

60 YEARS
IN HONG KONG

ACCA

EXTRAORDINARY GENERAL MEETING

ACCA HONG KONG 香港分會

ROOM 1901 19/F WORLD WIDE HOUSE 19 DES VOEUX ROAD CENTRAL HONG KONG
香港 中環德輔道19號 環球大廈19樓1901室

T 電話 852 2524 4988 F 傳真 852 2868 4909 hongkong.accaglobal.com

THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS 特許公認會計師公會

CONTENTS

President's Letter	1
Notice of Extraordinary General Meeting	2
Highlights of Major Changes in the <i>ACCA Hong Kong</i> Network Constitution	3
A Table Comparing the Clauses of the New Constitution against that of the Current Constitution of <i>ACCA Hong Kong</i>	6
New Hong Kong Network Constitution	7
Proposed Phased Approach to Adopt Various Changes in the <i>ACCA Hong Kong</i> Constitution	13

26 April 2010

Dear fellow members

Extraordinary General Meeting for Adoption of New ACCA Hong Kong Constitution

The Committee of *ACCA Hong Kong* resolved to convene an Extraordinary General Meeting (EGM) at 6:15pm or immediately after the conclusion of the 60th Annual General Meeting to be held on 27 May 2010 at Tianshan and Lushan Rooms, Island Shangri-La Hong Kong. The objective of the EGM is to adopt the new *ACCA Hong Kong* Constitution to bring it in line with the model constitution developed by the Governance Committee of ACCA.

ACCA emerges as the largest and fastest growing international professional accountancy body. It currently has more than 140,000 members and 404,000 students in 83 offices and centres worldwide. For purposes of good corporate governance, ACCA envisages the need for ACCA's member networks to operate under a standardised framework and that its policies and procedures are applied consistently. The Governance Committee has therefore developed a model Constitution for adaptation and adoption by ACCA's national member networks based on local needs and circumstances.

ACCA Hong Kong is the second largest centre of ACCA and has operated in Hong Kong for 60 years. It has developed very sophisticated operations over the years and is managed by a team of experienced staff. The Committee that works closely with the management team advises on ACCA's strategic development in Hong Kong and assists in raising ACCA's profile and enhancing its reputation in Hong Kong. The changes proposed in the new Constitution will help to:

- apply consistent corporate governance across ACCA global wide
- clearly define the role of Committee members and the staff
- ensure there is continuity and good succession planning in the Committee.

To enhance a smooth transition, a phased approach is proposed for the adoption of some changes.

The following documents are attached for members' consideration and information:

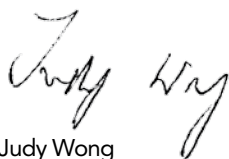
- Notice of Extraordinary General Meeting (**Appendix A**)
- Highlights of major changes in the *ACCA Hong Kong* Network Constitution (**Appendix B**)
- A table comparing the clauses of the new Constitution against that of the current Constitution of *ACCA Hong Kong* (**Appendix C**)
- The new Hong Kong Network Constitution (**Appendix D**)
- Proposed phased approach to adopt various changes in the *ACCA Hong Kong* Constitution (**Appendix E**)
- Ballot Paper (**Appendix F**)

The current Constitution is available and may be downloaded from the website of *ACCA Hong Kong* (<http://www.hongkong.accaglobal.com/hongkong/members/information/constitution>).

We are confident that the new Constitution will provide a framework for *ACCA Hong Kong* to operate efficiently. On behalf of the Hong Kong Committee, I sincerely hope that you will vote for the adoption of the new Hong Kong Network Constitution through the phased approach.

Thank you for your kind attention and we look forward to having your great support.

Yours sincerely



Judy Wong
President

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Members of ACCA (The Association of Chartered Certified Accountants) Hong Kong will be held at *Tianshan and Lushan Rooms, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong* on *Thursday, 27 May 2010* at *6:15pm* or immediately after the conclusion of the 60th Annual General Meeting held on that day to consider and, if thought fit, to pass the following resolutions as a Special Resolution:

"THAT the Hong Kong Network Constitution contained in the printed documents annexed hereto and for the purpose of identification initialled by the President be approved and adopted as the Constitution of The Association of Chartered Certified Accountants Hong Kong ("ACCA Hong Kong") in substitution for and to the exclusion of all the existing Constitution of ACCA Hong Kong through a phased approach as set out in the document on "Proposed Phased Approach to Adopt Various Changes in the ACCA Hong Kong Constitution (Appendix E)."

