

Rules & Regulations

SwissCham Beijing Swiss Chinese
Chamber of Commerce 1st Edition

RULES

INTRODUCTION

The Swiss Chinese Chamber of Commerce (SwissCham) in China is the only official Swiss Chinese chamber of commerce officially registered with the Chinese Ministry of Civil Affairs under the Regulations for the Administration of Foreign Chambers of Commerce In China.

SwissCham is a federative organization with regional organizations or branches in Beijing (SwissCham Beijing), Shanghai (SwissCham Shanghai) and, since this year, Guangzhou (SwissCham Guangzhou), operating under the umbrella of the national organization (SwissCham China).

SwissCham China maintains a friendly relationship with the Swiss Chamber of commerce in Hong Kong and the Swiss Chinese Chamber of Commerce in Switzerland (SCCC), both of which are legally independent organizations however, as well as with the Embassy of Switzerland in Beijing, the Consulate of Switzerland in Shanghai (a second consulate is due to open in Guangzhou later this year), and the OSEC (the official Swiss export promotion organization) Hubs attached to the same.

This rather complex structure, the youth illnesses suffered by SwissCham who only celebrated its tenth anniversary last year, as well as certain shortcomings of the Chinese regulations on foreign chambers of commerce which despite being 17 years old is still provisional had brought a certain amount of confusion with respect to the rules governing the activity of SwissCham, let alone because these rules have been modified from time to time on the occasion of the successive annual general assemblies, both national and regional.

This document is a first attempt to compile the rules applicable to SwissCham Beijing and make them easily accessible to its Board, Management and Members.

In doing so, we have be structuring them in a logical, hierarchical fashion. We have streamlined the format and completed the numbering and the outline which was occasionally missing or defective. We have clearly mentioned, in the caption appearing at the bottom of each page, the short title together with the date of the current version. We believe that we thus greatly improved their visibility.

However we did not touch the rules content, even though much needs to be done. We ambition to propose a draft, comprehensive revised version of the rules as soon as possible. In the meantime, we only corrected obvious

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typos, whereas whenever we have been doing so, we mentioned it in a footnote. We also mentioned the date of the amendments decided in general assembly whenever they were known to us.

This document is meant to be gradually completed whenever these rules will develop. Namely, the Minutes of the Board Meetings, an important part of the regulatory material of SwissCham, should also be made available for reference. A Staff Manual, a Procurement Manual and Financial Rules are very much needed.

Finally, please note that great care has been taken in bookmarking the table of content in order to allow an easy navigation in the .pdf version. Please do not fail to use the "Bookmarks" tab on the left pane of your Adobe Acrobat document. A printed edition in a handy A5 format will be considered in due time.

We trust that this document will prove useful for the operation of SwissCham Beijing and are hopeful that it will contribute to its success. Please forgive the inevitable imperfections of this first edition. We are committed to improve it. Your suggestions are welcome. Thank you for your attention and support.

Beijing, 7 September 2006



John Liebeskind
President
SwissCham Beijing

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PART 1 - CHINESE LAWS AND REGULATIONS

PART 1.1 - PROVISIONAL REGULATIONS FOR THE ADMINISTRATION OF FOREIGN CHAMBERS OF COMMERCE IN CHINA¹

("FOREIGN CHAMBERS REGULATIONS")

Promulgated on 14 June 1989.

ARTICLE 1 [Purpose]²

The present Regulations are hereby formulated with the purpose of promoting international trade and economic and technological exchanges, strengthening the administration of foreign chambers of commerce in China and protecting their lawful rights and interests.

ARTICLE 2 [Definition]

A foreign chamber of commerce in China refers to an organization which is set up within the Chinese territory by foreign commercial establishments and persons residing in the Chinese territory, does not engage in any commercial activities and is not profit-making.

The activities of foreign chambers of commerce in China shall be aimed at promoting trade and economic and technological cooperation between their members and China and shall provide facilities to their members in respect of studying and discussing how to develop international trade and economic and technological cooperation.

