

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
THE INSTITUTE OF INTERNAL AUDITORS
HONG KONG LIMITED

Incorporated the 8th day of October, 2010.

HONG KONG

No. 1513185

[COPY]

CERTIFICATE OF INCORPORATION

I hereby certify that

THE INSTITUTE OF INTERNAL AUDITORS
HONG KONG LIMITED

is this day incorporated in Hong Kong under the Companies Ordinance (Chapter 32) and that this company is limited.

Issued on 8 October 2010.

(Sd.) Ms Ada L L CHUNG

.....
Registrar of Companies
Hong Kong

Note :

Registration of a company name with the Companies Registry does not confer any trade mark rights or any other intellectual property rights in respect of the company name or any part thereof.

THE COMPANIES ORDINANCE (Chapter 32)

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

MEMORANDUM OF ASSOCIATION

OF

**THE INSTITUTE OF INTERNAL AUDITORS
HONG KONG LIMITED**

1. The name of the Company (hereinafter called "IIAHK") is "THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED"
2. The Registered Office of the IIAHK will be situated in Hong Kong.
3. The objects for which the IIAHK is established are:-

To cultivate, promote and disseminate knowledge and information concerning internal auditing and subjects related thereto; to establish and maintain high standards of integrity, honor and character among internal auditors; to furnish information regarding internal auditing and the practice and methods thereof to its members, and to other persons interested therein, and to the general public; to cause the publication of articles, relating to internal auditing and practices and methods thereof; to establish and maintain a library for the use of its members; to promote social intercourse among its members; and to do any and all things which shall be lawful and appropriate in furtherance of any of the purposes hereinbefore expressed.

4. The IIAHK is empowered to perform any and all acts which are defined in the *Certificate of Incorporation* and the *Bylaws* of The Institute of Internal Auditors, Inc., and shall do nothing which is inconsistent with the provisions and with the pronouncements and resolutions incorporated in the minutes of The IIAHK's meetings and those of the Board of Governors.
5. For the purposes of the IIAHK, the IIAHK may:-
 - (a) purchase, take on lease or on exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the IIAHK may think necessary or convenient for the promotion of its objects, and to construct, equip, maintain and alter any buildings or erections necessary or convenient for the work of the IIAHK;
 - (b) sell, let, mortgage, dispose of or turn to account, all or any of the property or assets of the IIAHK as may be thought expedient;
 - (c) undertake and execute any trust which may lawfully be undertaken by the IIAHK and may be conducive to its objects;

- (d) borrow or raise money for the purposes of the IIAHK on such terms (including, without limitation, through the levying of fees and other charges in connection with the carrying out by the IIAHK of its objects) and on such security as may be thought fit;
- (e) invest the monies of the IIAHK not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consent (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
- (f) do all such other lawful things as are incidental or the IIAHK may think conducive to the attainment of the above objects or any of them.

Provided that:

- (i) In case the IIAHK shall take or hold any property which may be subject to any trusts, the IIAHK shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
 - (ii) The objects of the IIAHK shall not extend to the regulation of relations between workers and employers or organizations of workers and organizations of employers.
 - (iii) The powers set forth in the Seventh Schedule of the Companies Ordinance Cap. 32 are hereby excluded.
6. (a) The income and property of the IIAHK, however derived, shall be applied solely towards the promotion of the objects of the IIAHK set out in this Memorandum of Association.
- (b) Subject to clauses (4) and (5) below, no portion of the income and property of the IIAHK shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever, to the members of the IIAHK.
- (c) No member of the Board of the IIAHK shall be appointed to any salaries office of the IIAHK, or any office of the IIAHK paid by fees and no remuneration or other benefit in money or money's worth (except as provided in clause (5) below) shall be given by the IIAHK to any member of the Board.
- (d) Nothing herein shall prevent the payment, in good faith, by the IIAHK of reasonable and proper remuneration to any officer or servant of the IIAHK, or to any member of the IIAHK not being a member of the Board of the IIAHK in return for any services actually rendered to the IIAHK.
- (e) Nothing herein shall prevent the payment, in good faith, by the IIAHK:
- (i) to any member of its Board of out-of-pocket expenses;
 - (ii) of reasonable and proper rent for premises demised or let by any member of the IIAHK or of its Board; and
 - (iii) of remuneration or other benefit in money or money's worth to a body corporate in which a member of the IIAHK or of its Board is interested solely by virtue of being a

members of that body corporate by holding not more than one-hundredth part of its capital or controlling not more than a one-hundredth part of its votes.