By Order of the Committee



Erica Chen
Head of ACCA Hong Kong
Hong Kong

26 April 2010

HIGHLIGHTS OF MAJOR CHANGES IN THE ACCA HONG KONG NETWORK CONSTITUTION

Clause

1. Name and Constitution

ACCA Hong Kong Centre be renamed as “The Association of Chartered Certified Accountants (ACCA) – Hong Kong Network”, and be organised in accordance with the new Constitution.

3. Definitions

New	Current
“Annual General Meeting” means the annual general meeting of the Network	<i>No such definition in the current Constitution</i>
“Bye-Laws” means the bye-laws set out in the Second Schedule to ACCA’s Royal Charter	<i>No such definition in the current Constitution</i>
“Chairman” means a Committee Member duly appointed as Chairman in accordance with Clause 8.3(i)	“President” means a Centre Member duly appointed as President in accordance with Clause 6.4(b)
“Committee Member” means a Member of the Committee	<i>No such definition in the current Constitution</i>
“Head of Hong Kong” means the Head of Hong Kong appointed by and reporting to the Chief Executive	“Head of the Hong Kong Centre” means the Head of the Hong Kong Centre, duly appointed in accordance with Clause 14(a) (i.e. who is appointed by the Chief Executive following consultation with the Centre Office Bearers)
“Network” means all ACCA Members who have a recorded correspondence address with ACCA in Hong Kong	“Centre” means the ACCA Hong Kong Centre
“Network Member” means a Member of the Network	“Centre Member” means a person deemed to be a member of the Centre in accordance with Clause 7 (i.e. a person who resides in Hong Kong and for this purpose, residency is based on the correspondence address of a member as shown in the record of ACCA)
“Office Bearers” means the Chairman and Vice Chairman of the Network	“Office Bearers” means the President, Deputy President and Vice President of the Centre in accordance with Clause 6.4(b) (i.e. the Committee shall appoint from its members a President, a Deputy President and a Vice President)
“Preferred Nominee for Vice Chairman” means a Committee Member duly appointed as the Preferred Nominee for Vice Chairman in accordance with Clause 8.3(ii)	<i>No such definition in the current Constitution</i>
<i>No such definition in the new Constitution</i>	“Deputy President” means a Centre Member duly appointed as Deputy President in accordance with Clause 6.4(b)
“Vice Chairman” means a Committee Member duly appointed as Vice Chairman in accordance with Clause 8.3(i)	“Vice President” means a Centre Member duly appointed as Vice President in accordance with Clause 6.4(b)
<i>No such definition in the new Constitution</i>	“Immediate Past President” means a President who had just finished his or her term of service on the Committee and duly appointed to the Committee as an Immediate Past President (who shall automatically, without any need for further election or appointment, remain on the Committee for one more year as the Immediate Past President)

4. Role

- 4.2 According to the new Constitution, prior notice has to be given to the Head of Hong Kong if the Network were to be affiliated to any other associations or form part of any federation of associations [no such requirement in the current Constitution], and in so doing such affiliations are not, in the reasonable opinion of the Head of Hong Kong detrimental to the role of the Network.

5. Location

New	Current
Meetings of the Network and the Committee shall take place at the offices of the Head of Hong Kong unless otherwise agreed by the Head of Hong Kong.	The location of the Centre shall be in Hong Kong at the place as may be selected from time to time by the Chief Executive.

6. Composition of the Committee

- 6.2 According to the new Constitution, the minimum number of elected Committee members, excluding ex officio members, will be changed from ten (10) to eight (8) and the maximum number will be changed from eighteen (18) to twelve (12)¹.

7. Election/Retirement /Re-Election to the Committee

- 7.1 The minimum number of Network members who may nominate a Network Member for election to the Committee has been changed from ten (10) to two (2).
- 7.2 All nominations for election to the Committee shall be delivered to the Head of Hong Kong and/or ACCA staff designated by him at least forty (40) [currently forty-two (42)] days before the Annual General Meeting.
- 7.3¹ The service term of Committee members has been changed from two (2) years to one (1) year. Any elected Committee member who has served for six (6) [currently eight (8)] consecutive years (excluding the period during which he has been appointed to fill up a vacancy) shall retire but shall be eligible for re-election after a minimum period of two years [currently one year] have lapsed since the cessation of his service on the Committee. However the requirement that at each Annual General Meeting there shall retire from office any Committee member who was elected at the Annual General Meeting immediately preceding the present one and any Committee member who has served for six (6) consecutive years (excluding the period during which he has been appointed to fill up a vacancy pursuant to Clause 7.6) shall not apply to the Office Bearers and the Preferred Nominee for Vice Chairman. The maximum consecutive period any Network Member may serve on the Committee (including any term/s as Office Bearer) is eight years. [Currently, the running of a member of the Committee's "eight consecutive years on the Committee" shall be suspended during the time such Member serves as an Office Bearer or an Immediate Past President, and shall (a) resume once he or she ceases to occupy these positions but remains on the Committee or (b) reset once he or she ceases to serve on the Committee altogether.]
- 7.5 Other than in exceptional circumstances, the Chairman and Vice Chairman shall serve a term of one year's duration. In exceptional circumstances, and with the prior approval of the Chief Executive, the Chairman's term of office may be extended for a further maximum period of one year. [Currently the maximum period is not specified.]
- 7.6 If an Office Bearer vacates his office mid term the Committee will identify and appoint Network Members (or another Office Bearer) to fill the vacancy for the remainder of the term [no such proviso in the current Constitution].

