

REACH, PCCW, Cable and Wireless Staff Association CONSTITUTION

Rule 1 *Title and Office*

- (1) The name of the Association shall be “REACH, PCCW, Cable and Wireless Staff Association” (香港大東電報局職員會)
(hereinafter referred to as “the Association”)
- (2) The registered office of the Association shall be at Room 156B, 15/F Telecom House, 3 Gloucester Road, Wanchai, Hong Kong or such other place as may be decided upon by the Executive Committee.

Rule 2 *Objects*

The object of the Association shall be as follows:-

- (1) To obtain and maintain just and proper rates of wages, hours of work, and other conditions of labour and, generally, to protect the interests of members.
- (2) To regulate the relations and to settle disputes between members and employers, between one member and another, and between members and other workers by amicable agreements whenever possible.
- (3) To promote a spirit of mutual respect and understanding between the employers and the Association and to secure the establishment of recognized and permanent mechanism for negotiation with the employers.
- (4) The promotion of legislation in the interests of its members.
- (5) To provide for members and in certain circumstances their families, any or all the following benefits and such others as the Annual or Extraordinary General Meeting or the Executive Committee may decide:-
 - (i) monetary relief, or such other benefits as may be decided:- for sickness, accident, disablement, distress, unemployment, maternity and retirement;
 - (ii) death gratuity and funeral expenses: (conditions for entitlement to death gratuity are provided in Schedule 1);
 - (iii) educational fees;
 - (iv) victimisation and trade dispute benefits;
 - (v) legal advice and legal assistance where necessary in connection with the employment of members.
- (6) Generally to promote the material, cultural, social, educational, and recreational welfare of the members and their families in any lawful manner by the provision of educational facilities, clinics, and other undertakings, industrial or otherwise, which the Annual or Extraordinary General Meeting may from time to time deem expedient.

- (7) The furtherance, financial or otherwise, of the work or purpose of any lawful association or federal body having for its objects the promotion of the interests of labour, trade unionism, or trade unionists.
- (8) The Establishment of carrying on, or participation, financial or otherwise, in the business of printing or publishing of general newspaper or of journals, books, pamphlets, or publications, in the interests of and with the main purpose of furthering the interests of the Association or of trade unionism generally.
- (9) To exercise all the functions of a trade union and to carry out all the activities as may legitimately be carried out by a trade union, together with all such incidental powers therefor as may be required or desired for the carrying out of such functions or activities (or their associated purposes).
- (10) To enter into agreements or arrangements with the employers of the Association's members and to take steps to enforce or implement or compromise such agreements or arrangements (including prosecuting or otherwise conducting all legal actions and the settlement or resolution thereof) as the Association or its Executive Committee may deem fit or desirable for the purpose of protection or enhancement of the interests of the Association or its members.
- (11) To commence or institute legal proceedings, suits or actions or otherwise to sue, prosecute, defend, conduct, negotiate, settle, compromise or abandon the same (with full powers of discontinuance or withdrawal thereof) or to take any step therein or in respect thereof and to do all other things incidental or necessary thereto as the Association or its Executive Committee may deem fit or desirable for the purpose of protection or enhancement of the interests of the Association or its members.
- (12) To undertake, conduct or recommend strikes or other industrial actions or to further any industrial or trade dispute (including the power to compromise or resolve the same) as the Association may bona fide regard itself as a registered trade union to be legitimately entitled in law to so act.
- (13) To exercise all such powers, objects and functions of a trade union or registered trade union as may be enabled or provided for under the Trade Unions Ordinance (including such amendments thereof for the time being in force) or such other statute or legislation as may be applicable.
- (14) To do legally all such other things or to carry out all such other objects which have not been specifically enumerated herein and which the Association (either in General Meeting or by its Executive Committee) shall deem to be incidental or conducive to the attainment of the expressed objects herein or any of them.