(f) No person shall be bound to account for any benefit he may receive in respect of any payment properly paid in accordance with clauses (4) and (5) above.

7. The liability of Members is limited.
8. Every member of the IIAHK undertakes to contribute to the assets of the IIAHK in the event of the same being wound up during the time that he/she is a Member, or within one year afterwards, for payment of the debts and liabilities of the IIAHK, contracted before the time at which he/she ceases to be a Member and of the costs, charges and expenses of winding-up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding HK\$10 each.
9. If upon the winding up or dissolution of the IIAHK 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 IIAHK but shall be given or transferred to the IIA global headquarters.

We, the several persons, whose names, addresses and descriptions are given below, wish to form a company in pursuant of this Memorandum of Association.

Names, Addresses and Descriptions of Signatories
(Sd.) CHIU Shun Kong 招信江 (Head of Internal Audit Division) 17/F, Worldwide House, 19 Des Voeux Road Central, Hong Kong
(Sd.) LEE Hoi Yin, Stephen 李開賢 (Partner) 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong
(Sd.) FITZGERALD Duncan George (Partner) 33/F, Cheung Kong Center, 2 Queen's Road, Central, Hong Kong
(Sd.) YAM Frankie 任家明 (Executive Director) 1/F, 109 How Ming Street, Kwun Tong, Kowloon, Hong Kong
(Sd.) CHIU Ming Wah 趙明華 (General Manager, Audit Department) 43A, Bank of China Tower, 1 Garden Road, Central, Hong Kong
(Sd.) CHONG Kim Tong 張錦堂 (Head of Internal Audit) 55/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong

Dated the 28th day of July, 2010.

WITNESS to the above signature(s):

Name: (Sd.) CHONG Hon Wang Gary
Address: Unit 1304, 13/F., Cameron Commercial Centre,
Nos. 458-468 Hennessy Road, Causeway Bay, Hong Kong
Occupation: (Certified Public Accountant)

THE COMPANIES ORDINANCE (CHAPTER 32)

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

ARTICLES OF ASSOCIATION

OF

**THE INSTITUTE OF INTERNAL AUDITORS
HONG KONG LIMITED**

PRELIMINARY

1. In these Articles the words in the first column of the following Table shall bear the meanings set opposite them respectively in the second column thereof, if not inconsistent with the subject or context.

WORDS	MEANINGS
The Board	The Board of Governors for the time being of the IIAHK
IIAHK	THE INSTITUTE OF INTERNAL AUDITORS HONG KONG LIMITED
In writing	Written, printed, photographed or lithographed, or partly one and partly another, and other modes of transmitting, representing or reproducing words in visible form, including any electronic communication.
IIA global headquarters.	The Institute of Internal Auditors, Inc.
The IIAHK Secretary	A person admitted to membership of the Registrar for the time being of the IIAHK.
Member	A person admitted to membership of the IIAHK in accordance with these Articles
Month	Calendar month.
The Office	The registered office of the IIAHK.

The Ordinance	The Companies Ordinance, Chapter 32 of the Laws of Hong Kong, and any modifications thereto.
The Seal	The Common Seal of the IIAHK.

MEMBERSHIP

2. The number of members is limited to 5,000.
3.
 - a. The IIAHK membership shall consist of those duly admitted to any of the classes of membership as defined in the *Rules of Eligibility* and *Bylaws* of The Institute of Internal Auditors, Inc., and who are located in the IIAHK's area and any others formerly located in the IIAHK's area who, by written request, elect to remain affiliated with the IIAHK.
 - b. Membership in the IIAHK shall terminate on transfer to another institute or because of resignation or termination for any of the causes set forth in the *Bylaws* of The Institute of Internal Auditors, Inc.

BOARD OF GOVERNORS AND THEIR ELECTION

4. Determining policies of the IIAHK shall be vested in the Board of Governors.
5. The Board of Governors shall be constituted as follows:
 - a. The officers of the IIAHK: the president, the treasurer and the secretary and other Governors as may be recommended by the Board from time to time subject to election at the subsequent Annual General Meeting.
 - b. The number of officers of the IIAHK shall not be less than six.
6. Nominations shall be made by the Nominating Committee or by the Board.
7. Governors of the IIAHK shall be elected each year and shall hold office until the election of successors unless the term of office terminates or is terminated as provided in the *Bylaws* of The Institute of Internal Auditors, Inc., or as provided in any *Bylaws* of the IIAHK.
8. Governors shall be elected by a majority vote of members present during a specially programmed election meeting.
9. A governor may be removed by a two-thirds vote of the Board provided such governor was granted an opportunity for a hearing before the Board. The Board shall also call a special meeting of the IIAHK to be held within thirty (30) days from the date of having taken such action. At this special meeting, the Board shall make a full and complete report of the action taken in removing the governor or governors along with the reasons. At the meeting, the office(s) made vacant shall be filled. A governor removed by the Board may be re-elected by the members and, if re-elected, may not again be removed for the same offense. Any governor may be removed by a two-thirds vote of the members of the IIAHK present at any duly held meeting provided notice of such proposed action was incorporated in the notice for the

meeting. Such notice shall be mailed to the IIAHK members by the IIAHK secretary upon written petition of one-fifth of the members.