8. Proceedings of the Committee

- 8.3(ii) Under the new Constitution, the Committee will appoint from its members a Preferred Nominee for Vice Chairman for the following term [no such proviso in the current Constitution].
- 8.7 If a Committee Member fails to attend three consecutive meetings [currently a consecutive period of six months] of the Committee without prior leave of absence from the Chairman, the Committee may determine if that Committee member shall be removed.
- 8.8 If an Office Bearer fails to attend three consecutive meetings of the Committee, the Office Bearer shall vacate his office and the Committee shall appoint a Committee Member in his place at the next meeting of the Committee [no such proviso in the current Constitution].
- 8.11 At the first meeting of the Committee after each Annual General Meeting (AGM), the Committee may invite the person who retired as Chairman at the most recent AGM to attend meetings of the Committee for the following Committee year in the capacity of an observer. [Under the current Constitution, a member who has finished serving his term on the Committee as the President shall automatically, without any need for further election or appointment, remain on the Committee for one more year as the Immediate Past President.]

9. International Assembly

The proviso of International Assembly is introduced. The Chairman and Vice Chairman shall be International Assembly representatives and should they be unable to attend any meeting, the Committee may send a substitute Committee Member for the meeting.

11 Annual General Meeting

- 11.1 The date of Annual General Meeting of the Network will be changed from not later than 31 May to not later than 30 September of each year.
- 11.2 The covering period of the report received at the Annual General Meeting will be changed from the previous year ended 31 December to the previous year ended 31 March.
- 11.3 The quorum of any Annual General Meeting will be changed from thirty (30) to fifteen (15).

12 Extraordinary General Meeting

The quorum of any Extraordinary General Meeting will be changed from thirty (30) to fifteen (15).

14 Notices

The notices of Extraordinary General Meetings and Special General Meetings to each Network Member will be decreased from twenty-eight (28) days to twenty-one (21) days.

Any Network Member may bring forward a resolution at an Annual General Meeting provided that he has given notice to the Head of Hong Kong not less than thirty-five (35) [currently forty-five (45)] days before the Annual General Meeting.

17 Mode and Right of Voting

- 17.1 According to the new Constitution, ballots may be in electronic form and delivered by electronic means where applicable. This is introduced in anticipation of future development. [Under the current Constitution, voting at any general meeting shall be by show of hands and the number of ballot papers received by post or otherwise. Voting for the election of Committee Members shall only be by the number of ballot papers received by post or otherwise.]
- 17.2 Voting by electronic means where applicable is introduced in anticipation of future development.
- 17.3 The proviso of election procedures is introduced which shall apply to the election of Network Members to the Committee at the Annual General Meeting.
- 17.4 The proviso of run-off election procedures is introduced. In the event of an equality of votes cast and a tie for the final seat on the Committee, a run-off election between the tied candidates will be held.

¹ Please cross reference with Appendix E - "Proposed phased approach to adopt various changes in the ACCA Hong Kong Constitution" - of the letter dated 26 April 2010 from ACCA Hong Kong President on the Extraordinary General Meeting.

A TABLE COMPARING THE CLAUSES OF THE NEW CONSTITUTION AGAINST THAT OF THE CURRENT CONSTITUTION OF ACCA HONG KONG

Clause	Comparable Clause in the Current Constitution
1. Name and Constitution	1. Name and Organisation
2. Duration	2. Duration
3. Definitions	3. Definitions
4. Role	4. Role
4.3	14. Head of the Hong Kong Centre and Staff
5. Location	5. Location
6. Composition of the Committee	6. The Committee
7. Election/Retirement/Re-Election to the Committee	6.3 Election/Retirement/Re-Election
8. Proceedings of the Committee	6.4 Proceedings
9. International Assembly	New
10. Membership	7. Membership
11. Annual General Meeting	8. Annual General Meeting
12. Extraordinary General Meeting	9. Extraordinary General Meeting
13. Special General Meeting	10. Special General Meeting – Subject to Relevant Legislation
14. Notices	11. Notices
15. Prohibition on the Committee	12. Powers of the Committee
16. Role of the Chairman	13. Roles of the President
17. Mode and Right of Voting	15. Mode and Right of Voting
18. Actions by or against the Network	16. Actions by or against the Centre
19. Disputes	17. Disputes
20. Dissolution or Amalgamation of the Network	18. Dissolution or Amalgamation of the Centre
21. Indemnity	19. Indemnity
22. Alternation or Waiver of Constitution	20. Alternation or Waiver of Constitution

THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS (ACCA) HONG KONG NETWORK CONSTITUTION

CONTENTS

Clause

1. Name and Constitution
2. Duration
3. Definitions
4. Role
5. Location
6. Composition of the Committee
7. Election/Retirement/Re-Election to the Committee
8. Proceedings of the Committee
9. International Assembly
10. Membership
11. Annual General Meeting
12. Extraordinary General Meeting
13. Special General Meeting
14. Notices
15. Prohibition on the Committee
16. Role of the Chairman
17. Mode and Right of Voting
18. Actions by or against the Network
19. Disputes
20. Dissolution or Amalgamation of the Network
21. Indemnity
22. Alteration or Waiver of Constitution

THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS (ACCA)

HONG KONG NETWORK CONSTITUTION

1. NAME AND CONSTITUTION

The organisation shall be called: "The Association of Chartered Certified Accountants (ACCA) – Hong Kong Network", and shall be organised in accordance with this Constitution.

2. DURATION

The duration shall be indefinite.

3. DEFINITIONS

3.1 In this Constitution unless the context otherwise requires:

"ACCA" means The Association of Chartered Certified Accountants incorporated by Royal Charter granted on 25 November 1974

"Annual General Meeting" means the annual general meeting of the Network held in accordance with Clause 11

"Bye-Laws" means the bye-laws set out in the Second Schedule to ACCA's Royal Charter

"Chairman" means a Committee Member duly appointed as Chairman in accordance with Clause 8.3(i)

"Chief Executive" means the Chief Executive of ACCA duly appointed by Council

"Committee" means the Committee of the Network duly elected in accordance with this Constitution

"Committee Member" means a Member of the Committee

"Council" means the Council of ACCA as from time to time constituted in accordance with the Bye-Laws

"Extraordinary General Meeting" means a meeting of the Network held in accordance with Clause 12

"Head of Hong Kong" means the Head of Hong Kong appointed by and reporting to the Chief Executive

"International Assembly" means the International Assembly of ACCA as from time to time constituted in accordance with the decisions of Council

"Member" means any person admitted to ACCA in accordance with or pursuant to the Bye-Laws

"Network" means all ACCA Members who have a recorded correspondence address with ACCA in Hong Kong

"Network Member" means a Member of the Network

"Office Bearers" means the Chairman and Vice Chairman of the Network

"Preferred Nominee for Vice Chairman" means a Committee Member duly appointed as the Preferred Nominee for Vice Chairman in accordance with Clause 8.3(ii)

"Registered Student" means a student registered with ACCA and includes a registered affiliate of ACCA as defined by the Bye-Laws

"Special General Meeting" means any general meeting duly held in accordance with Clause 13

"Students' Society" means a Students' Society as might be constituted by the Committee in accordance with Clause 8.10

"Vice Chairman" means a Committee Member duly appointed as Vice Chairman in accordance with Clause 8.3(i)

3.2 Any reference in this Constitution to a "Clause" shall, subject to any contrary indication, be construed as a reference to a clause hereof.

3.3 Save where the contrary is indicated, any reference in this Constitution to words importing the masculine includes the feminine and *vice versa*.

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

3.5 Clause headings are for ease of reference only.

4. ROLE

4.1 The role of the Network is to advise Council, the Chief Executive and the Head of Hong Kong on matters relating to:

- a) strategic development;
- b) current and future issues affecting Network Members;
- c) raising ACCA's profile and enhancing its reputation in Hong Kong;
- d) new ideas and topics which may be addressed through courses, publications and other services; and
- e) technical issues and consultative documents.

4.2 The Network may be affiliated to any other associations or form part of any federation of associations, provided

that prior notice is given to the Head of Hong Kong and in so doing such affiliations are not, in the reasonable opinion of the Head of Hong Kong detrimental to the role of the Network.

4.3 The role of the Head of Hong Kong and any other ACCA staff based in Hong Kong is to:

- a) deliver ACCA's strategies and policies in Hong Kong;
- b) manage the finances of, and reporting for, ACCA's operations in Hong Kong;
- c) provide advice and secretarial support to the Committee; and
- d) manage the day-to-day affairs and activities of the Network.

