

THE COMPANIES ORDINANCE (CHAPTER 32)

Company Limited by Guarantee and
not having a Share Capital

ARTICLES OF ASSOCIATION
OF
HONG KONG INSTITUTE OF ESTATE AGENTS LIMITED
香港地產代理學會有限公司

Interpretation

1. In these articles unless there is something in the subject or context inconsistent therewith:

“Annual General Meeting” shall mean the general meeting of the members of the Institute specially summoned pursuant to section 111 of the Ordinance.

“Associate” means an associate of the Institute who has no right to receive notices of or vote at general meetings of the Institute and is admitted subject to the terms and conditions as may be promulgated by the Executive Committee from time to time.

“Common Seal” means the Common Seal from time to time adopted by the Institute.

“Estate Agents Authority” means the statutory body established under the Estate Agents Ordinance (Cap. 511) of the laws of Hong Kong.

“Executive Committee” means the Executive Committee of the Institute.

“Fellow” means a member awarded such status subject to the criteria determined by the Executive Committee.

"Honorary Appointee" means an individual appointed to an honorary office of the Institute.

“General Meeting” means the general meeting of the members of the Institute whether annual or extraordinary.

“Institute” means the above-named HONG KONG INSTITUTE OF ESTATE AGENTS LIMITED 香港地產代理學會有限公司

“Licence” means a licence issued under the Estate Agents Ordinance (Cap. 511).

“Member” includes a founder member (subscriber to these articles) and fellow but not an associate or honorary appointee of the Institute.

“Ordinance” means the Companies Ordinance (Chapter 32) of the laws of Hong Kong.

“Writing” means written or printed or partly-written and partly-printed, including telefax or email transmission or data records in electronic format.

Words importing the masculine gender only shall include the feminine and neutral genders. Words importing the singular number only shall include the plural and vice versa.

Purpose

2. The Institute is established for the purpose expressed in its Memorandum of Association.

Number of Members

3. For the purpose of registration, the number of members of the Institute is declared not to exceed 20,000.

Qualification and admission of Members

4. Any individual may apply for membership of the Institute irrespective of his race, colour, sex, religion, opinion, national origin or other status, provided that he:
 - (a) is the holder of a valid licence issued by the Estate Agents Authority;
 - (b) shares the objects of the Institute and agrees to be bound by the code of practice or other guidelines – however named – as may be issued by the Institute from time to time;
 - (c) satisfies other criteria which the Executive Committee may in its absolute discretion promulgate from time to time.

5. Membership shall lapse without repayment of any membership or other fees paid should a member:
 - a. have his licence suspended or revoked by the Estate Agents Authority;
 - b. fail to hold a valid licence;
 - c. fail to pay the Institute any annual fee or other payment when due; or
 - d. tender a notice of resignation of membership.

On application, re-admission may be granted at the discretion of the Executive Committee, but in reckoning seniority any period before re-admission to membership shall be disregarded save that for (b) and (c) the seniority will not be affected if the cause of the lapse is rectified within one month of the event.

6. The Institute may admit as an associate an individual who does not meet the criteria for admission as a member. A former member may likewise be admitted as an associate but no person shall be concurrently a member and an associate. The preceding clause with the necessary changes shall apply to an associate.

7. The decision of the Executive Committee on admission as member or associate is final and it is not obliged to give any reasons.

Removal from the Institute

8. If it appears to the Executive Committee that by reason of his past or present act or omission (wherever and whether in the course of estate agency practice or not) a member may bring the Institute into disrepute or is no longer a fit and

proper person to remain a member, the Executive Committee may invoke disciplinary proceedings to remove him from membership or to impose such other measures to protect the public as may be appropriate. The member concerned may appeal against his removal to members of the Institute in general meeting.

9. The preceding clause with the necessary changes shall also apply to an associate save that there shall be no right of appeal.

Subscription Rights of Members

10. Any entrance fee or annual subscription payable by members or associates shall be endorsed by members in general meeting on the recommendation of the Executive Committee.

General Meetings

11. The Institute shall in each year hold a general meeting as its annual general meeting, in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than 15 months shall elapse between the date of one annual general meeting of the Institute and that of the next. Provided that so long as the Institute holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Executive Committee shall appoint.
12. All general meetings other than annual general meetings shall be called extraordinary general meetings.
13. The Executive Committee may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened by such requisitionists, as provided by section 113 of the Ordinance. If, at any time, there are not within Hong Kong sufficient Executive Committee members capable of forming a quorum, any Executive Committee member or any two members of the Institute may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Executive Committee.