10. If the office of any governor shall become vacant by reason of death, resignation, or otherwise, the Board of Governors is empowered to fill this office for the un-expired term.
11. If a governor's IIA membership terminates for any reason, the office shall automatically become vacant.
12. The resignation of any governor shall be tendered to the Board and may be acted on at any regular or special meeting of the Board.
13. The Board of Governors shall have the power to fix the time and place for each annual meeting and every special meeting of the IIAHK.
14. The Board of Governors shall meet at least twice annually. As soon as possible after the annual meeting, the Board of Governors shall meet and determine the number of governors who shall constitute a quorum at all Board meetings during the year. At this meeting, at least half of the Board members must be present to vote. Notice of the meetings of the Board of Governors shall be mailed by the secretary or as the Board may otherwise direct, but no failure or defect of notice shall invalidate the meeting or any business transacted or action taken thereat.
15. At all meetings of the Board of Governors, the majority vote of the governors present to vote will decide all issues except as provided elsewhere in these *Bylaws*.
16. The governors of the IIAHK shall receive no salaries or fees for their services. Governors may be reimbursed for expenses incurred in the performance of their duties subject to approval by the Board.
17. Any Board member may assume the responsibility of a committee. A non-Board member should head no committee other than the Audit Committee and the Nominating Committee, if at all possible.

OFFICERS AND THEIR ELECTION

18. The elective officers shall be a president, secretary and treasurer. No person shall hold more than one office at a time.
19. Nominations shall be made by the Nominating committee or by the Board.
20. Officers of the IIAHK shall be elected at each AGM and shall assume their duties immediately thereafter. They shall hold office until the election of successors unless the term of office terminates or is terminated as provided in the *Bylaws* of The Institute of Internal Auditors, Inc., or as provided in the *Bylaws* of IIAHK.
21. Officers shall be elected by a majority vote of members present at a meeting called for this purpose.

22. An officer may be removed for cause by a two-thirds vote of the Board of Governors provided this officer was granted an opportunity for a hearing before the Board.

The Board shall call a special meeting of the IIAHK to be held thirty (30) days from the date when any such removal be voted. At this special meeting, the office(s) made vacant shall be filled. The officer removed by the Board may be re-elected by the members. If re-elected, the officer may not be removed by the governors for the same offense. An officer may be removed by a two-thirds vote of the members present at any duly held meeting of the IIAHK provided a notice of such proposed action was incorporated in the notice for the meeting. This notice shall be mailed to the members by the secretary upon written petition of one-fifth of the members.

23. If a vacancy occurs in any office by reason of death, resignation, or otherwise, the Board of Governors is empowered to fill such office for the un-expired term.
24. All officers are eligible for re-election for successive terms.
25. If an officer's membership in The IIAHK, for any reason, terminates, the office shall automatically become vacant.
26. An officer's resignation shall be tendered to the Board of Governors and may be acted on at any regular or special Board meeting.

DUTIES OF OFFICERS

27. The IIAHK's President is the executive head of the IIAHK and, when present, shall preside at all meetings of the IIAHK and of the Board of Governors. The President shall be responsible for the enforcement of the Bylaws of The Institute of Internal Auditors, Inc., and the Bylaws of the IIAHK and the resolutions and proceedings of the Board of Governors; shall keep the Board of Directors of The Institute of Internal Auditors, Inc. and the Board of Governors of the IIAHK fully informed of the affairs of the IIAHK; shall also consult with the Board of Directors of The Institute of Internal Auditors, Inc and the Board of Governors of the IIAHK, whenever necessary, concerning the business of the IIAHK and its activities.
28. The IIAHK's shall have such duties and powers as may be prescribed by the Board of Governors or delegated by the IIAHK's President. In the absence or disability of the president, any governor nominated by the Board of Governors shall perform the IIAHK President's duties.
29. The IIAHK's Treasurer shall be charged with the custody of the funds of the IIAHK and their proper disbursement under the rules prescribed by the Board of Governors. The Treasurer shall make periodic reports as required by the Treasurer of The Institute of Internal Auditors, Inc. and any other reports which the Board of Governors may require. The Treasurer shall be the disbursing officer of the IIAHK. The Board of Governors of the IIAHK may authorize the bonding of the IIAHK Treasurer. At the termination of the Treasurer's term of office, the Treasurer shall turn over to the Board of Governors all funds, records, papers, books, documents and all other property of the IIAHK having to do with the financial or other transactions or business of the IIAHK which might have come into his/her possession or might have been compiled or created during his/her term of office.
30. The IIAHK's Secretary shall perform those duties delegated by the IIAHK's President or prescribed by the Board of Governors. The books of account shall be kept under