5. LOCATION

Meetings of the Network and the Committee shall take place at the offices of the Head of Hong Kong unless otherwise agreed by the Head of Hong Kong.

6. COMPOSITION OF THE COMMITTEE

6.1 The Committee shall be elected by the Network at the Annual General Meeting in accordance with this Constitution.

6.2 The number of elected Committee Members shall not be less than eight nor more than twelve¹. Any Network Member who has been elected to Council shall sit as an ex officio member of the Committee with full voting rights, unless he is elected to the Committee in the Annual General Meeting.

6.3 The Head of Hong Kong and/or ACCA staff designated by him shall attend meetings of the Committee in a non-voting capacity.

7. ELECTION/RETIREMENT/RE-ELECTION TO THE COMMITTEE

7.1 Two or more Network Members may nominate a Network Member for election to the Committee at the Annual General Meeting. Each nomination shall be in writing, shall specify the name of the candidate and shall be signed by each of those Network Members making the nomination. A consent, signed by the candidate, of his willingness to be elected a member of the Committee, must be appended to all nominations.

7.2 All nominations made in accordance with Clause 7.1 shall be delivered to the Head of Hong Kong and/or ACCA staff designated by him at least 40 days before the Annual General Meeting and the Head of Hong Kong and/or ACCA staff designated by him shall notify Network Members of all nominations received at least 28 days before the Annual General Meeting.

7.3¹ At each Annual General Meeting there shall retire from office (a) any Committee Member appointed pursuant to Clause 7.6 and (b) any Committee member who was elected at the Annual General Meeting immediately preceding the present one, and (c) any Committee Member who has served for six consecutive years (excluding the period during which he has been appointed to fill up a vacancy pursuant to Clause 7.6). However, Clauses 7.3(b) and (c) shall not apply to the Office Bearers and the Committee's Preferred Nominee for Vice Chairman. The maximum consecutive period any Network Member may serve on the Committee (including any term/s as Office Bearer) is eight years. Any Committee Member who retires after having served as a Committee Member for six consecutive years shall be eligible for re-election after a minimum period of two years has lapsed since the cessation of his service on the Committee.

7.4 Any Committee Member who has served as a Committee Member for six consecutive years¹ and is seeking re-election at the Annual General Meeting following the minimum two year period referred to in Clause 7.3 shall notify the Annual General Meeting of his previous tenure as a Committee Member prior to the election of the Committee.

7.5 Other than in exceptional circumstances, the Chairman and Vice Chairman shall serve a term of one year's duration. In exceptional circumstances, and with the prior approval of the Chief Executive, the Chairman's term of office may be extended for a further maximum period of one year.

7.6 The Committee will identify and appoint Network Members to fill up to three vacancies in any year. The person appointed to fill such a vacancy shall be subject to retirement at the same time as if he had become a Committee Member on the day on which the Committee Member in whose place he is appointed was last elected a Committee Member. Any further vacancy arising in the course of the relevant year shall remain vacant until the next Annual General Meeting. If an Office Bearer vacates his office mid term the Committee will identify and appoint Network Members (or another Office Bearer) to fill the vacancy for the remainder of the term.

7.7 Any elected Committee Member may be removed from the Committee and replaced by a majority vote of Network Members given at an Extraordinary General Meeting.

8. PROCEEDINGS OF THE COMMITTEE

8.1 The Committee shall meet at least quarterly and may, subject to this Constitution, regulate its meetings as it sees fit. On the requisition of the Chairman or any two Committee Members, the Head of Hong Kong shall summon a meeting of the Committee. Notice of any meeting of the Committee shall be given in writing to all Committee Members at least seven days before the date fixed for the meeting.