Notice of General Meetings

14. An annual general meeting and a meeting called for the passing of a special resolution shall be called by giving at least 21 days' notice in writing and a meeting of the Institute other than an annual general meeting or a meeting for the passing of a special resolution shall be called by giving at least 14 days' notice in writing. The notice shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as maybe prescribed by the Institute in a general meeting, to such persons as are under the articles of the Institute entitled to receive such notices from the Institute:

Provided that a meeting of the Institute shall, notwithstanding that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed –

- a. in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote at the meeting, and
 - b. in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than 95 per cent of the total voting rights of all the members entitled to attend and vote at that meeting.
15. The accidental omission to give notice of a meeting to or the non-receipt of notice of meeting by any member shall not invalidate the proceedings at that meeting.

Proceedings of Meetings

16. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of the accounts, balance sheets, and the reports of the Executive Committee and auditors, the election of the Executive Committee in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
17. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and

continues to be present until the conclusion of the meeting; save as otherwise provided, five members present shall be a quorum.

18. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Executive Committee may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.
19. The President of the Executive Committee shall preside as chairman at every general meeting of the Institute, or if he shall not be present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act or is absent from Hong Kong or has given notice to the Institute of his intention not to attend the meeting, members of the Executive Committee present shall elect one of their number to be chairman of the meeting.
20. If at any meeting no Executive Committee member is willing to act as chairman or if no Executive Committee member is present within 15 minutes after the time appointed for holding the meetings, the members present shall choose one of their number to be chairman of the meeting.
21. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as previously stated, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
22. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded –
 - (a) by the chairman; or
 - (b) by at least five members.

Unless a poll be so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

23. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
24. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

Votes of Members

25. Every member shall have one vote.
26. No member shall be entitled to vote at any general meeting unless all moneys payable by him to the Institute in his capacity as member, and which have been outstanding for more than one month after they fell due for payment, have been paid.
27. No member may be represented at general meeting by proxy.
28. A written resolution agreed by not less than 75% per cent of the total voting rights of all the members entitled to attend and vote at general meeting shall be effectual as a resolution passed at a duly convened and held general meeting.

The Executive Committee

29. The Executive Committee shall consist of not less than three nor more than twelve members. The Institute may from time to time, by ordinary resolution, increase or reduce the number of members of the Executive Committee.
30. Members of the Executive Committee shall be appointed by members in general meeting, save that the founder members shall form the first Executive Committee to hold office till the second annual general meeting. A member of the Executive Committee appointed at general meeting shall serve a term of two years ending on the next alternate annual general meeting following his appointment.
31. Where practicable, at every alternate annual general meeting one-third of the members of the Executive Committee for the time being, or if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. No member of the Executive Committee shall serve more than three consecutive terms whether full term or not.
32. The Executive Committee shall have power at any time, and from time to time, to appoint any person to be a member of the Executive Committee, either to fill a casual vacancy or as an addition to the existing Executive Committee, but so that the total number of members of the Executive Committee shall not at any time exceed the number fixed in accordance with these articles. Any member of the Executive Committee so appointed shall hold office only until the immediate following annual general meeting.
33. A retiring Executive Committee member shall be eligible for re-election.

Officers

34. There shall be the following officers: one President, one Secretary and one Treasurer. The Executive Committee may designate as an officer additional functional positions.
35. Officers shall be appointed by the Executive Committee from among its number to hold office till the end of his term as a member of the Executive Committee.

Proceedings of the Executive Committee

36. Where practicable, the Executive Committee shall meet not less than four times a year. Not less than seven days notice shall be given for a meeting unless not less than half of the members of the Executive Committee agree to a shorter notice. Any two members of the Executive Committee may requisition for convening and holding of Executive Committee meetings by giving not less than 14 days notice.
37. Unless otherwise determined, three members of the Executive Committee shall constitute a quorum. Executive Committee meetings shall normally be convened and chaired by the President. In any Executive Committee meeting where the President is not present, the members present may elect amongst themselves a chairman of the meeting.
38. Questions arising at any meeting of the Executive Committee shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or a casting vote provided that no members of the Executive Committee shall vote on matters of which such member has particular personal or private interest, and such member of the Executive Committee shall also declare or disclose his interest. In case of dispute or doubt whether such private or personal interest arises, the ruling of the chairman of the meeting shall be final.
39. A written resolution signed or agreed by not less than one half of the members of the Executive Committee shall be valid and effectual as a resolution passed by the Executive Committee in a duly convened and held Executive Committee meeting.

Disqualification of members of the Executive Committee

40. A member of the Executive Committee shall vacate his office if he shall:-
- (a) become bankrupt or be convicted of an offence punishable with imprisonment or if any allegation made by the Estate Agents Authority against him is well-founded;
 - (b) become prohibited from being a director of a company by reason of any order made under Part IVA of the Ordinance;
 - (c) become of unsound mind;

- (d) be absent without cause from more than half of the Executive Committee meetings held between two successive annual general meetings;
- (e) submit a notice of resignation to the Institute; or
- (f) have a vote of non-confidence moved and passed against him in general meeting.