Rule 3 Membership

- (1)(i) (a) The Association is open to all persons who:
- (A) had been employed by the Cable and Wireless (Hong Kong) Limited and is now working in the Pacific Century CyberWorks (PCCW) or its subsidiaries [i.e. the former Hong Kong Telecom Group owned by the Cable & Wireless PLC] or joint ventures formed by PCCW or REACH in the field of telecommunications (the aforesaid companies are collectively hereinafter referred to as “the Company”); or
 - (B) is now working in the Company; or
 - (C) had been employed by the Cable and Wireless (Hong Kong) Limited or the Company and is now working in companies established under the subcontracting program of the Company. (hereinafter referred to as “the subcontracting companies”).
 - (D) is working in the companies formed by the restructuring of the company.
- (b) An application for admission to membership shall be made by the applicant. The Executive Committee shall have power to accept, refuse to accept (subject to section 17 (1B) of the Trade Unions Ordinance (Cap.332) or to accept with additional conditions. Any applicant who disagrees with the decision of the Executive Committee shall have the right of appeal in writing to the forthcoming Annual or Extraordinary General Meeting.
- (c) Any existing member who is deployed, as a result of restructuring of the Company or the subcontracting companies, to another post in the Company or the subcontracting companies by way of secondment, transfer or otherwise, shall be entitled to retain his membership with this Association.
- (1)(ii) Any member of the Association leaving the employment as provided in Rule 3(1)(i)(a) upon retirement on account of age or ill health and so long as he does not become fully employed elsewhere may, subject to the approval of the Executive Committee and provided that he applies after his retirement, be an associate member. Associate members shall not have the right to vote at any meeting of the Association. They may, however, participate in other member activities provided by the Association and shall be liable to payment of monthly subscriptions and all other fees, contributions, dues as provided in these Rules unless the Executive Committee directs otherwise. Where a member who is for the time being holding office in the Executive Committee or in any sub-committee of the Association becomes an Associate member, he may continue to hold such office.
- (1)(iii) Any member of the Association leaving the employment as provided in Rule 3(1)(i)(a) for reasons other than age or ill health may, subject to the approval of the Executive Committee, become a cornerstone advisor. A cornerstone advisor is not a member and shall not have the right to vote at any meeting of the Association, and he shall not be entitled to any benefits provided by the Association. He shall be liable to payments of monthly subscriptions.

Where a member who is for the time being holding office in the Executive Committee or in any sub-committee of the Association becomes a cornerstone advisor, he may continue to hold such office, and he shall have the right to vote in meetings of the Executive Committee or sub-committee.

Any member of the Association leaving the employment and unable to transfer to other class of membership as above, shall ipso facto cease to be member of the Association.

(2) Entrance Fee and Monthly Subscription

(i) Every member shall pay an entrance fee of HK\$10.00 upon admission to membership and shall pay a monthly subscription of HK\$25.00 which shall be payable on the first working day of each month commencing from the month following the month of admission to membership.

(ii) Every Associate member shall pay a monthly subscription of HK\$0.5 which shall be payable on the first working day of each month.

(iii) Every cornerstone advisor shall pay a monthly subscription of \$25 which shall be payable on the first working day of each month.

The payment method and payment schedule shall be determined as approved by the Executive Committee.

(3) The Annual or Extraordinary General Meeting of the Association shall have power to alter all fees, subscription and contributions, and to impose additional fees, subscriptions and contributions for the furtherance of the objects of the Association.

(4) All members must abide by the rules of the Association. Any member breaking the rules of the Association may be liable to a fine or expulsion by the Executive Committee (see Rule 7 (8)). Any member fined or expelled shall have the right to appeal to the Annual or Extraordinary General Meeting whose decision shall be final.

(5)(i) Members who are more than 6 months in arrears of monthly subscriptions or 3 months in arrears of any contributions duly authorized under Rule 3 (3) shall not be qualified members and they shall not be entitled to enjoy any rights and welfare benefits nor permitted to vote. They shall be qualified members again and re-entitled to enjoy all rights and welfare benefits and permitted to vote 3 months after payment of all the arrears. This period of three months can be waived or reduced by the discretion of the Executive Committee. Members who are more than 12 months in arrears of their monthly subscriptions or contributions shall, ipso facto, cease to be members.

(ii) Cornerstone advisors who are more than 6 months in arrears of monthly subscriptions shall cease to be cornerstone advisors.