- 8.2 A quorum at meetings of the Committee shall be five elected Committee Members or such greater number as the Committee may from time to time decide.
- 8.3(i) Every year, the Committee shall appoint from its members a Chairman and a Vice Chairman, who shall each serve for a term of one year. It is the responsibility of the Office Bearers to attend meetings of the Committee. At all meetings of the Committee, the Vice Chairman shall take the chair when the Chairman is unable to do so. In the absence of both the Office Bearers, a Committee Member shall be elected from among those present to take charge for that meeting.
- (ii) Every year, the Committee shall also appoint from its members a Preferred Nominee for Vice Chairman for the following term.
- 8.4 Every question at a meeting of the Committee shall be determined by a show of hands. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- 8.5 Minutes of every meeting of the Committee and records of attendance of Committee Members shall be recorded by the Head of Hong Kong or ACCA staff designated by him in a book kept for that purpose and shall be signed by the chairman of the meeting at which they are read. Signed minutes of meetings shall, in the absence of proof of error, be considered an accurate record.
- 8.6 Copies of the notice, agenda and minutes of all Committee meetings shall be sent to the Chief Executive by the Head of Hong Kong.
- 8.7 If a Committee Member fails to attend three consecutive meetings of the Committee without prior leave of absence from the Chairman, that matter will be discussed at the next meeting of the Committee and that Committee Member shall be removed from the Committee if so determined by the Committee.
- 8.8 If an Office Bearer fails to attend three consecutive meetings of the Committee, the Office Bearer shall vacate his office and the Committee shall appoint a Committee Member in his place at the next meeting of the Committee.
- 8.9 No Committee Member shall receive any remuneration with respect to the respective duties undertaken by them in their capacity as Committee Members, except as shall have been previously approved in writing by the Chief Executive.
- 8.10 The Committee may delegate any of its functions to one or more sub-committees or Students' Societies. The Committee may from time to time revoke all or any of the functions delegated to such sub-committee or Students' Society and discharge such sub-committee or Students' Society in whole or in part.
- 8.11 At the first meeting of the Committee after each Annual General Meeting, the Committee may invite the person who retired as Chairman at the most recent Annual General Meeting (the "immediate past Chairman") to attend meetings of the Committee where he or she is no longer entitled to as a result of Clause 7.3 of this Constitution. Such an invitation shall be effective for the following Committee year only, and the immediate Past Chairman may only attend meetings in the capacity of an observer.

9. INTERNATIONAL ASSEMBLY

- 9.1 If Hong Kong has one International Assembly representative, the Chairman shall be the International Assembly representative for Hong Kong.
- 9.2 If Hong Kong has two International Assembly representatives, the Chairman and Vice Chairman shall be the International Assembly Representatives for Hong Kong.
- 9.3 If the relevant Office Bearer(s) is/are unable to attend any meeting of International Assembly, the Committee is permitted to send a substitute Committee Member for that meeting.

10. MEMBERSHIP

Any person ceasing to be a Member, shall cease, at the same time, to be a Network Member and a Committee Member and shall have no claim whatsoever against the Network or the Committee including, without limitation, any claim to a refund of any contribution made by him to the Network or the Committee in any way.

11. ANNUAL GENERAL MEETING

- 11.1 The Annual General Meeting of the Network shall be held not later than 30 September of each year.
- 11.2 The business of the Annual General Meeting shall be to:
- receive a report for the previous year ended 31 March,
 - elect Members to the Committee for the ensuing year, and
 - transact any other necessary business.
- 11.3 Fifteen Network Members present in person and entitled to vote shall constitute a quorum for any Annual General Meeting. In case there is no quorum, the Annual General Meeting shall be postponed for two weeks and at that subsequent meeting whatever be the number of Network members present the business to be transacted at the Annual General Meeting shall be proceeded with.

12. EXTRAORDINARY GENERAL MEETING

Extraordinary General Meetings shall be held at such times as the Committee may decide. Fifteen Network Members present in person shall form a quorum for such meetings. In case there is no quorum, the Extraordinary General Meeting shall be postponed for two weeks and at that subsequent meeting whatever be the number of Network Members present the business to be transacted at the Extraordinary General Meeting shall be proceeded with.

13. SPECIAL GENERAL MEETING

Upon a written requisition signed by 5% of Network Members stating fully in writing the object for which it is called, the Head of Hong Kong shall convene a Special General Meeting. Every such meeting shall be held within forty five days from the date of the receipt by the Head of Hong Kong of such request or requisition. Thirty Network Members present in person shall form a quorum for such meetings. In case there is no quorum present for such meeting, the Special General Meeting shall be absolutely dissolved.

14. NOTICES

At least twenty-one days' prior written notice of all Extraordinary General Meetings and Special General Meetings shall be given to each Network Member. At least twenty eight days' prior written notice of each Annual General Meeting shall be given to each Network Member. Such notice shall state the business to be brought before any such meeting. However, the non-receipt of any notice by a Network Member shall not invalidate the proceedings of any such meeting. No business other than that stated in the notice of such meeting shall be considered at the Annual General Meeting, the Extraordinary General Meeting or the Special General Meeting. However, any Network Member may bring forward a resolution at an Annual General Meeting provided that he has given notice to the Head of Hong Kong not less than thirty five days before the Annual General Meeting.

15. PROHIBITION ON THE COMMITTEE

The Committee is expressly prohibited from entering into contracts or leases or licenses or any other documents affecting ACCA or the Network or the Committee or obtaining local registration for the Network or imposing any liabilities whatsoever upon ACCA or the Network or the Committee unless expressly authorised by the Chief Executive.