ARTICLE 3 [Duties]

Foreign chambers of commerce in China must abide by the laws and regulations of the People's Republic of China and shall not harm the national security and social public interest of China.

ARTICLE 4 [Conditions]

The following prerequisites are required for setting up a foreign chamber of commerce in China:

(1) Possession of articles of association which reflect the common intentions of the chamber's members;

¹ The Chinese version prevails. See below, Part 1.2, 外国商会管理暂行规定.

² We added the subtitles between square brackets.

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- (2) Requested by a certain number of sponsoring members and executives;
- (3) Availability of an established office; and
- (4) Availability of lawful sources of funds.

ARTICLE 5 [Members]

Foreign chambers of commerce in China shall be set up according to country origin and may have both organization members and individual members.

Organization members refer to those which join the chamber in the name of commercial establishments. Commercial establishments refer to representative offices and branches of foreign companies, enterprises and other economic organizations lawfully established in the Chinese territory.

Individual members refer to those who are staff members of non-Chinese nationality working in commercial establishments and enterprises with foreign investment and join the chamber in their own name.

ARTICLE 6 [Name]

The name of a foreign chamber of commerce in China shall be preceded by the name of its own country plus the word "China".

ARTICLE 7 [Application]

For the setting up of a foreign chamber of commerce in China, a written application must be submitted through the China Chamber of International Commerce to the Ministry of Foreign Economic Relations and Trade (hereinafter referred as the Examination Authority) for examination.

The Examination Authority shall complete the examination within 60 days after receiving the written application and all the attached documents mentioned in Article 8, and issue an approval certificate if the prerequisites in Article 4 are met or reject the written application if the above-mentioned prerequisites are not met. The Examination Authority shall give explanations if the examination can not be completed within the above fixed time range under special circumstances.

ARTICLE 8 [Supporting Documentation]

The written application of a foreign chamber of commerce must be duly signed by the chief sponsor with the following documents attached to it:

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(1) Articles of association of the chamber in quintuplicate, in which the following contents shall be included:

((1)) Name and address of the chamber;

((2)) Organizational structure of the chamber;

((3)) Names and status of the Chairman, Vice Chairmen and Managing Director of the chamber;

((4)) Procedure for the admission of its members and the rights and obligations of its members;

((5)) Activities of the chamber; and

((6)) Financial position of the chamber.

(2) A list of the sponsoring members of the chamber in quintuplicate with the organization members and individual members listed separately. For the organization members, the names, addresses, business scopes and names of the executives shall be indicated. For the individual members, the names of the commercial establishments or enterprises with foreign investment to which the individual members belong, positions, personal resumes or brief accounts of their commercial activities in China shall be indicated.

(3) Names and resumes of the Chairman, Vice Chairmen and Managing Director of the chamber in quintuplicate.

ARTICLE 9 [Approval]

After the written application for the setting up of a foreign chamber of commerce in China has been examined and approved by the Examination Authority, the chief sponsor shall, in accordance with the stipulations of the present Regulations and other relevant laws and regulations, present the approval certificate to the Ministry of Civil Affairs of the People's Republic of China (hereinafter referred to as the Registration Authority) for registration. A foreign chamber of commerce in China is deemed to be in existence after it has been registered and a registration certificate has been issued.

ARTICLE 10 [Accounting]

A foreign chamber of commerce in China shall keep accounting books in its office. Its membership fees and other funds obtained in accordance with the stipulations of its articles of association shall be used to cover the various

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expenses specified in its articles of association and shall not, under any pretence, be used as payments to its members or remitted out of the Chinese territory.

ARTICLE 11 [Report]

Foreign chambers of commerce in China shall each submit in January of every year a report on its activities in the previous year to the Examination Authority and the Registration Authority through the China Chamber of International Commerce.

The China Chamber of International Commerce shall provide foreign chambers of commerce in China with consultancy services for their activities and contacts with relevant Chinese authorities.