(6) A member may resign from membership in the Association by 1 month notice in writing given to the Executive Committee and on the expiration of such notice all

his rights, interests and benefits under the Association shall cease.

- (7) (i) Subject to the approval of the Executive Committee and to Rule 3(1)(i)(a) and (b), re-admission to membership of the Association by ex-members who have resigned from membership, have been expelled from the Association, have lost membership due to non-payment of subscription, or contributions can be made under the following conditions:-
- (a) payment of entrance fee of HK\$10.00;
 - (b) payment of all subscriptions and all other fees, contributions, dues as provided in these rules for the period during which they have resigned, have been expelled or have lost membership;
 - (c) any other conditions as the Executive Committee may see fit;
 - (d) applications for re-admission by expelled members may be made after 3 years from the date of expulsion in addition to the conditions (a) (b) (c) above.
- (ii) When an application made under Rule 3 (8) (i) has been refused by the Executive Committee, the applicant shall have the right of appeal in writing to the forthcoming Annual or Extraordinary General Meeting.
- (8) Members who resign from the Association after the Association decides to call on an industrial action or who have been expelled due to misconduct during an industrial action, their application for re-admission to membership of the Association shall only be approved by the Annual or Extraordinary General Meeting. The Executive Committee shall have no power to approve such applications.

Rule 4 Constitution and Government

The supreme authority of the Association shall be vested in the Annual General Meeting and, subject to that authority, the Association shall be governed by the Executive Committee.

Rule 5 Annual General Meeting and Extraordinary General Meeting

- (1) The Annual General Meeting shall be held in November in every year at such place as the Executive Committee may decide provided that not less than 7 days' notice shall be given for the calling of such meeting. The notice shall accompany an agenda, duly audited accounts and the auditor's reports.
- (2)
- (i) Subject to the provision of Rule 3 (1) (ii) and 3 (5), herein all qualified members are entitled to attend the Annual General Meeting or Extraordinary General Meeting and to vote thereat.
 - (ii) Cornerstone advisors as provided under Rule 3(1)(iii) are entitled to attend the Annual General Meeting and Extraordinary General Meeting but they shall not have the right to vote thereat.
 - (iii) Proxy is not allowed in any General Meeting.

- (3) Extraordinary General Meeting may be called by the Executive Committee or at the request of 1/10th of total number of qualified members of the Association.
- (4) The business of the Annual General Meeting shall be:-
 - (i) to receive reports from the Executive Committee, to review all the past work of the Association, and to plan future policy;
 - (ii) in an election year, to elect by secret ballot a chairman, vice-chairman, a secretary and a treasurer of the Association from amongst elected Executive Committee members pursuant to Rule 8 (1);
 - (iii) to receive the audited accounts for the previous financial year and to consider the financial position of the Association;
 - (iv) to consider any other business.
- (5) The Secretary, on the instructions of the Executive Committee, shall prepare an agenda of Annual General Meeting or Extraordinary General Meeting and shall make it known to members in such manner as the Executive Committee shall decide.
- (6) Not less than 7 days' notice shall be given to all members qualified to attend and to vote at the Extraordinary General Meeting and an agenda showing the business shall accompany the notice. Discussion at the Extraordinary General Meeting shall be limited to those matters contained in the agenda. Resolutions passed at the Extraordinary General Meeting shall have the same validity as resolutions passed at the Annual General Meeting.
- (7) The Annual General Meeting or Extraordinary General Meeting subject to clauses (3) and (6) of this rule, shall be the only authority to make, alter, amend, add, and rescind of these rules.
- (8) The quorum for all Annual and Extraordinary General Meetings of the Association shall be one quarter of the members qualified to vote. With the exception of decisions regarding change of name of the Association or amalgamation with another union or federation, all decisions taken at Annual or Extraordinary General Meeting will be valid if passed by a majority vote of all members present and qualified to vote.
- (9) In the event of insufficient quorum at an Annual or Extraordinary General Meeting, such meeting shall be adjourned to the same time and place 21 days later. A notice to this effect shall be sent to all members, and those members qualified to vote who may be present at that meeting shall irrespective of their number constitute a quorum and business shall be conducted and decisions taken shall be binding on all members.