16. ROLE OF THE CHAIRMAN

- 16.1 The Chairman shall preside over all general meetings of the Network. In the Chairman's absence, a general meeting of the Network shall be presided over by the Vice Chairman and the Vice Chairman shall deputise as appropriate in representational matters. In the absence of both Office Bearers from a general meeting, a Network Member chosen from among the Network Members present in person at the general meeting shall take the chair.
- 16.2 At the Annual General Meeting, the Chairman shall submit a report on the working of the Network for the previous year ending 31 March.

17. MODE AND RIGHT OF VOTING

- 17.1 Except as otherwise stated in this Constitution, voting at any general meeting shall be by show of hands and the number of ballot papers received by post or otherwise. Voting for the election of Committee Members shall only be by the number of ballot papers received by post or otherwise. Ballots may be in electronic form and delivered by electronic means where applicable.
- 17.2 All ballot papers shall be sent to Network Members twenty-eight days before any general meeting. Voting by post or electronic means where applicable shall be allowed and the completed ballot papers shall be received by the Head of Hong Kong at least seven days before the general meeting is held.
- 17.3 The following procedure shall apply to the election of Network Members to the Committee at the Annual General Meeting:
 - a) all candidates shall be invited in writing to observe the count. Candidates unable to attend the count may delegate one representative, provided the Head of Hong Kong is notified of this, and the name of the representative, in writing prior to the count.
 - b) the candidate or representative may observe the count but may not have access to the ballot papers.
 - c) to be included in the count, all ballot papers are required to bear the member's name or membership number and signature.
 - d) a ballot paper will be declared void if it bears more than 12 votes¹. The minimum number of votes is one.
 - e) the declaration of the election by the Returning Officer is final (save for any manifest error).
- 17.4 In the event of an equality of votes cast and a tie for the final seat on the Committee, a run-off election between the tied candidates will be held, and the following procedure shall apply in the case of such run-off election:
 - a) the Committee elected at the Annual General Meeting shall be considered duly elected. However, the

previous Chairman shall serve as interim Chairman until the final seat on the Committee is filled, presiding over meetings and fulfilling all other duties as Chairman.

- b) all Network Members shall be notified by the Head of Hong Kong at least twenty-one days in advance that a run-off election will be held. Ballot papers for the run-off election shall accompany such notification and voting shall be by ballot only.
- c) the rules for counting as set out in Clause 17.3 above shall apply, save that with reference to Clause 17.3(d), each Network Member may cast only one vote, for the run-off candidate of their choice.
- d) the result of the election shall be received by a special meeting of the Committee, presided over by the interim Chairman. After the announcement of the run-off election result by the Returning Officer, the successful candidate shall join the Committee. The interim Chairman shall step down and the Committee shall elect its Officers.
- e) All Network Members will then be informed in writing of the result of the run-off election and the names of the new Officers.

18. ACTIONS BY OR AGAINST THE NETWORK

- 18.1 Subject to the proviso set out below the Network shall act, sue and shall do all other acts under its name and through the Head of Hong Kong that it is legally able to do, provided that the Network shall not act, sue or otherwise commence proceedings in any way unless the Head of Hong Kong has received the prior written approval of the Chief Executive to such proceedings being commenced. If such proceedings are commenced, each and every step of the proceedings must be authorised by the Head of Hong Kong and the Chief Executive and the proceedings may not be settled unless the Head of Hong Kong has received the prior written approval of the Chief Executive to the particular terms of settlement.
- 18.2 The Committee and/or the Network shall advise the Head of Hong Kong immediately if it receives notification of the commencement of any action against the Network and the Head of Hong Kong shall advise the Chief Executive promptly upon receiving notification of the commencement of any action against the Network.

19. DISPUTES

Any dispute between the Network and any of the Network Members or any person's claim by or through a Network Member shall be settled in the first instance by a Special General Meeting of the Network Members, with final authority resting with Council.

20. DISSOLUTION OR AMALGAMATION OF THE NETWORK

- 20.1 The Network derives its existence and authority from Council in accordance with Bye-law 31, which states:

The Council may form local branches and committees or appoint local representatives in any part of the world and may dissolve such branches or local committees or remove such local representatives. The Council may from time to time make and vary rules for the government and control of local branches and committees.

- 20.2 For the avoidance of doubt but without limiting in any way the discretion afforded to it by Bye-Law 31, Council reserves the right to dissolve the Network for any of the following reasons:
 - a) non-compliance with this Constitution
 - b) if the membership of the Network is such as, in the opinion of Council, warrants dissolution; and
 - c) if for any other reason the Council deems it desirable in the interest of ACCA.
- 20.3 In the event of dissolution of the Network, if the Network or the Committee holds any property in breach of this Constitution, all such property shall be dealt with as the Chief Executive directs.