ARTICLE 12 [Amendments]

When a foreign chamber of commerce in China needs to amend its articles of association or change its Chairman, Vice Chairmen, Managing Director or the address of its office, it must apply for examination and approval and register for the changes through the procedures laid down in Articles 7, 8 and 9.

ARTICLE 13 [Infringements]

Foreign chambers of commerce in China shall accept the supervision of relevant Chinese authorities.

Should a foreign chamber of commerce in China violate the present Regulations, the Registration Authority has the right to decide on punishments in the forms of fine, suspending its activities within a time limit, revoking its registration or ordering to ban it.

ARTICLE 14 [Dissolution]

When a foreign chamber of commerce in China is to dissolve, it must submit an application duly signed by its Chairman together with a certificate proving the completion of its liquidation to the Registration Authority for cancelling its registration and to the Examination Authority for the record.

Any foreign chamber of commerce in China must stop its activities as from the date when it returns its registration certificate to the Registration Authority.

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ARTICLE 15 [Entry Into Force]

The present Regulations shall come into effect as from July 1, 1989.

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PART 1.2 - 外国商会管理暂行规定³

1989年4月28日国务院第三十九次常务会议通过，1989年6月14日国务院令第36号发布，自1989年7月1日起施行

第一条 为了促进国际贸易和经济技术交往，加强对外国商会的管理，保障其合法权益，制定本规定。

第二条 外国商会是指外国在中国境内的商业机构及人员依照本规定在中国境内成立，不从事任何商业活动的非营利性团体。外国商会的活动应当以促进其会员同中国发展贸易和经济技术交往为宗旨，为其会员在研究和讨论促进国际贸易和经济技术交往方面提供便利。

第三条 外国商会必须遵守中华人民共和国法律、法规的规定，不得损害中国的国家和社会公共利益。

第四条 成立外国商会，应当具备下列条件：

- (一)有反映其会员共同意志的章程；
- (二)有一定数量的发起会员和负责人；
- (三)有固定的办公地点；
- (四)有合法的经费来源。

第五条 外国商会应当按照国别成立，可以有团体会员和个人会员。团体会员是以商业机构名义加入的会员。商业机构是指外国公司、企业以及其他经济组织依法在中国境内设立的代表机构和分支机构。个人会员是商业机构和外商投资企业的非中国籍任职人员以本人名义加入的会员。

第六条 外国商会的名称应当冠其本国国名加上“中国”二字。

第七条 成立外国商会，应当通过中国国际商会提出书面申请，由其报送中华人民共和国对外经济贸易部(以下简称审查机关)审查。审查机关应当在收到全部申请书件之日起60天内完成审查，对于符合本规定第四条规定条件的，签发审查同意的证件；对于不符合前述条件的，退回申请。如有特殊情况，不能在规定的期限内完成审查的，审查机关应当说明理由。

³ For the English translation, see above Part 1.1, Provisional Regulations for the Administration of Foreign Chambers of Commerce in China.

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第八条 成立外国商会的书面申请，应当由外国商会主要筹办人签署，并附具下列文件：

(一)外国商会章程一式五份。章程应当包括下列内容：

1. 名称和地址；
2. 组织机构；
3. 会长、副会长以及常务干事的姓名、身份；
4. 会员的入会手续及会员的权利和义务；
5. 活动内容；
6. 财务情况。

(二)发起会员名册一式五份。团体会员和个人会员，应当分别列册。团体会员名册应当分别载明商业机构的名称、地址、业务范围和负责人姓名；个人会员名册应当分别载明本人所属商业机构或者外商投资企业、职务、本人简历或者在中国境内从事商业活动的简历。

(三)外国商会会长、副会长以及常务干事的姓名及其简历一式五份。

第九条 成立外国商会的申请经审查机关审查同意后，应当持审查同意的证件，依照本规定和有关法律、法规的规定，向中华人民共和国民政部(以下简称登记管理机关) 办理登记。外国商会经核准登记并签发登记证书，即为成立。