Rule 6 Elections and Secret Ballot

- (1) (a) Members for the time being of the Association shall be divided into sections and salary scales. There shall be one candidate in every hundred members or part thereof for each section or salary scale. Where the number of members in

a section or salary scale is below one hundred the number of candidates shall be one.

- (b) Members in each section shall elect by secret ballot amongst themselves a member or such number of members as set out in Rule 6 (1) (a) above who shall be a candidate/candidates for election to the Executive Committee.
- (c) Members in each salary scale shall elect by secret ballot amongst themselves a member or such number of members as set out in Rule 6 (1) (a) above who shall be candidate/candidates for election to the Executive Committee.
- (d) In the event of any dispute arising from such elections aforesaid, the Executive Committee shall preside over a meeting of the members of the section or salary scale concerned and shall conduct a secret ballot for the election of the candidates as aforesaid.
- (e) In the case of doubt as to which section or salary scale a member is in, the matter shall be resolved by the Executive Committee and the Executive Committee may, from time to time, vary the number of the sections and salary scales, but such variations shall be duly notified to all the members at least 2 weeks before a General Election.
- (f) In case a member is elected as a candidate for both a section and a salary scale, he shall only represent the salary scale. The member with the next highest number of votes in the section shall fill the vacancy.
- (g)(i) Candidate/candidates elected from sections and candidate/ candidates elected from salary scales shall be equal in status, and shall be eligible to stand for election for the Executive Committee.
- (ii) Cornerstone advisors, nominated by a voting member, shall be eligible to stand for election for the Executive Committee. Any voting member shall be at liberty to nominate any cornerstone advisor to be a candidate of the Executive Committee. Any cornerstone advisor being so nominated as a candidate shall be equal in status with other candidates elected from sections or salary scales for the election for the Executive Committee.
- (h) Once in every two years, a General Election shall be held within one month before the Annual General Meeting to elect by secret ballot members of the Executive Committee from amongst the candidates of sections, salary scales and if any, candidates who are cornerstone advisors.
- (i) Not less than 7 days' notice shall be given to all members qualified to attend and to vote at the General Election.
- (j) All candidates not elected to the Executive Committee shall automatically be appointed to an honorary panel of sub-committee members. These members

shall be given priority over others in appointment to sub-committees.

- (k) The quorum for General Election will be one quarter of the members qualified to vote.
 - (l) In the event of insufficient quorum at a General Election such election will be adjourned in the same time and place 21 days later. A notice to this effect shall be sent to all members, and those members qualified to vote who may be present at that election shall irrespective of their number constitute a quorum and election shall be conducted and election result obtained shall be binding on all members.
 - (m) When there are several candidates with the same number of votes in the General Election for one vacancy in the Executive Committee, they may either decide amongst themselves as to which of them shall fill the vacancy, or if failing to do so, it shall be decided by drawing lots in the presence of the Executive Committee or the Election Sub-Committee.
- (2) All decisions in respect of the following items shall be taken by secret ballot:-
- (i) election or dismissal of members of the Executive Committee;
 - (ii) change in the name of the Association;
 - (iii) amalgamation of the Association with another trade union;
 - (iv) federation of the Association with another trade union or trade union federation.
 - (v) Subject to Rule 14, major issues in respect of:-
 - (a) the calling of industrial action by the Association;
 - (b) any other matters the Executive Committee may see fit and lawful;shall be decided in the manner prescribed in Rule 6 (7).
 - (vi) the acceptance or refusal of negotiated settlement on general claims made by the Association on behalf of all its members to the Company or the subcontracting companies.
- (3) All decision which may be taken only by a secret ballot shall be taken only at a meeting convened and conducted by the Authority of the Executive Committee or any Sub-committee appointed for the purpose by the Executive Committee.
- (4) The Secretary or other officer appointed for the purpose shall be responsible for issuing ballot forms. Ballot forms will be issued only to those members qualified by the rules of the Association to exercise their vote.
- (5) All ballot forms must be filled in at the place provided. They must not be signed by the person filling them in. They must be placed in the sealed ballot box provided for the purpose only by the person filling in the ballot form. The Executive Committee or the Election Sub-Committee will appoint persons to supervise and safeguard the ballot box.
- (6) Two or more scrutineers shall be selected at the Annual or Extraordinary General

Meeting or General Election from amongst members. The scrutineers will be responsible under the Executive Committee or Election Sub-Committee for collecting ballot boxes and counting and checking ballot forms.

