

**Proposed Amendments to the Articles of Association (“AA”) of the
Hong Kong Securities and Investment Institute (the “Institute”)**

The Institute was established in 1997 to set, raise and promote professional standards of the financial services industry. Membership Committee (“Committee”) is appointed to oversee membership matters pursuant to Clause 10.01 of the AA. To ensure the ongoing suitability for all classes of membership, the Committee will review and make decision on disciplinary cases involving individual and corporate members.

Currently, the AA requires a two-thirds majority vote of the Board of Directors (“Board”) for expulsion of a member. As the Board is the body to consider appeals in respect of disciplinary matters, to ensure natural justice and avoid conflict of interest, it should not be involved in the decision making process relating to disciplinary action (which includes expulsion of members).

As such, the relevant *Clause 17.01 of the AA* needs to be amended. The Board is empowered by Clause D (N) of the AA, which states “*To make, amend or revoke rules for the operation of the Institute, the admission and expulsion of Members and such other matters as the Directors shall determine*”, to delegate such authority.

The proposed change to the AA is as follows:

Clause 17.01 of the AA

(e) appeals against refusal of membership, expulsion or suspension and other disciplinary sanctions and a member shall not be expelled except upon a resolution passed by a two-third majority of the Board of Directors;

The new arrangement will take effect upon the passing of special resolution in the forthcoming Annual General Meeting, which is scheduled to be convened on Thursday, 10 December 2015.

**Hong Kong Securities and Investment Institute
November 2015**

The English version shall prevail in case of any discrepancy or inconsistency between the English version and its Chinese translation.