第十条 外国商会应当在其办公地点设置会计账簿。会员缴纳的会费及按照外国商会章程规定取得的其他经费，应当用于该外国商会章程规定的各项开支，不得以任何名义付给会员或者汇出中国境外。

第十一条 外国商会应当于每年 1 月通过中国国际商会向审查机关、登记管理机关提交上一年度的活动情况报告。中国国际商会应当为外国商会开展活动和联系中国有关主管机关提供咨询和服务。

第十二条 外国商会需要修改其章程、更换会长、副会长以及常务干事或者改变办公地址时，应当依照本规定第七条、第八条和第九条规定的程序经审查同意，并办理变更登记。

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第十三条 外国商会应当接受中国有关主管机关的监督。外国商会违反本规定的，登记管理机关有权予以警告、罚款、限期停止活动、撤销登记、明令取缔的处罚。

第十四条 外国商会解散，应当持该外国商会会长签署的申请注销登记报告和清理债务完结的证明，向登记管理机关办理注销登记，并报审查机关备案。外国商会自缴回登记证书之日起，即应停止活动。

第十五条 本规定自 1989 年 7 月 1 日起施行。

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PART 2 - SWISSCHAM CHINA NATIONAL RULES

PART 2.1 - SWISSCHAM CHINA NATIONAL ARTICLES OF ASSOCIATION

(Swiss Chinese Chamber of Commerce China)

("NATIONAL ARTICLES")

Last modified by resolution of the National General Assembly of 14 April 2006.

ARTICLE 1 - NAME, SEAT, BUSINESS YEAR

(1) This organization shall be called in Chinese "Chinese Swiss Chamber of Commerce" or "Zhong Guo Rui Shi Shang Hui" and shall be called in English "Swiss Chinese Chamber of Commerce" (hereinafter referred to as "the Chamber" or "SwissCham").

(2) This Chamber is established in accordance with the relevant laws and regulations of People's Republic of China.

(3) The Chamber has its registered office at 20th Floor, Star City Tower C, 10 Jiuxianqiao Road, Beijing 100016, China.

(4) The business year of the Chamber is the calendar year, from January 1 to December 31.

ARTICLE 2 - OBJECTIVES AND ACTIVITIES OF THE CHAMBER

The Chamber is a non-profit generating, non-governmental organization. The objectives and activities of the Chamber are conducted within the legal framework of the People's Republic of China and should not damage the public interests and safety of the society:

(a) To promote business relations between companies in Switzerland and the People's Republic of China (hereinafter referred to as "China");

(b) To cooperate with the authorities of both countries with the aim of furthering the common economic interests;

(c) To represent, support and protect the interests of the members within the boundaries of the relevant laws and the present Articles of Association;

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(d) To provide services to members engaged in trade, industry and commerce;

(e) To promote communication and discussion with the China's economic and cultural organizations based in other countries and areas;

(f) To undertake cultural and recreational activities in the interest of and beneficial to the members.

ARTICLE 3 - MEMBERSHIP OF THE CHAMBER⁴

SECTION A - CATEGORIES

(1) Membership comprise four (4) categories:

(a) Corporate Membership;

(b) Individual Membership;

(c) National Associate Membership;

(d) Honorary Membership.

(2) Corporate Membership:

(a) Commercial establishments such as representative offices, joint ventures, branches or subsidiaries, set up in China in accordance with Chinese law by companies, institutes or associations located in Switzerland qualify as corporate members with voting rights;

(b) Non-foreign invested commercial establishments, institutes or associations registered in China with a commercial presence and/or interests in Switzerland qualify as corporate members with voting rights.

(3) Individual Membership: All Swiss citizens without restrictions or citizens of other countries, who are employed by a commercial establishment as defined in Article 3 paragraph 1.1 of the present Articles of Associations, qualify as individual members with voting rights.