- (7) Major issues as in Rule 6 (2) (v) shall be conducted by secret ballot by the votes of over 2/3rds of all qualified members, and shall be ratified or refused by over 2/3rds of those votes. If the number of votes is below 2/3rds of the total number of qualified members, or if the number of votes to ratify or to refuse an issue is below the required 2/3rds of the total votes, the matter shall be referred to an Annual or Extraordinary General Meeting to be held in the normal manner as prescribed by these rules, and decisions as to ratify or to refuse such an issue shall be made by over half of those qualified members present thereat.

Rule 7 Executive Committee

- (1) The government of the Association and the conduct of its business shall be vested in an Executive Committee. The number of members of the Executive Committee shall, unless otherwise determined by the Annual or Extraordinary General Meeting, be nine but all decisions made by the Executive Committee shall be valid notwithstanding that the number of members of the Executive Committee for the time being shall be less than the required number of nine.
- (2) Members of the Executive Committee shall be elected by secret ballot at the General Election and shall hold office for a term of two years but shall be eligible for re-election.
- (3) The Executive Committee shall meet at least once a month. Not less than five of the members shall form a quorum. Decisions taken at an Executive Committee Meeting shall be valid if passed by a majority of votes of all Executive Committee members present. However, if the number of the Executive Committee Members falls below five for the reasons as specified in Rule 7 (4), the power of the Executive Committee shall for the time being be limited to the following until such time when the number of the Executive Committee members has reached five or more:
- (i) appointment of member(s) and/or officer(s) of the Executive Committee in accordance with Rule 7 (4) or Rule 8 (1);
 - (ii) calling of an Extraordinary General Meeting for any desired purpose; and
 - (iii) conducting Elections in accordance with Rule 6.
- (4) In the event of death, resignation or dismissal of any member of the Executive Committee during the tenure of office or when, during such period, any Executive Committee Member is unavoidably absent from Hong Kong and such absence is likely to be permanent or unduly prolonged, the vacancy shall be filled by the candidate who secured the next highest number of votes at the last General Election. If the Executive Committee Member vacating his office is concurrently an office-holder, the vacant office shall be filled from among all the existing and filled-in Executive Committee Members by secret ballot. Any resultant vacancies for office-holders shall be filled in the same manner as aforesaid.

- (5) The Executive Committee shall pursue the objects of the Association and shall protect its fund against extravagance or misappropriation. It shall give instructions as to investment of the funds of the Association subject to Rule 9 (4) and (6).
- (6) The Executive Committee shall give instructions to the Secretary and other officers for the conduct of the affairs of the Association. It may appoint organizers and such clerical staff as it may consider necessary and dismiss such organizers and staff for reasons deemed good and sufficient. It shall appoint sub-committees where necessary to carry out the routine work of the Association.
- (7) The Executive Committee may suspend and dismiss any officer or Executive Committee member of the Association for neglect of duty, dishonesty, incompetence, refusal to carry out the decisions of the Executive Committee, or for any other reason which it deems good and sufficient in the interests of the Association. Any officer or Executive Committee Member so dismissed shall have the right of appeal to the Annual or Extraordinary General Meeting.
- (8) The Executive Committee may fine any member who is proved, to the satisfaction of the Committee, to have been guilty of conduct prejudicial to the interests of the union, a sum not exceeding \$100.00 or may suspend or expel such member from the Association. Any member so fined, suspended, or expelled shall have the right of appeal to the Annual or Extraordinary General Meeting.
- (9) The decision of the Executive Committee shall be binding on all members of the Association.
- (10) Between Annual General Meetings the Executive Committee shall interpret the rules, when necessary, and determine any point which the rules do not adequately cover.
- (11) All subscription and contributions, if any, of members of the Executive Committee must be fully paid up at all times during their term of office.
- (12) The Executive Committee shall have the power to open branches, subject to the approval of Annual or Extraordinary General Meeting. The Executive Committee shall have the power to decide the amount of money to be retained by branches or paid out of General Funds to branches.
- (13) The Executive Committee shall have power to make standing Orders for the conduct of meeting of the Association and any of its sub-committee and to make standing regulations for the conduct of the business of the Association and generally to manage the affairs of the Association.
- (14) The Executive Committee shall have power to make by-laws to regulate the proper use and enjoyment of any of the benefits, facilities, promotions whatsoever made available to the Association for its members.