21. INDEMNITY

Pursuant to Bye-law 42, every Committee Member shall be indemnified by ACCA from all liability, expenses or costs which by virtue of any rule of law would otherwise attach to him in relation to ACCA unless such liability arises from his own wilful act or default.

22. ALTERATION OR WAIVER OF CONSTITUTION

No proposal for the alteration or modification of this Constitution or for any addition thereto or waiver thereof shall be effective unless:

- a) such proposal has been duly approved by a majority of Network Members present and voting in general meeting; and
- b) such a proposal has been approved by Council.

¹ Please cross reference with Appendix E - "Proposed phased approach to adopt various changes in the ACCA Hong Kong Constitution" - of the letter dated 26 April 2010 from ACCA Hong Kong President on the Extraordinary General Meeting.

PROPOSED PHASED APPROACH TO ADOPT VARIOUS CHANGES IN THE ACCA HONG KONG CONSTITUTION

Being a global organisation with members' networks in over 80 countries of the world, there is a need for ACCA to ensure consistency in its governance structure. A model Network Constitution has been developed by the Governance Committee of ACCA for adaptation and adoption by ACCA's members' networks.

The proposed changes introduced in the new *ACCA Hong Kong Constitution* are intended to bring our current Constitution to be more in line with the standard Network Constitution. To ensure smooth transition, it is proposed to adopt the changes through a phased approach.

Proposed Adoption Timetable

- a. Except for the changes highlighted below, all other changes will be adopted with immediate effect upon the adoption of the new *ACCA Hong Kong Network Constitution*.
- b. Clause 6 – Composition of the Committee
The reduction of the maximum number of Committee members will be adopted according to the following timeframe

Changes	To be adopted no later than
Reduce the maximum no. of Committee members from 18 to 16	2011/2012 term
Reduce the maximum no. of Committee members from 16 to 14	2012/2013 term
Reduce the maximum no. of Committee members from 14 to 12	2013/2014 term

The Committee Chairman and the Head of Hong Kong together have the right to decide to accelerate the implementation of the above to an earlier year if deemed appropriate.

- c. Clause 7 – Election/Retirement/Re-Election to the Committee
- i. The new Constitution states in Clause 7.3 that the maximum length of service on the Committee is 6 years if not being elected as Office Bearers – or 8 years including time serving as Vice Chairman and Chairman.
- As transition, the above Clause will come into effect at the AGM in 2014 for all new members (i.e. nominations received from members not seeking re-election to the Committee having served in the previous year).
- Up to that AGM, the provision will stand as per the current Committee Constitution – that the maximum length of service on the Committee is 8 years if not elected as Vice Chairman and Chairman, or 10 years including time serving as Vice Chairman and Chairman.
- To avoid doubt, this would mean that at the AGM in 2014, all existing members of the Committee that stand for re-election will continue to serve a maximum term of 10 years (if elected as an officer) or 8 years maximum if not, and all new members of the Committee that are elected that have not served on the previous Committee will serve a maximum term of 8 years (if elected as an officer) or 6 years maximum if not. To illustrate this point:
- A Committee member elected to the Committee in 2008 will potentially serve as a Committee member until 2018, assuming one year as Vice Chairman and one year as Chairman. At the AGM in 2014 they will have 4 years remaining as a maximum term
 - A Committee member elected to the Committee in 2012 will potentially serve as a Committee member until 2022, assuming one year as Vice Chairman and one year as Chairman. At the AGM in 2014, they will have 8 years remaining as a maximum term.
 - A new member elected to the Committee in 2014 will potentially serve as a Committee member until 2022, assuming one year as Vice Chairman and one year as Chairman.
- ii. The new Constitution states in Clause 7.3 that at each AGM there shall retire from office any Committee member who was elected at the AGM immediately preceding the present one, with the exception of the Office Bearers and the Preferred Nominee for Vice Chairman.
- As transition, the above Clause will come into effect at the AGM in 2014 for all members of the Committee.
- Up to that AGM, the provision will stand as per the current Committee Constitution – that at each AGM there shall retire from office any Committee members who did not retire from office at the AGM immediately preceding the present one.

To avoid doubt, this would mean that starting from the AGM in 2014 (including the AGM in 2014), all members of the Committee will stand for re-election every year except the Office Bearers and the Preferred Nominee for Vice Chairman. Up to that AGM, all members of the Committee will stand for re-election every two years.

All other provisions under Clause 7 remain as per the new Constitution.

The Committee Chairman and the Head of Hong Kong together have the right to decide to accelerate the implementation of the above to an earlier AGM if deemed appropriate.