The Powers of the Executive Committee

41. The Executive Committee is the governing body of the Institute and shall exercise all powers and perform all duties pertaining to a board of directors of a company under the Ordinance. It may also exercise all such powers and do all such acts and things as may be exercised or done by the Institute save those powers required by the Ordinance to be done by the Institute in general meeting.
42. Without limiting the generality of the preceding clause the Executive Committee may:
- (a) determine the criteria for and appoint persons it sees fit to honorary office of the Institute whether for a fixed term or not, and may renew such appointment;
 - (b) promulgate and implement standards of business practice, disciplinary procedures and election rules for officers and the Executive Committee;
 - (c) award speciality or honours designations with a view to promoting professionalism among members;
 - (d) determine the terms and conditions for admission as a fellow, member or associate and decide such applications;
 - (e) determine the services to be provided to members or non-members if any and/or the fees charged;
 - (f) for the purposes of Clause 3 of the Memorandum of Association, represent the Institute and enter into binding agreements with third parties whether local or overseas;
 - (g) do such other things as may be conducive to furthering the objects of the Institute.
43. All actions taken by the Executive Committee shall, notwithstanding that it be afterwards discovered that there were some irregularities or deficiencies in the appointment of any member of the Executive Committee or that they or any of them were disqualified, be as valid as if every such person had been duly

appointed and was qualified to be a member of the Executive Committee.

Sub-Committees

44. The Executive Committee may delegate any of its powers to any sub-committee or ad hoc bodies consisting of one or more members or other persons as it thinks fit and may from time to time revoke such delegation or revoke the appointment of any such sub-committee or any individuals thereof. Any sub-committee so formed shall, in the exercise of the powers delegated, conform to any requirements that may from time to time be imposed by the Executive Committee.

The Seal

45. The Seal of the Institute shall not be affixed to any instrument except by authority of a resolution of the Executive Committee and in the presence of two members of the Executive Committee including one officer both of whom shall sign every instrument to which the Seal of the Institute is so affixed in their presence.

Accounts

46. The Executive Committee shall cause proper books of account including annual financial statements to be kept to the high standard required for tax exemption status under section 88 of the Inland Revenue Ordinance Cap. 112 with respect to:

- (a) All sums of money received (including donation receipts) and expended by the Institute and the matter in respect of which the receipt and expenditure takes place;
- (b) All sales and purchases of goods and services by the Institute;
- (c) The assets and liabilities of the Institute.

47. The books of account shall be kept at the registered office of the Institute, or at such other place or places as the Executive Committee thinks fit, and shall always be open to the inspection of members of the Executive Committee.

48. The Executive Committee shall from time to time in accordance with the requirements of the Ordinance, cause to be prepared and to be laid before the

Institute in annual general meetings any profit and loss accounts, balance sheets, auditor's reports and reports of the Executive Committee, such reports to be communicated to every member of the Institute at his last known email or other address in Hong Kong not less than 21 days before the date of the general meeting.

Audit

49. Auditors shall be appointed and their duties regulated in accordance with the requirements of the Ordinance. Auditors shall serve a term not exceeding two years but shall be eligible for re-appointment.

Company Secretary

50. The Executive Committee may, if it thinks fit, appoint a remunerated company secretary to perform secretarial duties for the Institute. The company secretary need not be a member and if appointed shall not be an officer or a member of the Executive Committee.

Language and communication

51. English shall be the language of communication for the Institute unless otherwise required by law. Chinese and other languages may also be used subject to the availability of resources.

52. Communication is ordinarily by email or other electronic means but post, telefax and other conventional means may also be used. Members and associates shall provide the Institute with an email address and also an address in Hong Kong (not being a post office box) for the purpose of receiving communication and shall advise the Institute within 14 days of any change thereto.

Winding-Up

53. The provisions of Clause 6 and 7 of the Memorandum of Association relating to the winding-up or dissolution of the Institute shall have effect and be observed as if the same were repeated in these Articles.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association.

Name, Address and Description of Subscribers	
Jennifer Bauch [address] Estate Agent	(signed)
Bob Diefendorf [address] Estate Agent	(signed)
Gaelin Gray [address] Estate Agent	(signed)
Jimmy Millar [address] Estate Agent	(signed)
Amrit Sethi [address] Estate Agent	(signed)

Dated the 2nd day of May, 2008.

WITNESS to the above signatures:-

(signed)
Stanley To
[address]
Training Consultant

(Note : Certificate No. 1250726 issued on 25 June 2008)