- (15) The Executive Committee shall have power to delegate any of its powers to a sub-committee appointed in accordance with the provision of Rule 7 (6) and to suspend, withdraw or otherwise revise the terms of references as it may think fit.
- (16) Honorary Adviser - The Executive Committee shall have the power to appoint not more than 5 persons, who need not be members of the Association as Honorary Advisers. The Executive Committee may invite them to attend any meetings for consultation and they may speak at these meetings. They shall not have the right to vote and shall not interfere with the administration and affairs of the Association. They shall serve a term of 2 years and be eligible for re-appointment. If an appointed Honorary Adviser is a voting member of the Association, he shall retain all the rights and benefits of a voting member of the Association.

Rule 8 Officers of the Association

- (1) A Chairman, a Vice-chairman, a Secretary and a Treasurer shall be elected by secret ballot from amongst elected Executive Committee members, in an election year at the Annual General Meeting. An elected Executive Committee member who is not a voting member shall not have the right to vote at Annual and Extraordinary General Meetings, but shall have the right to vote in meetings of the Executive Committee.
- (2) (i) The Chairman shall preside at all Annual and Extraordinary General Meetings and Executive Committee Meetings and shall be responsible for the proper conduct of the business. If the Chairman is a voting member of the Association, he shall have the right to vote on all matters and shall have a casting vote. If the Chairman is not a voting member of the Association, he shall not have the right to vote at Annual and Extraordinary General Meetings and shall not have a casting vote thereat; but he shall have the right to vote in meetings of the Executive Committee and shall have a casting vote thereat. He shall sign the minutes of each meeting after they are approved.
- (ii) With the assistance of the Secretary and Treasurer, he shall superintend the general affairs of the Association and shall endeavour to secure the observance of the rules of the Association by all concerned.
- (3) The duties of the Vice-Chairman shall be defined by the Executive Committee, in the absence of the Chairman on business of the Association or for any other reason he shall deputize until such time as the Chairman returns or the Executive Committee carry out the provisions of Rule 7 (4).
- (4) (i) The Secretary shall conduct the business of the Association in accordance with the rules and shall carry out the instructions of the Annual or Extraordinary General Meetings and of the Executive Committee.
- (ii) He shall keep a register of all members and cornerstone advisors.
- (iii) He shall attend all meetings of the Executive Committee and shall record the minutes. If he is a voting member of the Association, he shall have the right to speak and to vote on all matters. If he is not a voting member of the

Association, he shall have the right to speak but not the right to vote in the Annual and Extraordinary General Meetings. He shall have the right to vote in meetings of the Executive Committee.

- (iv) He shall prepare the Annual Report of the Association for submission to the Annual General Meeting and any other reports necessary for the Extraordinary General Meetings.
 - (v) He shall attend all Annual and Extraordinary General Meetings and shall record the minutes.
- (5) (i) The Treasurer shall be responsible for the safety of all monies and the safeguarding of all investments belonging to the Association and shall keep full and accurate accounts of all transactions conducted in the name of the Association. He shall prepare a financial statement for each meeting of the Executive Committee and an annual statement of accounts for audit and for presentation to the Annual General Meeting. If he is a voting member of the Association, he shall have the right to speak and to vote on all matters. If he is not a voting member of the Association, he shall have the right to speak but not the right to vote in the Annual and Extraordinary General Meetings. He shall have the right to vote in meetings of the Executive Committee.
- (ii) He shall give to every member of the Association requesting an annual audited statement of account of all the receipts and expenditure and of the assets and liabilities of the Association free of charge.
- (iii) He shall deposit in the bank appointed by the Executive Committee all sums aggregating over \$500.00 retaining the remainder in a safe place.
- (6) Any officer whose duties involve financial responsibilities shall provide such security as the Executive Committee may require.
- (7) Signing of cheques etc.
All cheques, promissory notes, bills of exchange or such other financial or banking documents shall be signed by the Secretary in conjunction with the Treasurer or by such persons as may be appointed by the Executive Committee for this purpose on behalf of the Association.

