

## **Explanatory Notes to Sample A**

### **ARTICLES OF ASSOCIATION FOR PRIVATE COMPANIES LIMITED BY SHARES (Simplified Form)**

Sample A is a **Simplified Form of Articles of Association** for private companies limited by shares prepared on the assumption that the company adopting it will simplify its administration as far as possible under the Companies Ordinance (Cap 622). For example,

- (a) the company has only one class of shares and they are fully paid; and
- (b) the directors do not appoint alternate directors.

As a result, it may be more appropriate for small owner-managed businesses. For the sake of brevity, statutory provisions are, as far as possible, not repeated.

Provisions on the following matters in the Model Articles of Association for private companies limited by shares prescribed in Schedule 2 of the Companies (Model Articles) Notice (Cap. 622H) ("Schedule 2") are not included in Sample A –

- Committees (Article 6 of Schedule 2 and the corresponding references in Schedule 2);
- Alternate directors (Articles 15, 28 to 30 of Schedule 2 and the corresponding references in Schedule 2);
- Composite resolution (Article 24 of Schedule 2)
- Classes of shares (Articles 55 and 57 of Schedule 2 and the corresponding references in Schedule 2)
- Consolidated shares certificates (Article 61 of Schedule 2 and the corresponding references in Schedule 2); and
- Auditors' insurance (Article 83 of Schedule 2).

Companies may adopt Sample A as they see fit. Companies or their officers should consult their professional advisors on any matters which may affect them relating to or arising out of the adoption of the Articles of Association in Sample A.