THE COMPANIES ORDINANCE (CHAPTER 622)

Business Registration No. 65212450

Company Limited by Guarantee
ARTICLES OF ASSOCIATION
OF

HONG KONG INDIAN DIAMOND INSTITUTION LIMITED

Part A Mandatory Articles

1. Company Name The name of the Association is

HONG KONG INDIAN DIAMOND INSTITUTION LIMITED

2. Registered Office

The Registered Office of the Association will be situated in Hong Kong.

3. Object Clause

The objects for which the Association is established are:-

(1) To improve the relationships and promote better understanding amongst natural diamond and natural diamond jewellery dealers and traders in Hong Kong and in other areas and between natural diamond and natural diamond jewellery dealers and traders and other members of the community of Hong Kong and to organise and hold such activities as may be necessary or expedient to accomplish such objects;

(2) To improve and upgrade the international status of the trade, commerce and business of natural diamond and natural diamond jewellery in Hong Kong;

(3) To organise and hold exhibitions of whatever articles and for whatever purposes including, but limited to, natural diamond and natural diamond jewellery and the publication and promotion of sale of the same whether at building structures or parts thereof for the time being held or occupied by the Association or other places;

(4) To promote and stimulate the sale of natural diamond and natural diamond jewellery;

(5) To promote, protect, consider and discuss all questions in relation to the trade, commerce and/or business of natural diamond and natural diamond jewellery in Hong Kong and globally;

(6) To promote, protect and consider the rights, benefits and interest of natural diamond and natural diamond jewellery dealers and traders generally;

(7) To represent, express and give effect to the views and opinions of members of the Association on matters in relation to dealings in natural diamond and natural diamond jewellery;

(8) To make recommendation to the Government of Hong Kong Special Administrative Region and other authorities or body corporate on matters concerning dealings in natural diamond and natural diamond jewellery on behalf of the members of the Association;

(9) To promote, propose, support and/or oppose to bills in the Legislative Council or other measures concerning dealing in natural diamond and natural diamond jewellery;

(10) To collect and circulate statistics and information about natural diamond and natural diamond jewellery;

(11) Allowing natural diamond companies that deal partially in lab-grown diamonds to be a part of the association to foster unity and promote inclusivity in the industry (without any promotion of lab-grown diamonds). This strategic move demonstrates the association's commitment to modern practices, helping it stay ahead in the evolving market.

(12) To expect all the member companies to be dealing primarily in natural diamonds and only allowing them some flexibility to cater to orders without having to lose existing customers who need lab-grown diamonds.

(13) HKIDA logo and other promotional items provided by HKIDA are strictly prohibited from being used by members in the lab-grown pavilion.

(14) To purchase, take on lease or in exchange, hire or acquire for the use and purposes of the Association land, buildings or parts of buildings;

(15) To construct or cause to be constructed on any land so purchased, rented, hired or acquired building or other structures;

(16) To fit out, furnish, alter and maintain or arrange to be fitted out, furnished, altered and maintained any building or other structure or parts thereof;

(17) To provide and make available to members of the Association facilities to meet socially as well as for business purposes at any building or structures or parts thereof being held or occupied by the Association;

(18) To provide and make available to members of the Association recreational, entertainment, restaurant and other facilities whatsoever at any building or structure or parts thereof being held or occupied by the Association;

(19) To make rules and regulations to regulate and control the conduct of dealers and traders in relation to the trade, commerce and business of natural diamond and natural diamond jewellery;

(20) To subscribe to and promote the aims and objects of any society or association having similar objects to all or any of the objects of the Association and to encourage and support any such society or association;

(21) To purchase, take on lease or in exchange, hire or acquire including but not limited to receive by way of a gift any personal property for any or more of the purposes of the Association;

(22) To organise and hold social activities to promote awareness, goodwill, marketing and sale of natural diamond and natural diamond jewellery in the community;

(23) To take any gift of property real or personal, whether subject to any special trust or not, for any one or more of the objects of the Association;

(24) To accept gifts donations and endowments for any of the objects herein provided;

(25) To raise money by subscription or other lawful means for the purposes of any of objects herein provided;

(26) To promote charitable activities in Hong Kong as approved by the Management Committee from time to time and any donation received for the purpose of any specific charity has to be used for such charitable purpose only;

(27) To take such steps by personal or written appeal, public meetings or otherwise as may from time to time be deemed expedient for the purpose of the procuring contributions to the funds of the Association, in the form of donation, annual subscriptions or otherwise;

(28) To print and publish any newspaper, periodicals, books or leaflets which the Association may think desirable for the promotion of its objects;

(29) To sell, manage, lease, dispose of or otherwise deal with all or any part of the property and rights of the Association for the purposes of the Association;

(30) To open accounts with any bank or banks and to operate such accounts and to draw, make, accept, endorse, discount, execute and issue cheques;

(31) To mortgage strictly for the exclusive use of the Association only;

(32) To borrow or raise or secure the payment of money in such manner as the Association shall think fit and in particular by the issue of debentures perpetual or otherwise charged upon all or any of the Association's properties (both present and future) and to purchase, redeem or pay off any such securities for furthering the objects of the Association but not otherwise;

(33) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any right or privileges which the Association thinks necessary for the objects of the Association subject to any limitation imposed by law and also to erect, construct, demolish, reconstruct, alter and maintain any real or personal property of the Association;

(34) To sell, improve, manage, develop, lease, charge, mortgage, dispose of or otherwise deal with all or any part of the property of the Association for furthering the objects of the Association;

(35) To undertake and execute any trust or any agency business which may be directly or indirectly conducive to any of the objects of the Association;

(36) To make all necessary or appropriate arrangement for carrying out the work of the Association for this purpose to engage and provide in whole or in part for the salaries or maintenance of officers, servants and employees;

(37) To establish and support and to aid in the establishments and support of any other associations or body corporate formed with all or any of the objects of the Association;

(38) To do any of the above lawful things as principal, agent, contractor, trustee or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others; and

(39) To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them PROVIDED THAT no member of the Association, member of the Management Committee, trustee or employee of the Association or any other person (whether or not being a member of the Management Committee of the Association) having any part in the conduct or management of the affairs or property of the Association shall be liable for breach of duty towards the Association by reason of any act or omission on the part of such member, member of the Management Committee, trustee, employee or other person unless it is proved that such act or omission was done, omitted or concurred in by him in bad faith.

4. Income and Property

The income and property of the Association whensoever derived shall be applied solely towards the promotion of the objects of the Association as set forth in these Articles, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Association. Retained earnings of the Association, after setting aside such reserves (if any) as the Management Committee may in its opinion consider

necessary or desirable towards the payment of future costs, charges or expenses of any nature by the Association, if any, will first be used for the purpose of repayment of mortgage loan. Any funds remaining after full repayment of mortgage loan, after setting aside such reserves (if any) as the Management Committee may in its opinion consider necessary or desirable towards the payment of future costs, charges or expenses of any nature by the Association, shall be banked as fixed deposit.

5. Members' Liabilities

The liability of the members is limited.

6. Liabilities or Contributions of Members

Every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he is a member, or within 1 year afterwards, for the payment of the debts and liabilities of the Association contracted before he ceases to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding the amount specified below:

Class of Members	Founder Member
Amount to be contributed by each of the members in this class	HKD2

Class of Members	Life Member
Amount to be contributed by each of the members in this class	HKD2

Class of Members	Ordinary Member
Amount to be contributed by each of the members in this class	HKD2

Class of Members	Non-Voting Member from Overseas
Amount to be contributed by each of the members in this class	HKD1

Class of Members	Associate Member
Amount to be contributed by each of the members in this class	HKD1

7. Winding-up

If upon the winding up or dissolution of the Association, 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 Association, but shall be given or transferred to some other body corporates or incorporates having the same objects or objects similar to those of the Association and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Association under or by virtue Article 4 above, such institution(s) to be determined by the members of the Association at or before the time of dissolution, or in default thereof by such Judge of the High Court of Hong Kong as may have or acquire jurisdiction in the matter, and if so far as effect cannot be given to the aforesaid provision then to some charitable object.