Rule 9 Use of Funds

- (1) In the event that a Welfare Fund is established under Rule 10 then the funds of the Association shall be divided into 2 sections.
- (i) General Fund - Which may be used by the Executive Committee for any lawful purpose as provided in these rules or approved at the Annual or Extraordinary General Meetings of the Association.
 - (ii) Welfare Fund - To be used solely for welfare purposes approved at the Annual General Meeting or Extraordinary General Meetings of the Association.
- (2) General Fund. This shall be used for:-
- (i) Payment of salaries to the employees of the Association, allowances and expenses of officers of the Association incurred on official business;

- (ii) The payment of expenses for the administration of the Association including audit of accounts of the funds of the Association;
 - (iii) Allocation to the Welfare Fund;
 - (iv) Paying the costs and expenses (including legal costs and disbursements) and all other costs and liabilities incurred for or in connection with the prosecution or defence of any legal proceeding or conduct or pursuit of any trade or industrial disputes (including the settlement or compromise thereof) to which the Union or any member is a party when such prosecution, defence or pursuit is undertaken for the purpose of securing or protecting any rights of the Union as such or any rights arising out of the relations of any member with his employer.
- (3) Welfare Fund. This shall be used for:-
- (i) Provision of welfare benefit set out in Rule 2 (5) (i), (ii) and (iii) and Rule 10;
 - (ii) Payments of allowance to members or their dependents and/or their families on account of death, including funeral expenses, sickness, accident, disablement, distress, unemployment, maternity, retirement;
 - (iii) The payment of educational fees for members and their children;
 - (iv) Payment of expenses incurred in the promotion of recreational, cultural, and social pursuits in the interests of members;
 - (v) Any other welfare purposes as the Executive Committee may see fit having record to the objects as provided in this rule.
- (4) Investment of Funds. The funds of the Association which are not required for current expenses may, on the discretion of the Executive Committee, be invested in such manner as the Executive Committee think fit, subject to the approval of members at the Annual General Meeting or Extraordinary General Meeting.
- (5) The Executive Committee may invite members to donate funds and may accept donations from non-members. For the purpose of raising the funds the Executive Committee may organize such activities as it may think fit and proper.
- (6) The funds of the Association shall not in any event be applied either directly or indirectly for any political purpose or be paid to person or body of persons in furtherance of any political purpose whether within or without the HKSAR.
- (7) Financial Year. The Financial year of the Association shall commence on the 1st day of September of each year and terminate on the 31st day of August of the following year.

Rule 10 Establishment of Welfare Benefit Fund

The Executive Committee shall have power to establish and/or administer the welfare benefit fund or to appoint a sub-committee to administer the fund. The fund shall be open to all qualified members excluding the class of Cornerstone Advisor and Associate members, and their families in the event of death, accident, sickness, distress, unemployment, maternity or retirement in accordance with Rule 2 (5) (i), (ii) and (iii).

Rule 11 Levies

- (1) The Executive Committee may, if necessary, impose a levy upon all members of the Association and all members shall be required to pay such levy provided that, if member object to payment of the levy, they shall have the right to refer the matter to the Annual General Meeting or call for an Extraordinary General Meeting under Rule 5 (3).
- (2) If any member fails to pay a levy within 3 months of its imposition, the amount shall be treated as arrears of monthly subscriptions.

