

**Australian Chamber of Commerce for Hong Kong and Macau
New Articles of Association 2017 – Overview of Key Provisions**

Austcham New Articles of Association– Key Provisions compared with current Articles of Association		
Topic	Current Articles	New Articles
Objects	AustCham is required to state its objects as Austcham does not use the word “Limited” after its name.	As AustCham does not use the word “Limited” after its name, an objects clause is still required. Minor revisions to current objects and references to Macau added
By Laws	Board can make by laws	Board or members can make by laws not inconsistent with Articles
Membership Categories	<ul style="list-style-type: none"> - Founder Members - Corporate Members - Additional Corporate Members - Individual Members - Young Professional Members - Honorary Members - Life Honorary Members - Overseas Members 	<ul style="list-style-type: none"> - All categories other than Founder Members remain in place. Founder Members are corporate founders from 1987 some of whom are no longer in business or are now platinum or corporate members. - The category of Overseas Members has been relabeled “Associate Members” (rights remain the same). - Honorary Members and Life Honorary members will be given a waiver of all costs, fees and expenses in relation to AustCham functions.
Voting Rights	<ul style="list-style-type: none"> - One vote per member (individual, young professional or corporate); Founder members (corporates) two votes - Other categories non-voting 	<ul style="list-style-type: none"> - Increase all corporate votes from 1 vote each to 2 votes following abolition of Founder category - Voting rights for other categories remain unchanged
Quorum at General Meetings	6 voting members	Increase to 15 voting members as Austcham membership has grown

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Board Size	12-16 directors	Unless otherwise determined by resolution of members, maximum 16 directors including up to 14 ordinarily elected directors plus the Australian Trade Commissioner and Immediate Past Chair as ex officio directors.
Quorum for Board Meetings	3	Increase to 5
Eligibility of Directors	No stipulation. Companies Ordinance prescribes Majority of directors must be Australian citizens	<ul style="list-style-type: none"> - Ordinarily resident in Hong Kong - Austcham member for one year
Officers of the Board of Directors	Chairman, one or more Vice Chairmen and a Treasurer	<ul style="list-style-type: none"> - Chairperson - One or more Vice Chairperson - Treasurer - Any other officer as determined by the Board
Director/Officer Terms	Half of Board (the longest-serving directors) must retire every year, but retiring directors are eligible for re-election (i.e. two year terms with no limit on number of terms). No term limits for officers	<ul style="list-style-type: none"> - Three year terms for directors for max of three consecutive terms (i.e. 9 year limit) - Officers one year terms for max of three terms consecutively (except Chair max two consecutive terms) - Directors who have reached term limit of 9 years eligible for election to the Board after one year retirement
Ex Officio positions	None	Australian Trade Commissioner (3 year term max of 3 terms) and Immediate Past Chair (one year only) ex officio
Disciplinary measures	Board can strike-off a member by two third majority (appeal to general meeting possible in certain circumstances).	Board can strike off a member by two third majority (appeal to general meeting possible in certain circumstances).
Disqualification or removal of Board Members	General provisions reflecting requirements of the predecessor companies legislation.	Board can remove a director by two third majority. General meeting can overturn removal by two third majority.
Effective Date and Transitional		<ul style="list-style-type: none"> - Articles in effect once approved by Austcham

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<p>Provisions</p>		<p>members and members whose rights are being varied under the New Articles have not objected within 28 days.</p> <ul style="list-style-type: none"> - Transitional arrangements for existing directors set out in article 24 and Schedule 1. At first AGM after new Articles existing directors elected at AGM 2 years prior shall retire and are eligible for re-election. 2nd AGM after new Articles remaining existing directors shall retire and are eligible for re-election. Re-election terms for existing directors subject to deadline maximum term dates in Schedule 1.
<p>Real Estate Fund</p>		<p>A new initiative to support and strengthen the long term financial stability of the Chamber:</p> <ul style="list-style-type: none"> - In each financial year 5% of net profits will be quarantined in a Real Estate Fund (“Fund”) - The Fund can only be used for the purchase of commercial premises to accommodate Austcham, or related mortgage costs, or to avert insolvency - Funds can only be invested in investments specified in Schedule 2 of the HK Trustee Ordinance - In a recession, the Board may dispense with setting aside the 5% net profits as the Fund, and/or “unquarantine” up to 10% of the Fund upon approval of 75% of the Board of Directors. On the other

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		<p>hand, the Board may approve a one off increase to the 5% threshold, or an increase for a specified period, upon approval by 75% of the Board of Directors</p>
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