I/WE, the undersigned, wish to form a company and wish to adopt the articles of association as attached.

Name(s) of Founder Members	
AJAY DIAM LIMITED 亞洲鑽石有限公司	
ARGO DIAM LIMITED	
CHINA DIAMOND CORPORATION LIMITED 比華鑽石有限公司	
COLORJEWELS	
DHARAM CREATIONS (HK) LIMITED	
DIAROUGH (HONG KONG) LIMITED	
DIASQUA INTERNATIONAL LIMITED	
FULL FORTUNE ENTERPRISE LIMITED 福沛企業有限公司	
GEM DIAMOND LIMITED 美麗鑽石有限公司	
GREAT DIAM (HK) LIMITED	
H.K. IMPEX PVT. LIMITED	

HIMA GEMS	
HINI STAR LIMITED 軒尼星有限公司	
HONG KONG DIAMOND LIMITED	
IN COLLECTION LIMITED	
INTERJEWEL (HK) COMPANY LIMITED	
J K GEMS	
JEDI DIA. TRADING LIMITED	
K. P. SANGHVI HK LIMITED	
KGK DIAMONDS (HK) LIMITED	
KIRAN EXPORTS (HONG KONG) LIMITED	
KOTHARI TRADING (HK) LIMITED	
KUNMING TRADING COMPANY	

P. K. IMPEX LIMITED	
PRATEEK EXPORTS	
PRISMDIA LIMITED	
R.A. GEM CENTRE LIMITED	
RAINBOW GEMS (HK) LIMITED	
ROSY BLUE HONG KONG LIMITED	
S. B. GEMS LIMITED	
S. Goldi (Asia) Limited	
SIMI-DIAM LIMITED	
UNIRICH JEWELLERY LIMITED	
VARNIRAJ EXPORTS LIMITED	
VRAMS IMPEX (HK) LIMITED	

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Part 1

Interpretation

1. Interpretation

(1) In these Articles—

Articles (本《章程細則》) means the articles of association of the Association;

artificial diamonds mean diamonds produced through or otherwise involving artificial process including but not limited to synthetic diamonds, CVD diamonds, lab-grown diamonds and/or man-made diamonds;

associated company (有聯繫公司) means—

(a) a subsidiary of the Association;

(b) a holding company of the Association; or

(c) a subsidiary of such a holding company;

authorised representative shall mean the following persons of a member of the Association:-

(a) where the member is a sole proprietorship, the sole proprietor of that member and registered with the Association;

(b) where the member is a partnership, the partner authorised and designated by that member and registered with the Association; and

(c) where the member is a company or corporation, the director, shareholder or other officer authorised and designated by that member and registered with the Association.

mental incapacity (精神上無行為能力) has the meaning given by section 2(1) of the Mental Health Ordinance (Cap. 136);

mentally incapacitated person (精神上無行為能力者) means a person who is found under the Mental Health Ordinance (Cap. 136) to be incapable, by reason of mental incapacity, of managing and administering his or her property and affairs;

natural diamond means diamond created by geological process;

Ordinance (《條例》) means the Companies Ordinance (Cap. 622);

proxy notice (代表通知書) —see Article 51(1);

trade delegation means any delegation consisting of authorised representatives of the members of the Association, who travels and represents the Association for the purpose of one or more of the objects of the Association;

trading hall means such places or venues specified by the Management Committee as a trading hall for the purpose of trading in, transacting or otherwise dealing with natural diamonds and natural diamond jewellery;

visitor means any person who is neither an authorised representative nor a member of the Management Committee of the Association but who is introduced by any one of the Voting Members to visit any premises of the Association, including but not limited to the trading hall; and

Voting Members means collectively Founder Members, Life Members and Ordinary Members, and a "***Voting Member***" means any one of them.

(1) 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 Association.

(2) For the purposes of these Articles, a document is authenticated if it is authenticated in any way in which section 828(5) or 829(3) of the Ordinance provides for documents or information to be authenticated for the purposes of the Ordinance.

(3) Unless the context otherwise provides or requires, words importing the singular shall include the plural and *vice versa*; references to one gender shall include all genders; references to person shall include individual, firm, body corporate or unincorporate.

Part 2

Management Committee and Company Secretary

Division 1—Powers and Responsibilities of Management Committee

2. General authority of Management Committee

(1) Subject to the Ordinance and these Articles, the operations and affairs of the Association are managed by the Management Committee, who may exercise all the powers of the Association.

(2) An alteration of these Articles does not invalidate any prior act of the Management Committee that would have been valid if the alteration had not been made.

(3) The powers given by this Article are not limited by any other power given to the Management Committee by these Articles.

(4) A meeting of the Management Committee at which a quorum is present may exercise all powers exercisable by the Management Committee.

3. Members' reserve power

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

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

4. Management Committee may delegate

(1) Subject to these Articles, the Management Committee may, if they think fit, delegate any of the powers that are conferred on them under these Articles—

(a) to any person or committee;

(b) by any means (including by power of attorney);

(c) to any extent and without territorial limit;

(d) in relation to any matter; and

(e) on any terms and conditions.

(2) If the Management Committee so specify, the delegation may authorise further delegation of the powers of the Management Committee by any person to whom they are delegated.

(3) The Management Committee may—

(a) revoke the delegation wholly or in part; or

(b) revoke or alter its terms and conditions.

5. Sub-committees

(1) The Management Committee may make rules providing for the conduct of business of the Sub-committees to which they have delegated any of their powers.

(2) The Sub-committees must comply with the rules.

(3) The Sub-committees shall comprise of such persons including those who need not be members of the Management Committee and the Management Committee may entrust them with such powers and duties including to appoint officers and staff for the management and conduct of the affairs of the Association at such remuneration and on such terms and conditions as the Management Committee may deem fit, Provided That neither the members of the Management Committee nor authorised representatives of the members shall be appointed as such officers or staff .

(4) Nothing mentioned in this paragraph (5) shall prevent any payment by the Association in good faith of reasonable remuneration to any of such officers or staff in return of any services actually rendered to the Association.

(5) The Management Committee shall have the power to invite persons at the meeting of the Sub-committee other than the members of Management Committee and authorised representatives of the members, to consult them and take their advice in such matters as may be deemed necessary.

(6) These Sub-committee(s) will be automatically dissolved, when Management Committee is dissolved.

Division 2—Decision-taking by the Management Committee

6. Management Committee to take decision collectively

A decision of the Management Committee may only be taken—

(a) by a majority of the Management Committee at a meeting; or

(b) in accordance with Article 7.

7. Unanimous decisions

(1) A decision of the Management Committee is taken in accordance with this Article when all eligible members of the Management Committee indicate to each other (either directly or indirectly) by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible member of the Management Committee or to which each eligible member of the Management Committee has otherwise indicated agreement in writing.

(3) A reference in this Article to eligible members of the Management Committee is a reference to members of the Management Committee who would have been entitled to vote on the matter if it had been proposed as a resolution at a meeting of the Management Committee.

(4) A decision may not be taken in accordance with this Article if the eligible members of the Management Committee would not have formed a quorum at a meeting of the Management Committee.

8. Calling meetings of the Management Committee

(1) Any member of the Management Committee may call a meeting of the Management Committee by giving prior notice of at least 7 days in writing of the meeting to the Management Committee or by authorising the company secretary to give such notice.

(2) Notice of a meeting of the Management Committee must indicate—

(a) its proposed date and time; and

(b) where it is to take place.