Rule 12 Auditors

- (1) One or more auditors, who need not be members of the Association, shall be appointed or elected at the Annual General Meeting.
- (2) The auditor shall audit all the accounts of the Association, general, welfare and subsidiary accounts (if any) as soon after the close of each financial year as possible and at other times when necessary. All books and accounts of the Association will be examined and a certification as to their correctness or otherwise be given by the auditor. A report by the auditor will be made to the members at the Annual General Meeting.
- (3) A copy of any auditor's report shall conspicuously placed at the office of the Association.
- (4) A copy of the auditor's report shall accompany the annual accounts to be sent to all members.

Rule 13 Inspection of Books

Any qualified member or any authorized agent of the member shall be allowed to inspect the account books and the register of members. Applications must be made in advance to the Secretary or Treasurer, who will be allowed a reasonable time to make the necessary documents available.

Rule 14 Trade Disputes

- (1) In the event of any dispute arising, the members concerned shall make the same known to the Secretary of the Association, who shall immediately report the same to the Executive Committee, but in no case shall a cessation of work be threatened or take place without the sanction of the Executive Committee.
- (2) Should any branch or body of members of the Association desire steps to be taken for an increase of wages or improved conditions of employment, the Secretary of the Association shall report the claims to the Executive Committee, who shall determine what action should be taken.

Rule 15 *Legal Advice and Assistance*

Legal Assistance

Consistently with the provision of Rule 2 (5) (v) and subject to the provisions of Rule 3 (6) the Executive Committee shall have power to provide legal advice and assistance to any member or any matter connected with his employment, provided the Executive Committee is satisfied that the case is one on which it is advisable that legal advice or assistance shall be given and also provided that the necessity for legal assistance is not caused by drunkenness, wilful neglect of duty or by any criminal act on the part of the member.

Rule 16 *Educational Work*

The Association may undertake the education of its members through meetings or classes and a monthly bulletin reporting the activities of the Association. It may publish literature and take such other action as will promote industrial, cultural and social knowledge.

Rule 17 *Rule Book*

- (1) A copy of these rules shall be given to every person accepted into membership of the Association.
- (2) A copy of these rules shall be readily available at the Association premises for perusal by any members.

Rule 18 *Dissolution*

- (1) The Association shall not be dissolved except with the consent of 3/4 of all members qualified to vote of the Association obtained by means of a secret ballot.
- (2) In the event of the Association being dissolved all debts and liabilities legally incurred on behalf of the Association shall be fully discharged from the General Fund and the remaining of the General Fund shall be contributed to other registered Association, Trade Union, Society, Club etc. as the General Meeting may decide.
- (3) When the Association is dissolved, notice of such will be sent by the Secretary to the Registrar of Trade Unions.

Rule 19 *Common Seal and Contract*

- (1) The Association shall have a common seal which shall be in safe custody of the Secretary of the Association, and this common seal shall only be used by the authority of the Executive Committee in resolution.
- (2) Contracts or instruments made by the Executive Committee on behalf of the Association to which the common seal of the Association shall be affixed shall be signed by an officer or a voting member appointed by the Committee for the purpose and countersigned by the Chairman, Treasurer or Secretary or of such members who for the time being and under the rules of the Association act as Chairman, Treasurer and Secretary.

SCHEDULE (1) - DEATH GRATUITY REFERRED TO IN RULE 2 (5)

- (A) A death gratuity of HK\$1,000.00 shall be paid to the designated beneficiary of a deceased voting member of the Association. Payment of this gratuity is subject to the following conditions:-
- (1) The deceased must be a qualified member of the Association at the time of his death under Rule 3 (5) (i).
 - (2) The deceased must have already notified in writing to the Association the name and address of his beneficiary to receive the death gratuity. He may change his beneficiary, but must notify the Executive Committee in writing of such change well in advance. If he has not designated a beneficiary or his designated beneficiary cannot be located by all reasonable means, the Association shall transfer the death gratuity to his legal Estate receiver/executor for disposal.
 - (3) This death gratuity shall be paid to the designated beneficiary or legal Estate receiver/executor of the deceased, as the case may be, within one week upon production of documentary proof of the beneficiary or legal Estate receiver/executor's identity and the death certificate of the deceased to the Executive Committee after necessary verification.
- (B) Payment of death gratuity shall be made from the General Fund of the Association.