the Secretary's jurisdiction. The Secretary shall make reports as required by the Board of Governors or as required by the Secretary of The Institute of Internal Auditors, Inc. The Secretary shall notify each member of the IIAHK of all meetings and shall do any and all other things normally required by an IIAHK's Secretary to keep the officers and the Board of Directors of The Institute of Internal Auditors, Inc. and the Board of Governors and the IIAHK's officers and members informed of the affairs of the IIAHK. The Board of Governors may authorize the bonding of the Secretary. At the termination of the term of office, the Secretary shall turn over to the Board of Governors all records, papers, books, documents and all other property of the IIAHK which might have come into his/her possession or might have been compiled or created during his/her term of office.

31. If the President is absent from any meeting of the IIAHK or of the Board of Governors, and no one authorized to perform his duties is present or if the Secretary is absent, a President or Secretary pro tem or both as may be needed shall be appointed by a majority vote of the members present.
32. The officers of the IIAHK shall receive no salaries for their services. Officers may be reimbursed for their expenses incurred in the performance of their duties subject to such approval as may be determined by the Board of Governors.

COMMITTEES

33. There shall be these standing committees appointed by the Board of Governors as and when deemed appropriate by the Board of Governors:
 - a. An Audit Committee of one to three members, which shall not include an officer or governor.
 - b. A Nominating Committee consisting of the President and at least 2 other Governors. Other than the President, this committee shall not contain a majority of members who are also represented on the Board of Governors. This committee shall be appointed by the Board of Governors.
34. There shall be these standing committees appointed by the IIAHK's President as and when deemed appropriate by the Board of Governors:
 - a. A Membership Committee with a minimum of three and a maximum of nine members. The chair of this committee will need to sign the letter of agreement associated with the Database Privacy Guidelines
 - b. An Education Committee with a minimum of three members
 - c. A Certification Program Committee.

When and where activities justify:

- d. Professional issues Committee
- e. Research Committee
- f. Public Relation/Communication Committee

ANNUAL MEMBER MEETING

35. The Annual General Meeting shall be convened as soon as possible after the finalization of the annual financial statements.

36. The Institute Year is the fiscal year beginning June 1. The officers elected at each Annual General Meeting shall assume office immediately following their election with terms ending at the Annual General Meeting following the expiry of their office term.

INSTITUTE MEETINGS

37. There shall be at least two member meetings or gatherings per Institute year except the Board of Governors may authorize individual cancellations or postponements when circumstances dictate. Social activities, if open to all members, may be considered as Institute meetings.
38. At all Institute meetings, a majority vote of members present and voting will decide all issues except as provided elsewhere in these Bylaws.

THE SEAL

39. The Seal of the IIAHK shall not be affixed to any instrument except by the authority of a resolution of the Board and in the presence of any two members of the Board or any one member of the Board and the IIAHK Secretary or his designee, and the said member or members and IIAHK Secretary or his designee shall sign every instrument to which the Seal shall be so affixed in their presence, and in favour of any purchaser or person bona fide dealing with the IIAHK such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.
40. (a) The Board shall cause proper books of account to be kept with respect to:-
- (i) all sums of money received and expended by the IIAHK and the matters in respect of which the receipt and expenditure take place;
 - (ii) all sales and purchases of goods by the IIAHK; and
 - (iii) the assets and liabilities of the IIAHK.
- Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the IIAHK's affairs and to explain its transactions.
- (b) The books of account shall be kept at the Office of the IIAHK, or, subject to section 121(3) of the Ordinance, at such other place or places as the Board thinks fit, and shall always be open to the inspection of the Board.
- (c) The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the IIAHK or any of them shall be open to the inspection of members not being members of the Board, and no member (not being a member of the Board) shall have any right of inspecting any account or book or document of the IIAHK except as conferred by statute or authorized by the Board or by the IIAHK in general meeting.
- (d) The Board shall from time to time in accordance with sections 122 and 129D of the Ordinance, cause to be prepared and to be laid before IIAHK in general meeting such income and expenditure accounts, balance sheets and reports as are referred to those sections.
41. The Board shall open such bank accounts as may be required for the purposes of IIAHK from time to time. Every such account shall be operated jointly by any two signatories authorized by the Board.