(3) Notice of a meeting of the Management Committee must be given to each member of the Management Committee and must be in writing.

9. Participation in meetings of the Management Committee

(1) Subject to these Articles, members of the Management Committee participate in a meeting of the Management Committee, or part of such a meeting, when—

(a) the meeting has been called and takes place in accordance with these Articles; and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

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

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

(4) For meetings convened by electronic means, a person shall be deemed absent if he fails to press the “present” button on the website designated by the Management Committee for the purpose of meeting.

10. Quorum for meetings of the Management Committee

(1) At a meeting of the Management Committee, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for meetings of the Management Committee may be fixed from time to time by a decision of the Management Committee, but:-

(a) for the period from the date of incorporation to the 1st annual general meeting, it must be at least 50% of the total number of members of the Management Committee at the time of the meeting, and unless otherwise fixed it is 50% of the total number of members of the Management Committee rounded up to the nearest integer at the time of the meeting; and

(b) for the period from the 1st annual general meeting onwards, it must be at least 60% of the total number of members of the Management Committee at the time of the meeting, and unless otherwise fixed it is 60% of the total number of members of the Management Committee rounded up to the nearest integer at the time of the meeting.

11. Meetings if total number of members of the Management Committee less than quorum

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

(a) to appoint further members of the Management Committee; or

(b) to call a general meeting so as to enable the members to appoint further members of the Management Committee.

12. Chairing of meetings of the Management Committee

The President, or in his absence, any Vice President shall be the chairperson of every meeting of the Management Committee. However, if at any meeting, neither the President nor any of the Vice President is present within 5 minutes after the time appointed for holding the meeting or neither of the Vice Presidents is able or willing to chair the meeting in the absence of the President for any reason whatsoever, the Management Committee may appoint a member of itself to chair their meetings.

13. Chairperson's casting vote at meetings of the Management Committee

(1) If the numbers of votes for and against a proposal are equal, the chairperson or other member of the Management Committee chairing the meeting of the Management Committee has a casting vote.

(2) Paragraph (1) does not apply if, in accordance with these Articles, the chairperson or other member of the Management Committee is not to be counted as participating in the decision-making process for quorum or voting purposes.

14. Conflicts of interest

(1) This Article applies if—

(a) a member of the Management Committee is in any way (directly or indirectly) interested in a transaction, arrangement or contract with the Association that is significant in relation to the Association's operations; and

(b) his interest is material.

(2) The member of the Management Committee must declare the nature and extent of his interest to the other members of the Management Committee in accordance with section 536 of the Ordinance.

(3) The member of the Management Committee must neither—

(a) vote in respect of the transaction, arrangement or contract in which he is so interested; nor

(b) be counted for quorum purposes in respect of the transaction, arrangement or contract.

(4) If the member of the Management Committee contravenes paragraph (3)(a), the vote must not be counted.

(5) Paragraph (3) does not apply to—

(a) an arrangement for giving a member of the Management Committee any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Association;

(b) an arrangement for the Association to give any security to a third party in respect of a debt or obligation of the Association for which the member of the Management Committee has assumed responsibility wholly or in part under a guarantee or indemnity or by the deposit of a security; or

(c) subject to Article 26 hereof, an arrangement under which benefits are made available to employees and members of the Management Committee or former employees and members of the Management Committee of the Association or any of its subsidiaries, which do not provide special benefits for members of the Management Committee or former members of the Management Committee.

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

15. Supplementary provisions as to conflicts of interest

(1) A member of the Management Committee may hold any other office under the Association (other than the office of auditor) in conjunction with the office of Management Committee for a period and on terms that the Management Committee determine.

(2) A member of the Management Committee or intending member of the Management Committee is not disqualified by the office of Management Committee from contracting with the Association—

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

(b) as vendor, purchaser or otherwise.

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

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

(b) the member of the Management Committee holding the office; or

(c) the fiduciary relation established by the office.

(5) Paragraph (1), (2), (3) or (4) only applies if the member of the Management Committee has declared the nature and extent of his interest under the paragraph to the other members of the Management Committee in accordance with section 536 of the Ordinance.

(6) A member of the Management Committee of the Association may be a member of the Management Committee or other officer of, or be otherwise interested in—

(a) any company promoted by the Association; or

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

(7) Subject to the Ordinance, the member of the Management Committee is not accountable to the Association for any remuneration or other benefits received by him as a member of the Management Committee or officer of, or from his interest in, the other company unless the Association otherwise directs.

16. Validity of acts of meeting of the Management Committee

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

(a) there was a defect in the appointment of any of the members of the Management Committee or of the person acting as a member of the Management Committee;

(b) any one or more of them were not qualified to be a member of the Management Committee or were disqualified from being a member of the Management Committee;

(c) any one or more of them had ceased to hold office as a member of the Management Committee; or

(d) any one or more of them were not entitled to vote on the matter in question.

17. Record of decisions to be kept

The members of the Management Committee must ensure that the Association keeps a written record of every decision taken by the Management Committee under Article 6 for at least 10 years from the date of the decision.

18. Discretion of the Management Committee to make further rules

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

(a) how they take decisions; and

(b) how the rules are to be recorded or communicated to members of the Management Committee.

Division 3—Appointment and Retirement of Members of the Management Committee

19. Appointment and retirement of members of the Management Committee

(1) A person who is willing to act as a member of the Management Committee, and is permitted by law to do so, may be appointed to be a member of the Management Committee—
   (a) by ordinary resolution; or
   (b) by a decision of the Management Committee.

(2) Unless otherwise specified in the appointment, a member of the Management Committee appointed under paragraph (1)(a) holds office from his/her date of appointment to the 2nd annual general meeting following the appointment.

(3) Notwithstanding anything contained herein to the contrary, in case of equality of votes during a meeting under paragraph (1)(a) above in respect of two or more proposed members of Management Committee, the member to be appointed to the Management Committee shall be decided by drawing lots.

(4) An appointment under paragraph (1)(b) may only be made to—
   (a) fill a casual vacancy; or
   (b) appoint a member of the Management Committee as an addition to the existing members of Management Committee if the total number of members of the Management Committee does not exceed the number fixed in accordance with these Articles.

(5) A member of the Management Committee appointed under paragraph (1)(b) must—
   (a) retire from office at the next annual general meeting following the appointment; or
   (b) if the Association has dispensed with the holding of annual general meetings or is not required to hold annual general meetings, retire from office before the end of 9 months after the end of the Association's accounting reference period by reference to which the financial year in which he was appointed is to be determined.

20. Composition of the Management Committee

(1) The Management Committee shall consist of 12 to 15 members (both inclusive) or such other number to be decided by the Management Committee from time to time.

(2) The First Management Committee shall consist of 18 members (whose names are set forth hereinbelow), all of which shall be appointed with effect from the date of incorporation of this Association till the conclusion of first annual general meeting:-

Mr. BHAGAT DARSHAN JIVATLAL (鮑德生)
Mr. GHEVRIYA SURESHKUMAR
RAVJIBHAI Mr. GOENKA SOHAN
Mr. GOPANI GAUTAM BHIKHABHAI
Mr. KOTHARI SANJAY NAVRATTAN
Mr. MEHTA MAIANK
Mr. MEHTA NIMESH PIYUSH
Mr. PATEL KIRAN DHANJIBHAI
Mr. SACHETI HEM KUMAR HIMANT
Mr. SHAH DEVANG SEVANTILAL Mr.
SHAH KETAN KANTILAL
Mr. SHAH KUNTAL DEEPAK
Mr. SHAH PARESH KIRTILAL
Mr. SHAH RAJESHKUMAR CHANDANMAL
Mr. SOMANI RAJIV MAFATLAL
Mr. SURANA NARESHKUMAR HIRACHAND

(3) Notwithstanding anything contained herein to the contrary, the Second Management Committee shall only be elected from authorised representatives of Founder Members and Life Members. The Second Management Committee shall be appointed by the Association in general meeting with effect from the first annual general meeting till the conclusion of third annual general meeting in accordance with the parliamentary rules set out in Articles 21(3) and 22(3) below.