(4) National Associates Membership: Associate Members without voting rights shall comprise commercial establishments, institutes or associations or

⁴ Modified by the National General Assembly of 12 April 2006 but rejected by the Ministry of Civil Affairs.

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individual persons that do not qualify as Corporate or Individual Member as defined in Article 3 paragraph 1 and 2 of the present Articles of Associations but who still wish to be affiliated with SwissCham to promote Sino-Swiss Trade & Economic relations and Sino-Swiss Friendship.

(5) Honorary Membership: Personalities who have made great contribution to or earned lasting merits for either the trade relations between Switzerland and China or the Chamber qualify as honorary members without voting rights.

SECTION B - COMMENCEMENT OF MEMBERSHIP

(1) The Board of Directors of the Chamber shall decide on the admissibility of an applicant to membership or for a change in classification of membership by simple majority.

(2) The person who applies for membership shall submit an application in written form.

(3) If the Board of Directors approves an application for membership, the applicant shall become a member of the Chamber only upon payment of membership dues as stipulated in Article 5.

SECTION C - TRANSFER AND TERMINATION OF MEMBERSHIP

(1) Membership in the Chamber shall not be transferred.

(2) Membership in the Chamber terminates upon death, resignation or termination, dissolution and bankruptcy of business of that Member, or upon decision by simple majority made by the Board Directors of the Chamber. That member shall, within fourteen (14) days after the termination of membership, pay off membership dues and other obligations in arrear to the Chamber.

SECTION D - EXCLUSION OF MEMBERSHIP

Any member of the Chamber with voting right may bring motion to the Board of Directors for its decision by simple majority on the exclusion of a member who so conducted as:

(a) To aggrieve any other member of the Chamber purposely in the light of adequate evidence.

(b) To cease business in case of corporate membership, or its parent corporation or its Chinese representative office or affiliates cease business due to investigation and sanctions incurred under local laws;

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and in case of individual membership, to be prosecuted by jurisdiction and incur criminal liabilities due to his or her intention or fault.

(c) To impair the reputation or interest of the Chamber by other acts violating these Articles of Association.

ARTICLE 4 - RIGHTS AND OBLIGATIONS OF MEMBERS OF THE CHAMBER

(1) All members of the Chamber shall have the right to participate in General Meetings. Every member except honorary member has one vote in the General Meeting. Corporate members shall vote through representatives. However, members of the Chamber shall have no voting rights unless their membership dues are paid for the past years and for the current year in full.

(2) All members of the Chamber shall access to consultancy and other services provided by the Chamber in the field of Swiss-Chinese trade and commerce. Members may also obtain publications issued by of the Chamber, such as periodicals, instructions, etc. free of charge. However, where detailed and time consuming expert opinions are involved, appropriate compensation shall be paid to the Chamber to cover costs and expenditure.

(3) Every member of the Chamber except the honorary members shall pay membership dues. The sum thereof shall be proposed by the Board of Directors, approved by the General Meeting, and notified to members at beginning of every business year. The membership dues shall be paid within one (1) month after receipt of the notification.

(4) The members are required to assist the Chamber in achieving its objectives.

(5) The members shall observe the Articles of Association and the By-laws of the Chamber, and the decisions of the organs of that Chamber.

ARTICLE 5 - GENERAL MEETING OF THE CHAMBER

SECTION A - ORDINARY AND EXTRAORDINARY GENERAL MEETINGS

(1) The General Meeting shall be the principal organ of the Chamber. There are Ordinary General Meetings and Extraordinary General Meetings.

(2) An Ordinary General Meeting shall be held annually in the first quarter of the business year.

(3) Extraordinary General Meetings shall be convened:

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- (a) if the Board of Directors so decides, or
- (b) if at least ten percent (10%) of the total number of Voting Members submit a written application to the Board stating the reasons to convene them.