42. At the annual general meeting in every year the Board shall lay before the IIAHK an income and expenditure account for the period since the last preceding account made up to a date not more than nine months before such meeting, together with a balance sheet made up as at the same date. Each such balance sheet shall be accompanied by reports of the Board and the auditors, and copies of such account, balance sheet and reports (all of which shall be framed in accordance with any statutory requirements for the time being in force) and any other documents required by law to be annexed or attached thereto or to accompany the same shall not less than twenty-one clear days before the date of the meeting be sent to the auditors and to all other persons entitled to receive notice of general meetings in the manner in which notices are herein directed to be served.

FINANCIAL YEAR AND SUBSCRIPTION YEAR

43. Unless and until otherwise determined by the IIAHK in general meeting, the financial year of the IIAHK shall begin on the 1st June in each year and end on the 31st May of the following year. A member joining partway through the financial year shall pay the full year's subscription fee (as determined by the Board of Governor) unless the new member is a newly qualified holder of the Certificate of Internal Audit.

AUDIT

44. Once at least in every year the accounts of the IIAHK shall be audited by an independent auditor or auditors.
45. Auditors shall be appointed and their duties regulated in accordance with the Ordinance. None of the following persons shall be eligible for appointment as auditors:
- (a) a member of the Board or
 - (b) an official or servant of the IIAHK or
 - (c) a person who is partner of or in the employment of a member of the Board or of an official or servant of the IIAHK or

INDEMNITY

46. Subject to the provisions of and so far as may be permitted by section 1656 of the Ordinance, every member of the Board, IIAHK Secretary or his/her designee or other officer of the IIAHK shall be entitled to be indemnified by the IIAHK against all costs, charges, losses, expenses and liabilities incurred by him/her in the proper and reasonable discharge of his/her duties in the execution and discharge of his/her duties or in relation thereto including any liability incurred by him/her in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him/her as an officer or employee of the IIAHK and in which judgment is given his/her favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his/her part) or in which he/she is acquitted or in connection with any application under any Ordinance for relief from liability in respect of any such act or omission in which relief is granted to him/her by the court provided that none of the funds and assets of the IIAHK shall be applied in payment of the whole or part of any fine or penalty imposed upon any person by sentence or order of a Court of Justice.

CHEQUE

47. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any two signatories authorised by the Board.

AMENDMENTS TO BYLAWS

48. These Bylaws may be amended at any regular or special meeting of the IIAHK by two-thirds vote of members present and voting, provided that written notice of the proposed change and of the meeting has been mailed at least ten days prior to the date of said meeting.

DISSOLUTION

49. The IIAHK shall use its funds only to accomplish the objectives and purposes specified in these Bylaws. No part of said funds shall be distributed to the members of the IAHK. On dissolution of the IIAHK, any funds remaining shall be forwarded to IIA global headquarters.

Names, Addresses and Descriptions of Signatories

(Sd.) CHIU Shun Kong 招信江
(Head of Internal Audit Division)
17/F, Worldwide House, 19 Des Voeux Road Central, Hong Kong

(Sd.) LEE Hoi Yin, Stephen 李開賢
(Partner)
8/F, Prince's Building, 10 Chater Road, Central, Hong Kong

(Sd.) FITZGERALD Duncan George
(Partner)
33/F, Cheung Kong Center, 2 Queen's Road, Central, Hong Kong

(Sd.) YAM Frankie 任家明
(Executive Director)
1/F, 109 How Ming Street, Kwun Tong, Kowloon, Hong Kong

(Sd.) CHIU Ming Wah 趙明華
(General Manager, Audit Department)
43A, Bank of China Tower, 1 Garden Road, Central, Hong Kong

(Sd.) CHONG Kim Tong 張錦堂
(Head of Internal Audit)
55/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong

Dated the 28th day of June, 2010.

WITNESS to the above signature(s):

Name: (Sd.) CHONG Hon Wang Gary
Address: Unit 1304, 13/F., Cameron Commercial Centre,
Nos. 458-468 Hennessy Road, Causeway Bay, Hong Kong
Occupation: (Certified Public Accountant)