(4) After the members of the First Management Committee have assumed office, they shall appoint from its members a President, two Vice Presidents, an Honourary Secretary and an Honourary Treasurer.

(5) Save and except the First Management Committee, after the members of the Management Committee have assumed office, they shall appoint from its members two Vice Presidents, an Honourary Secretary and an Honourary Treasurer.

(6) Save and except the First Management Committee, after the members of the Management Committee have assumed office, they shall appoint from its members 4 to 5 Standing Committees comprising of not more than 3 members each, which shall be subject to similar meeting procedures applicable to the Management Committee unless otherwise specified in the bye-laws of the Association.

21. Election of the President of the Management Committee

(1) Unless otherwise specified herein, this Article shall apply to all Management Committees other than the First Management Committee.

(2) Without prejudice and in additional to the provisions of Article 25 below, the following persons are eligible to be elected as the President of the Management Committee:-

(a) the person is an authorised representative of a Voting Member;

(b) the Voting Member nominating the person should be a Voting Member of the Association for not less than one year prior to the date of appointment of the person;

(c) the person is unanimously nominated by at least 10 Voting Members at least 5 of which should be Founder Members and/or Life Members;

(d) the person should have an experience of at least 10 years in the industry of natural diamond or natural diamond jewellery;

(e) The person can nominate themselves for the presidential election until they are 73 years old for a maximum term of two years.

(f) the Voting Member of which the person represents has not defaulted on any payment to the Association;

(g) the person is a resident of Hong Kong and holds a valid Hong Kong identity card;

(h) the person is a person of integrity and is unbiased and fair to all members of the Association; and

(i) the person should observe and promote the objects of the Association.

(3) Election of the President shall take place at an extraordinary general meeting in accordance with the following parliamentary rules without prejudice and in addition to those applicable to general meetings at least 30 days prior to the relevant annual general meeting at which election of the Management Committee for the same cabinet takes place:-

(a) at least 30 days prior to the date of the extraordinary general meeting, the Management Committee shall deliver to all Voting Members of the Association a notice showing the attendance of the members of the Management Committee at its meetings during their respective terms of office and invite nominations for election to the office of the President;

(b) the nomination period shall expire within 7 days from the date of the notice under paragraph (a) above;

(c) one or more independent individuals appointed by the Management Committee as returning officers shall prepare a final list of candidates which, in their opinion, fulfill the eligibility criteria of a President after examining and scrutinising the nominations; and

(4) If no President can be elected for any reason whatsoever prior to the relevant annual general meeting for election of his cabinet of members of Management Committee, then notwithstanding anything contained herein to the contrary, the incumbent President together with his cabinet of

Management Committee shall hold office until such time the new President together with his cabinet of Management Committee has been elected.

(5) The President of the Management Committee serves a term of two years and is eligible for re-election, as outlined in Articles 23 (1) and 25 of the parliamentary rules. There is no limit to the number of terms a President can serve on the Management Committee.

22. Election of the Management Committee

(1) Unless otherwise specified herein, this Article shall apply to all Management Committees other than the First Management Committee.

(2) Without prejudice and in additional to the provisions of Article 25 below, the following persons are eligible to be elected as members of the Management Committee:-

(a) the person shall be an authorised representative of a Voting Member;

(b) the Voting Member nominating the person should be a Voting Member of the Association for not less than one year prior to the date of appointment the person;

(c) if the person is an authorised representative of an Ordinary Member, then his application should be seconded by at least five other Voting Members;

(d) if the person is an authorised representative of a Founder Member or a Life Member, then his application should be seconded by at least two other Voting Members;

(e) the person should have an experience of at least 5 years in the industry of natural diamond or natural diamond jewellery;

(f) the member of which the person represents has not defaulted on any payment to the Association; and

(g) the person is a resident of Hong Kong and holds a valid Hong Kong identity card.

(3) Election of members of the Management Committee shall take place at an applicable annual general meeting in accordance with the following parliamentary rules without prejudice and in addition to those applicable to general meetings:-

(a) immediately after election of the President and at least 30 days prior to the date of the annual general meeting, the Management Committee shall deliver to all Voting Members of the Association a notice showing the attendance of the members of the Management Committee at its meetings during their respective terms of office and invite nominations for election to the office of the Management Committee;

(b) the nomination period shall expire within 7 days from the date of the notice under paragraph (a) above;

(c) one or more independent individuals appointed by the Management Committee as returning officers shall prepare a final list of candidates which, in their opinion, fulfill the eligibility criteria of a member of the Management Committee after examining and scrutinising the nominations and after considering their respective expertise and experience bearing in mind different functions and divisions of the Standing Committee; and

23. Retiring member of the Management Committee eligible for reappointment

(1) A retiring member of the Management Committee or a retiring President (as the case may be) is eligible for reappointment to the same office, Provided That the person has attended not less than 60% of the meetings of the Management Committee during his or her office and That the person has fulfilled the eligibility criteria under Article 21 or 22 above, as the case may be.

(2) For the purpose of calculating the attendance rate under paragraph (a) above and Article 25(1)(e) below but not otherwise, the retiring member of the Management Committee or the retiring President (as the case may be) shall be deemed as absent at a meeting (including a meeting convened by electronic means) if he/she was late for the meeting for more than 15 minutes.

24. Composite resolution

(1) This Article applies if proposals are under consideration concerning the appointment of 2 or more members of the Management Committee to offices or employments with the Association or any other body corporate.

(2) The proposals may be divided and considered in relation to each member of the Management Committee separately.

(3) Each of the members of the Management Committee concerned is entitled to vote (if he is not for another reason precluded from voting) and be counted in the quorum in respect of each resolution except that concerning his own appointment.

25. Termination of the appointment of a member of the Management Committee

(1) A person ceases to be a member of the Management Committee if the person—

(a) is prohibited from being a director by law;

(b) becomes bankrupt or makes any arrangement or composition with the person's creditors generally;

(c) becomes a mentally incapacitated person;

(d) resigns the office of Management Committee by notice in writing of the resignation in accordance with section 464(5) of the Ordinance;

(e) fails to attend at least 60% of the meetings of the Management Committee during any consecutive period of 12 months and Article 23(2) shall apply *mutatis mutandis*; or

(f) is removed from the office of Management Committee by an ordinary resolution of the Association.

(2) If it is found in the annual attendance report of the Association that any member of the Management Committee fail to achieve the attendance rate described under paragraph (1)(e) above, then that member of the Management Committee shall be removed from office with effect from the 1st working day of the calendar year immediately following the date of the annual attendance report.

(3) For the avoidance of any doubt, this Article 25 is applicable to every member of the Management Committee irrespective of their respective titles of office in the Management Committee.

26. Remuneration of members of the Management Committee

Subject to Article 27 below, no member of the Management Committee shall be appointed to any salaried office of the Company, or any office of the Association paid by fees and no remuneration or other benefit in money or money's worth shall be given by the Association to any member of the Management Committee.

27. Expenses of members of the Management Committee

(1) The Association may pay any travelling, accommodation and other expenses properly incurred by members of the Management Committee in connection with—

(a) their attendance at—

(i) meetings of Management Committee or committees of members of the Management Committee;

(ii) general meetings; or

(iii) separate meetings of the holders of debentures of the Association; or

(b) the exercise of their powers and the discharge of their responsibilities in relation to the Association.

(2) The Association may pay to members of the Management Committee reasonable and proper interest on money lent or reasonable and proper rent of premises let to the Association.

