he shall not, before being registered as a member in respect of the share(s), be entitled in respect of such share(s) to exercise any right conferred by membership in relation to meetings of the company.

Provided always that the directors may at any time give notice requiring any such person to elect either to be registered himself as the transferee of the share(s) or to transfer such share(s), and if the notice is not complied with within 90 days, the directors may thereafter withhold payment of all dividends, bonuses or other moneys (if any) payable in respect of the share(s) until the requirements of the notice have been complied with.

- (6) (a) In the event that a member of the company suffers from incapacity or disqualification and such incapacity or disqualification continues for a period of 60 days, such incapacitated or disqualified member shall be deemed to have duly appointed and authorised the committee, receiver or curator bonis appointed by the court to manage the property of the incapacitated member, the authorised person (referred to in article 34) or the director appointed under article 30(1), as appropriate, as his agent who shall immediately, for and on his behalf and with intent so as to bind him, sell or transfer to any Eligible Person(s) the incapacitated or disqualified member's share(s) in the company upon any terms and conditions whatsoever and in any manner whatsoever as such agent may, in his sole and absolute discretion, think fit and the directors in such events may not decline or suspend registration of the transfer of the share(s).

Provided That, upon request in writing on the part of such person/any interested person, the Council may, in its sole and absolute discretion, agree to extend such 60 day period for a further period as it may think fit.

- (b) For the purposes of this sub-article:
- (i) the expression "incapacity", in relation to a member of the company, means that any incapacity or incompetence certified by two qualified medical practitioners in writing due to the fact that such member of the company is incapacitated or incompetent, whether through illness, old age, accident or otherwise, for carrying on accountancy practice or business of a certified public accountant (practising) in a proper and effective way; and
 - (ii) the expression "disqualification", in relation to a member of the company, means any disqualification for being a director of the company by reason of the occurrence of any one of the events set out in article 37."