28. Leave of absence

(1) Each of the President and the Vice President is entitled to leave of absence from the their respective offices for a period not exceeding three months at a time in one calendar year with prior approval of the Management Committee whether the leave is to be enjoyed in or outside Hong Kong.

(a) During the absence of the President, the Vice Presidents shall elect from themselves any one of them to act as the President, failing which the Managing Committee shall appoint from its members the acting President.

(b) During the absence of any Vice President, the Managing Committee shall appoint from its members the acting Vice President.

(c) During the absence of all of the President and the Vice Presidents, the Managing Committee shall appoint from its members an acting President and two acting Vice Presidents.

(2) If within one week from the end of leave granted by the Management Committee under paragraph (1) above, the person taking leave refused or failed to resume his office, then his office shall be deemed vacant and the Management Committee shall fill such vacancies and Articles 19(4) and (5) above shall apply *mutatis mutandis*.

Division 4—No Alternate Member of the Management Committee

29. No alternate member of the Management Committee

Members of the Management Committee shall not appoint any person as his alternate.

Division 5—Indemnity and Insurance of Members of the Management Committee

30. Indemnity

(1) A member of the Management Committee or former member of the Management Committee of the Association may be indemnified out of the Association's assets against any liability incurred by the member of the Management Committee to a person other than the Association or an associated company of the Association in connection with any negligence, default, breach of duty or breach of trust in relation to the Association.

(2) Paragraph (1) only applies if the indemnity does not cover—

(a) any liability of the member of the Management Committee 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 Management Committee—

(i) in defending criminal proceedings in which he is convicted;

(ii) in defending civil proceedings brought by the Association, or an associated company of the Association, in which judgment is given against him;

(iii) in defending civil proceedings brought on behalf of the Association by a member of the Association or of an associated company of the Association, in which judgment is given against him;

(iv) in defending civil proceedings brought on behalf of an associated company of the Association by a member of the associated company or by a member of an associated company of the associated company, in which judgment is given against him; or

(v) in connection with an application for relief under section 903 or 904 of the Ordinance in which the Court refuses to grant him 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.

31. Insurance

The Management Committee may decide to purchase and maintain insurance, at the expense of the Association, for a member of the Management Committee of the Association, against—

(a) any liability to any person attaching to the member of the Management Committee in connection with any negligence, default, breach of duty or breach of trust (except for fraud) in relation to the Association; or

(b) any liability incurred by the member of the Management Committee in defending any proceedings (whether civil or criminal) taken against him for any negligence, default, breach of duty or breach of trust (including fraud) in relation to the Association.

Division 6—Company Secretary

32. Appointment and removal of company secretary

(1) Subject to Article 26 hereof, the Management Committee may appoint a company secretary for a term, at a remuneration and on conditions they think fit.
(2) The Management Committee may remove a company secretary appointed by them.

Part 3

Members

Division 1—Becoming and Ceasing to be Member

33. Application for membership

(1) For the purpose of registration, the number of members of the Association is to be taken in any class is unlimited.

(2) Without prejudice and in addition to Article 34(2) below, the following persons are eligible to become members of the Association:-

(a) persons who are body corporates and unincorporates (including but not limited to companies, firms, partnerships, sole proprietorships but excluding individuals); and

(b) persons whose applications are proposed by one Founder Member and seconded by another Founder Member.

(3) An eligible person may become a member of the Association only if:-

(a) that person has completed and submitted to the Management Committee an application for membership in a form approved by the Management Committee as well as other documents and certificates required by the Management Committee;

(b) that person has executed under seal an acknowledgement and waiver of claims in favour of the Association in a form approved by the Association covering at least the following matters:-

(i) that person shall acknowledge and agree that the Association only provides a platform for members to liaise and negotiate with each other and to promote and conduct their respective businesses and that as a professional trader in the industry, it has decided to join the Association out of its own volition and not in reliance upon any warranties or representations of the Association (including its members, authorised representatives and other members of the Management Committee); and

(ii) accordingly the Association shall not be held liable for and that person shall waive all claims, demands, proceedings, actions, loss, damages, costs and expenses (including legal and other professional fees) against the Association in respect of any disputes, claims, demands, proceedings and/or actions whether between the members themselves or with any third party as a result of or otherwise arising out of it being a member of the Association, or any services, functions, affairs or other matters organised or held by the Association, whether on its own or in conjunction with any third party.

(c) the Management Committee has approved the application; and

(d) that person has paid the subscription fee and annual fee as prescribed by the Management Committee when submitting the application.

(4) Upon receipt of the application, the Management Committee shall send a written notice to the applicant informing of its decision as soon as practicable, and in case the application is rejected, the subscription fee and annual fee paid by the applicant under paragraph (3)(c) above shall be refunded to the applicant in full.

(5) The Management Committee shall have the sole and absolute discretion in considering any application without ascribing any reason for its decision and its decision, once made, shall be final and conclusive.

(6) Any applicant whose application for membership has been rejected shall not be entitled to apply again within the 3-month period immediately following the date of notice of rejection issued by the Management Committee pursuant to paragraph (4) above.

34. Class of members

(1) Members of the Associations are divided into five (5) classes, namely Founder Members, Life Members, Ordinary Members, Non-voting Members from Overseas and Associate Members.

(2) In addition to Article 33(2) above, each class of members shall fulfill all of the eligibility criteria set out under their respective headings below:-

(a) Founder Members

(i) Subscribers of the Association are deemed as Founder Members of the Association.

(ii) A non-refundable subscription fee of HK$245,000.00 together with a non-refundable annual fee of HK$5,000.00 shall have been paid by each Founder Member to the Association immediately upon incorporation.

(iii) A Founder Member shall be engaged in the business as a wholesaler, manufacturer, processor, importer and/or exporter of natural diamonds and natural diamond jewellery in Hong Kong.

(iv) A Founder Member Company shall not in any part of the world, either on its own account or in conjunction with or on behalf of any person / company, carry on or be engaged, concerned or interested in any business involving sale, distribution or otherwise dealing with artificial diamonds.

(b) Life Members

(i) A Life Member shall be incorporated or otherwise established in Hong Kong.

(ii) A Life Member shall be engaged in the business as a wholesaler, manufacturer, processor, importer and/or exporter of natural diamonds and natural diamond jewellery in Hong Kong.

(iii) A Life Member Company shall not in any part of the world, either on its own account or in conjunction with or on behalf of any person / company, carry on or be engaged, concerned or interested in any business involving sale, distribution or otherwise dealing with artificial diamonds.

(iv) A non-refundable subscription fee of HK$245,000.00 (or such other fees to be decided by the Management Committee from time to time) together with a non-refundable annual fee of HK$5,000.00 (or such other fees to be decided by the Management Committee from time to time) shall have been paid by each Life Member to the Association immediately prior to being registered as a Life Member.

(c) Ordinary Members

(i) An Ordinary Member shall be incorporated or otherwise established in Hong Kong.

(ii) An Ordinary Member shall be engaged in the business as a wholesaler, manufacturer, processor, importer and/or exporter of natural diamonds and natural diamond jewellery in Hong Kong.

(iii) An Ordinary Member Company shall not in any part of the world, either on its own account or in conjunction with or on behalf of any person / company, carry on or be engaged, concerned or interested in any business involving sale, distribution or otherwise dealing with artificial diamonds.

(iv) A non-refundable subscription fee of HK$10,000.00 (or such other fees to be decided by the Management Committee from time to time) together with a non-refundable annual fee of HK$5,000.00 (or such other fees to be decided by the Management Committee from time to time) shall have been paid by each Ordinary Member to the Association immediately prior to being registered as an Ordinary Member.

(d) Non-voting Members from Overseas

(i) A Non-voting Member from Overseas shall be a member of any of association in any part of the world, which has an object similar to that of the Association.

(ii) A Non-voting Member from Overseas shall be incorporated or otherwise established in any place other than Hong Kong.

(iii) A Non-voting Member from Overseas shall be engaged in the business as a wholesaler, manufacturer, processor, importer and/or exporter of natural diamonds and natural diamond jewellery in any place other than Hong Kong.

(iv) A Non-voting Member from Overseas (including its ultimate beneficial owners, shareholders and directors) shall not in any part of the world, either on its own account or in conjunction with or on behalf of any person, carry on or be engaged, concerned or interested directly or indirectly (whether as shareholder, director, employee, partner, agent or otherwise) in any business involving promotion, sale, distribution or otherwise dealing with artificial diamonds.

(v) A non-refundable subscription fee of HK$10,000.00 (or such other fees to be decided by the Management Committee from time to time) together with a non-refundable annual fee of HK$5,000.00 (or such other fees to be decided by the Management Committee from time to time) shall have been paid by each Non-voting Member from Overseas to the Association immediately prior to being registered as a Non-voting Member from Overseas.

(e) Associate Members

(i) An Associate Member shall be a service provider for such persons engaging in the business involving natural diamonds and natural diamond jewellery.

(ii) A non-refundable subscription fee of HK$25,000.00 (or such other fees to be decided by the Management Committee from time to time) together with a non-refundable annual fee of HK$5,000.00 (or such other fees to be decided by the Management Committee from time to time) shall have been paid by each Associate Member to the Association immediately prior to being registered as an Associate Member.

(3) Rights attaching to each class of members

(a) Each one of the Voting Members shall be entitled to the following rights:-

(i) right to receive notice of general meetings;

(ii) right to call, attend, demand a poll and vote at general meetings;

(iii) right to introduce visitors to the Association for the purpose of using and enjoying facilities of the Association (including the trading hall) at a reasonable fee decided by the Management Committee from time to time, subject to the following:-

(1) prior written approval of the Management Committee has been given and the Management Committee shall have the sole and absolute discretion in deciding whether to grant such approval without ascribing any reason therefor;

(2) the Voting Member introducing the visitor shall at all times indemnify and keep the Association fully indemnified from and against any loss, claims, proceedings, demands, liabilities, cost and expenses suffered by the Association in relation to or otherwise as a result of any action, negligence and/or default of the visitor;

(3) the Voting Member shall keep the visitor accompanied by its own officer(s) and/or representative(s) at all times;

(4) a fee has been paid by the visitor to the Association prior to entering any of the facilities of the Association for such amount to be decided by the Management Committee from time to time;

(5) a written undertaking has been given by the visitor to the Association in such form agreeable to the Association;

(6) the visitor shall not have been or still be a shareholder, owner, partner or director or otherwise related to any person affiliated to the World Federation of Diamond Bourses, i.e. a bourses trading in rough and polished diamonds and precious stones with a common set of trading practices comprising of 30 member diamond bourses with a headquarter in Antwerp, Belgium; and

(7) such other rules, regulations or conditions as the Management Committee shall think fit;

(iv) right to obtain publications of the Association at a reasonable fee decided by the Management Committee from time to time;

(v) right to use library and other facilities of the Association at a reasonable fee decided by the Management Committee from time to time; and

(vi) right to nominate its authorised representative to represent the member to enter, use and trade in the trading hall of the Association.

(b) In addition to their respective rights hereunder, Founder Members shall have priority over Life Members, who shall in turn have priority over Ordinary Members in relation to the following matters:-

(i) join any trade delegation representing the Association; and

(ii) access to facilities of the Association and in allocation of booths in exhibitions organised by the Association.

(c) In addition to their rights hereunder, Founder Members shall be entitled to nominate or second any application for membership.

(d) In addition to their respective rights hereunder, each one of Founder Members and Life Members shall be entitled to nominate and second up to a total of 10 members of the Management Committee.

(e) In addition to their rights hereunder, Ordinary Members shall be entitled to nominate and second up to a total of 5 members of the Management Committee.

(f) Each one of Non-voting Members from Overseas shall be entitled to the following rights:-

(i) right to receive notice of general meetings;

(ii) right to attend general meetings;

(iii) right to join any trade delegation representing the Association (subject to availability);

(iv) right to obtain publications of the Association at a reasonable fee decided by the Management Committee from time to time;

(v) right to use library and other facilities of the Association at a reasonable fee decided by the Management Committee from time to time (subject to availability); and

(vi) right to nominate its authorised representative to represent the member to enter, use and trade in the trading hall of the Association.

(g) Each one of Associate Members shall be entitled to the following rights:-

(i) right to receive notice of general meetings;

(ii) right to attend general meetings;

(iii) right to use library and other facilities of the Association (except the trading hall) at a reasonable fee decided by the Management Committee from time to time (subject to availability); and

(iv) right to obtain publications of the Association at a reasonable fee decided by the Management Committee from time to time.

(h) For the avoidance of any doubt, a Non-voting Member from Overseas shall not be entitled to:-

(i) call, vote or demand any poll at any general meetings;

(ii) nominate or second any application for membership;

(iii) nominate or second any person to become members of the Management Committee; or

(iv) introduce any visitor to the Association.

(i) For the avoidance of any doubt, an Associate Member shall not be entitled to:-

(i) call, vote or demand any poll at any general meetings;

(ii) nominate or second any application for membership;

(iii) nominate or second any person to become members of the Management Committee;

(iv) introduce any visitor to the Association;

(v) join any trade delegation representing the Association; or

(vi) nominate any person enter, use and trade in the trading hall of the Association.

35. Authorised representative

(1) Subject to the provision contained herein, each member shall be entitled to appoint 1 individual as its authorised representative.

(2) The authorised representative of each of the Voting Members must be a resident of Hong Kong and hold a valid Hong Kong identity card.

(3) If a person is already appointed as an authorised representative of a member, he shall not be appointed as the authorised representative of any other member.

(4) Application for appointment or change of authorised representative together with other documents and information required by the Management Committee shall be submitted to the Management Committee for registration but in any event within 30 days from the date of appointment by the member or change, as the case may be.

(5) The authorised representative shall not be duly appointed unless and until his application has been registered with by the Management Committee. For the avoidance of doubt, the Management Committee shall be entitled to refuse any application for registration in its absolute discretion without ascribing any reason therefor.

(6) Appointment of the authorised representative shall terminate immediately upon occurrence of any of the following events:-

(a) the authorised representative is prohibited from being a director by law;

(b) the authorised representative becomes bankrupt or makes any arrangement or composition with the person's creditors generally;

(c) the authorised representative becomes a mentally incapacitated person;

(d) the member of which the authorised representative represents ceases to be a member of the Association for any reason whatsoever; or

(e) the member of which the authorised representative represents withdraw the appointment of the said authorised representative, whether by way of replacement or otherwise.

(7) Without prejudice to the right of the Management Committee to terminate the appointment of the authorised representative at any time, the member shall inform the Management Committee in writing as soon as it comes to the notice or ought to have come to the notice of the member that any of events under paragraph (6) above has occurred.

36. Subscription fee, annual fee and levy

(1) Subscription Fee

(a) Save and except the Founder Members, immediately upon submission of the application form referred to under Article 33(3)(a), the applicant shall pay to the Association the subscription fee in such sum as advised by the Management Committee from time to time, which fee may or may not be different for each class of members. Full payment of the subscription fee shall be a condition precedent for the applicant to be registered as a member of the Association.

(b) The subscription fee shall be paid in full irrespective of the date on which the applicant shall become a member of the Association.

(2) Annual Fee

(a) Subject to paragraph (b) below, each member shall, within 2 months upon written demand, pay to the Association an annual fee for the next calendar year in such sum as advised by the Management Committee from time to time, which fee may or may not be different for each class of members.

(b) For applicants, the prescribed annual fee shall be paid upon submission of the application form referred to under Article 33(3)(a), and the prescribed annual fee shall be paid in full irrespective of the date on which the applicant shall become a member of the Association.

(3) Levy

The Association may from time to time in a general meeting impose a levy on its members in such sum and by such time as the Association in general meeting may decide, which levy may or may not be different for each class of members.

37. Termination of Membership

(1) A member may withdraw from membership of the Association by giving 7 days' notice to the Association in writing.

(2) A member shall be liable to expulsion or its membership may be susceptible to suspension by special resolution of the Management Committee upon occurrence of any of the following events:-

(a) an encumbrancer takes possession or a receiver is appointed over any of the property or assets of the member;

(b) the member makes any voluntary arrangement with its creditors or becomes subject to an administration order;

(c) the member goes into liquidation (except for the purposes of an amalgamation, reconstruction or other reorganisation and in such manner that the company resulting from the reorganisation effectively agrees to be bound by or to assume the obligations imposed on the member);

(d) the member ceases, or threatens to cease, to carry on business;

(e) the member disposes of substantially all of its business or assets,;

(f) if any change shall occur in the management, ownership or control of the member without prior written consent of the Association;

(g) in case of any change of company name or trading name of the member without prior written consent of the Association;

(h) the member shall in the opinion of the Association misuse or in any way impair the goodwill and/or reputation associated with the Association;

(i) if member (including its shareholders, owners, partners and directors) shall be convicted of any criminal offence which is in the opinion of the Association guilty of gross moral turpitude;

(j) for a member which is a sole proprietorship, if the sole proprietor:-

(i) is prohibited from being a director by law;

(ii) becomes bankrupt or makes any arrangement or composition with the person's creditors generally; or

(iii) becomes a mentally incapacitated person;

(k) the member fails or refuses to pay any subscription fee or annual fee within 2 months after the due date for payment;

(l) the member fails or refuses to pay any levy within 1 month after the due date for payment;

(m) the member neglects or fails to perform or observe any of the provisions of this Articles or commits any breach of its obligations hereunder; or

(n) the member fails to meet its eligibility criteria set out under Articles 33(2) and 34(2) above,

Provided That at least 7 days before the meeting at which any resolution is to be passed, the member shall be given notice of the intended resolution for its expulsion or suspension, and that it shall also before the passing of such resolution be given an opportunity of being heard in its own defence.

(3) A member expelled by the Association shall be deprived of all right of membership in the Association.

(4) A member whose membership has been suspended shall not be entitled to any rights as a member.

(5) Expulsion or suspension of membership shall not relieve the member of its obligation to pay annual fees, levies or other amounts payable by the member to the Association prior to the date of expulsion or suspension, as the case may be.

(6) Membership is not transferable unless prior written approval has been given by the Management Committee.

(7) A person's membership terminates when that person is dissolved.

Division 2—Organisation of General Meetings

38. General meetings

(1) Subject to sections 611, 612 and 613 of the Ordinance, the Association must, in respect of each financial year of the Association, hold a general meeting as its annual general meeting in accordance with section 610 of the Ordinance.

(2) The Management Committee may, if they think fit, call a general meeting.

(3) If the Management Committee are required to call a general meeting under section 566 of the Ordinance, they must call it in accordance with section 567 of the Ordinance.

(4) If the Management Committee do not call a general meeting in accordance with section 567 of the Ordinance, the Voting 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.

39. Notice of general meetings

(1) An annual general meeting must be called by notice of at least 21 days in writing.

(2) A general meeting other than an annual general meeting must be called by notice of at least 14 days in writing.

(3) The notice is exclusive of—

  (a) the day on which it is served or deemed to be served; and

  (b) the day for which it is given.

(4) The notice must—

  (a) specify the date and time of the meeting;

  (b) specify the place of the meeting (and if the meeting is to be held in 2 or more places, the principal place of the meeting and the other place or places of the meeting);

  (c) state the general nature of the business to be dealt with at the meeting;

  (d) for a notice calling an annual general meeting, state that the meeting is an annual general meeting;

  (e) if a resolution (whether or not a special resolution) is intended to be moved at the meeting—

    (i) include notice of the resolution; and

    (ii) include or be accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution;

  (f) if a special resolution is intended to be moved at the meeting, specify the intention and include the text of the special resolution; and

  (g) contain a statement specifying a member's right to appoint a proxy under section 596(1) of the Ordinance.

(5) Paragraph (4)(e) does not apply in relation to a resolution of which—

  (a) notice has been included in the notice of the meeting under section 567(3) or 568(2) of the Ordinance; or

  (b) notice has been given under section 615 of the Ordinance.

(6) Despite the fact that a general meeting is called by shorter notice than that specified in this Article, it is regarded as having been duly called if it is so agreed—

  (a) for an annual general meeting, by all the Voting Members entitled to attend and vote at the meeting; and

  (b) in any other case, by a majority in number of the Voting Members entitled to attend and vote at the meeting, being a majority together representing at least 95% of the total voting rights at the meeting of all the members.

40. Persons entitled to receive notice of general meetings

(1) Notice of a general meeting must be given to—

  (a) every member; and

  (b) every member of the Management Committee.

(2) If notice of a general meeting or any other document relating to the meeting is required to be given to a member, the Association must give a copy of it to its auditor (if more than one auditor, to everyone of them) at the same time as the notice or the other document is given to the member.

41. Accidental omission to give notice of general meetings

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

42. Attendance and speaking at general meetings

(1) A person is able to exercise the right to speak at a general meeting when the person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions that the person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) the person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

(b) the person's vote can be taken into account in determining whether or not those resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The Management Committee 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 2 or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have rights to speak and vote at the meeting, they are able to exercise them.

(6) Each of the members must be represented by its authorised representative unless a proxy is duly appointed in accordance with the provisions hereof.

43. Quorum for general meetings

(1) Thirty (30) Voting Members or 15% of the aggregate number of Voting Members rounded up to the nearest integer, whichever is lesser present in person or by proxy constitute a quorum at a general meeting.

(2) No business other than the appointment of the chairperson of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

44. Chairing general meetings

(1) If the President of the Management Committee is present at a general meeting and is willing to preside as chairperson at the meeting, the meeting is to be presided over by the President.

(2) If the President is not present within 15 minutes after the time appointed for holding the meeting, the meeting is to be presided over by any Vice President of the Management Committee present at a general meeting who is willing to preside as chairperson at the meeting. When both Vice Presidents of the Management Committee are present at the meeting in the absence of the President, the meeting is to be presided over by any one of them to be decided by the Vice Presidents, failing which paragraph (3) below shall apply.

(3) Members of the Management Committee present at a general meeting must elect one of themselves to be the chairperson if any of the following shall happen to the President and both Vice Presidents of the Management Committee—

(a) there is no President and/or Vice Presidents of the Management Committee;

(b) the President and/or the Vice Presidents is/are not present within 15 minutes after the time appointed for holding the meeting;

(c) the President and/or the Vice Presidents is/are unwilling to act; and/or

(d) the President and/or the Vice Presidents has/have given notice to the Association of the intention not to attend the meeting.

(4) The Voting Members present at a general meeting must elect one of themselves to be the chairperson if—

(a) no member of the Management Committee is willing to act as chairperson; or

(b) no member of the Management Committee is present within 15 minutes after the time appointed for holding the meeting.

(5) A proxy may be elected to be the chairperson of a general meeting by a resolution of the Association passed at the meeting.

45. Attendance and speaking by non-members

(1) Members of the Management Committee may attend and speak at general meetings, whether or not they are members of the Association.

(2) The chairperson of a general meeting may permit other persons to attend and speak at a general meeting even though they are not—

(a) members of the Association; or

(b) otherwise entitled to exercise the rights of members in relation to general meetings.

46. Adjournment

(1) If a quorum is not present within half an hour from the time appointed for holding a general meeting, the meeting must—

(a) if called on the request of members, be dissolved; or

(b) in any other case, be adjourned to the same day in the next week, at the same time and place, or to another day and at another time and place that the Management Committee determine.

(2) If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting, the Voting Member or Voting Members present in person or by proxy constitute a quorum.

(3) The chairperson of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment; or

(b) it appears to the chairperson of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(4) The chairperson of the meeting must adjourn a general meeting if directed to do so by the meeting.

(5) When adjourning a general meeting, the chairperson of the meeting must specify the date, time and place to which it is adjourned.

(6) Only the business left unfinished at the general meeting may be transacted at the adjourned meeting.

(7) If a general meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as for an original meeting.

(8) If a general meeting is adjourned for less than 30 days, it is not necessary to give any notice of the adjourned meeting.

Division 3—Voting at General Meetings

47. General rules on voting

(1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded by one or more of the Voting Members in accordance with these Articles.

(2) If there is an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is demanded, is entitled to a second or casting vote.

(3) On a vote on a resolution on a show of hands at a general meeting, a declaration by the chairperson of the meeting that the resolution—

(a) has or has not been passed; or

(b) has passed by a particular majority,

is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4) An entry in respect of the declaration in the minutes of the meeting is also conclusive evidence of that fact without the proof.

48. Errors and disputes

(1) Any objection to the qualification of any person voting at a general meeting may only be raised at the meeting or adjourned meeting at which the vote objected to is tendered, and a vote not disallowed at the meeting is valid.

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

49. Demanding a poll

(1) A poll on a resolution may be demanded—
  (a) in advance of the general meeting where it is to be put to the vote; or
  (b) at a general meeting, either before or on the declaration of the result of a show of hands on that resolution.

(2) A poll on a resolution may be demanded by—
  (a) the chairperson of the meeting;
  (b) at least 2 Voting Members present in person or by proxy; or
  (c) any Voting Member present in person or by proxy and representing at least 5% of the total voting rights of all the Voting Members having the right to vote at the meeting.

(3) The instrument appointing a proxy is regarded as conferring authority to demand or join in demanding a poll on a resolution.

(4) A demand for a poll on a resolution may be withdrawn.

50. Number of votes a Voting Member has

On a vote on a resolution, whether on a show of hands at a general meeting or on a poll taken at a general meeting—
  (a) every Voting Member present in person has 1 vote; and
  (b) every proxy present who has been duly appointed by a Voting Member entitled to vote on the resolution has 1 vote.

51. Content of proxy notices

(1) A proxy may only validly be appointed by a notice in writing (proxy notice) that—
  (a) states the name and address of the member appointing the proxy;
  (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  (c) is authenticated, or is signed on behalf of the member appointing the proxy; and
  (d) is delivered to the Association in accordance with these Articles and any instructions contained in the notice of the general meeting in relation to which the proxy is appointed.

(2) The Association may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) If the Association 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.

(4) A proxy notice may specify, if applicable, how the proxy appointed under it is to vote (or that the proxy is to abstain from voting) on one or more resolutions dealing with any business to be transacted at a general meeting.

(5) Unless a proxy notice indicates otherwise, it must be regarded as—
  (a) if applicable, 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.

52. Execution of appointment of proxy on behalf of member appointing the proxy

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

53. Delivery of proxy notice and notice revoking appointment of proxy

(1) A proxy notice does not take effect unless it is received by the Association—
   (a) for a general meeting or adjourned general meeting, at least 72 hours before the time appointed for holding the meeting or adjourned meeting; and
   (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.

(2) An appointment under a proxy notice may be revoked by delivering to the Association a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking the appointment only takes effect if it is received by the Association—
   (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and
   (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.

54. Effect of Voting Member's voting in person on proxy's authority

(1) A proxy's authority in relation to a resolution is to be regarded as revoked if the Voting Member who has appointed the proxy—
   (a) attends in person the general meeting at which the resolution is to be decided; and
   (b) exercises, in relation to the resolution, the voting right that the Voting Member is entitled to exercise.

(2) A member who is entitled to attend, speak or vote (either on a show of hands or on a poll, if applicable) at a general meeting remains so entitled in respect of the meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Association by or on behalf of the member.

55. Effect of proxy votes in case of revocation of appointment

(1) A vote given in accordance with the terms of a proxy notice is valid despite the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy is executed.

(2) Paragraph (1) does not apply if notice in writing of the revocation is received by the Association—
   (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and
   (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.

56. Amendments to proposed resolutions

(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
   (a) notice of the proposed amendment is given to the company secretary in writing; and
   (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.

(2) The notice must be given by a person entitled to vote at the general meeting at which it is to be proposed at least 48 hours before the meeting is to take place (or a later time the chairperson of the meeting determines).

(3) A special resolution to be proposed at a general meeting may be amended by ordinary resolution if—
   (a) the chairperson of the meeting proposes the amendment at the meeting at which the special resolution is to be proposed; and
   (b) the amendment merely corrects a grammatical or other non-substantive error in the special resolution.

(4) If the chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the vote on that resolution remains valid unless the Court orders otherwise.

Part 4

Miscellaneous Provisions

Division 1—Communications to and by Association

57. Means of communication to be used

(1) Subject to these Articles, anything sent or supplied by or to the Association 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 Association 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 Management Committee in connection with the taking of decisions by Management Committee may also be sent or supplied by the means by which that member of the Management Committee has asked to be sent or supplied with such a notice or document for the time being.

(3) A member of the Management Committee may agree with the Association that notices or documents sent to that member of the Management Committee 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.

Division 2—Administrative Arrangements

58. Association seals

(1) A common seal may only be used by the authority of the Management Committee.

(2) A common seal must be a metallic seal having the Association's name engraved on it in legible form.

(3) Subject to paragraph (2), the Management Committee may decide by what means and in what form a common seal is to be used.

(4) Unless otherwise decided by the Management Committee, if the Association has a common seal and it is affixed to a document, the document must also be signed by at least the chairperson (or in his absence, the vice-chairperson) of the Management Committee and 1 authorised person.

(5) For the purposes of this Article, an authorised person is—

(a) any member of the Management Committee of the Association;

(b) the company secretary; or

(c) any person authorised by the Management Committee for signing documents to which the common seal is applied.

59. No right to inspect accounts and other records

(1) A person is not entitled to inspect any of the Association's accounting or other records or documents merely because of being a member, unless the person is authorised to do so by—

(a) an enactment;

(b) an order under section 740 of the Ordinance;

(c) the Management Committee; or

(d) an ordinary resolution of the Association.

(2) No member shall be entitled to visit the office or other premises of the Association without permission of the Management Committee.

60. Auditor's insurance

(1) The Management Committee may decide to purchase and maintain insurance, at the expense of the Association, for an auditor of the Association, against—

(a) any liability to any person attaching to the auditor in connection with any negligence, default, breach of duty or breach of trust (except for fraud) occurring in the course of performance of the duties of auditor in relation to the Association; or

(b) any liability incurred by the auditor in defending any proceedings (whether civil or criminal) taken against the auditor for any negligence, default, breach of duty or breach of trust (including fraud) occurring in the course of performance of the duties of auditor in relation to the Association .

(2) In this Article, a reference to performance of the duties of auditor includes the performance of the duties specified in section 415(6)(a) and (b) of the Ordinance.

61. Financial statements and records

(a) The Management Committee must prepare annual financial statements for each accounting reference period as required by the Ordinance. The financial statements must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Hong Kong Institute of Certified Public Accountants or its successors and adhere to all of its recommended practices.

(b) The Management Committee must keep accounting records (including donation receipts) as required by the Ordinance.