SECTION B - THE ORDINARY GENERAL MEETING

Apart from its statutory functions, the Ordinary General Meeting:

- (a) Adopts reports by the Chairman of the Chamber, the Presidents of each region, the Treasurer and the Honorary Auditor.
- (b) Elects office holders to the Board of Directors;
- (c) Elects an Honorary Auditor, who shall not be Member of the Board of Directors;
- (d) Approves the annual membership fees of the Chamber, proposed by the Board of Directors;
- (e) Decides on motions, with the exception of those concerning applications of admission.

SECTION C - PROCEDURES OF THE GENERAL MEETING

- (1) The General Meeting shall be convened by the Board with notice to the members. The notice shall be dispatched at least twenty (20) days prior to the time of the General Meeting.
- (2) The Chairman or the Vice Chairman of the Chamber shall act as Chairman of the General Meeting.
- (3) The General Meeting shall proceed in accordance with the pre-determined agenda. Any member of the Chamber may submit written request to the Board for additional item to the agenda provided such request are made at least forty eight (48) hours prior to the General Meeting.
- (4) The General Meeting convened through due process with at least twenty percent (20%) of the members with voting right present or represented by proxies constitutes a quorum provided at least ten percent (10%) of members with voting right from each region as defined in Art. 7 Sec. E of this Articles of Association shall be present or represented. The Chairman of the General Meeting has the casting vote where a tie occurs.

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- (5) The General Meeting may hold secret voting where need arises.
- (6) Any member may vote through proxy, provided a written authorization letter is presented.
- (7) The General Meeting shall be recorded in the form of minutes of meeting which shall be kept at the seat of the Chamber for members' consultation.

ARTICLE 6 - BOARD OF DIRECTORS OF THE CHAMBER

SECTION A - DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors is in charge of management and representation of the Chamber. The duties of the Board comprise in particular:

- (a) To promote the objectives of the Chamber and to ensure that it fulfils its duties;
- (b) To lay down by-laws and general guidelines for the management of the Chamber and submit them to the General Meeting for Approval;
- (c) To represent, to promote and to protect the interests of the Chamber's members;
- (d) To report to the General Meeting of the Chamber;
- (e) To admit new members to the Chamber or approve changes of in membership category;
- (f) To exclude members from the Chamber whose behaviour is grossly detrimental to the interests and objectives of the Chamber or who intentionally violate the regulations of these Articles of Association;
- (g) To propose the membership fees schedule for the Chamber and have it approved by the Ordinary General Meeting;
- (h) To appoint persons as needed to assist in achieving the objectives of the Chamber;
- (j) To appoint committees or subcommittees as needed, and delegate duties or powers as needed;

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(k) To fulfil all the tasks of the Chamber which do not belong to the lawful or statutory rights or obligations of the General Meeting or the Chairman or President of each region.

(l) To adopt the budget proposed by the Treasurer or President of each region.

(m) To establish, if the necessity arises, an Advisory Board.

SECTION B - COMPOSITION OF THE BOARD

(1) The Board of Directors of the Chamber shall be composed of at least six (6) members whom shall be elected by the General Meeting.

(2) Every region set-up by the board in accordance with the Sec. E of this Articles of Association hereunder shall be represented by at least one member delegated to the Board.

(3) The term of Directorship is three (3) years and continuous term is permitted. In case of Board members abandoning their seat on the Board during a term the Board shall appoint another person as director provided it submits the appointment to next General Meeting for approval.

SECTION C - OFFICE HOLDERS WITHIN THE BOARD OF DIRECTORS OF THE CHAMBER

(1) The office holders amongst the Members of the Board of Directors shall consist of:

(a) A Chairman, to be voted by the Members of the Board;

(b) Vice Chairmen, the number of which to be decided by the Board of Directors depending on the number of members and regions as determined by Sec. E of this Articles hereunder required by the Chamber's presence and activities.

(c) A Treasurer;

(d) Contingent further office holders.

(2) The duties of the Chairman of the Board consist in:

(a) Convening and taking charge of meetings of the Board;

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(b) Representing the Chamber in all civil activities and exerting powers with respect thereto, especially undertaking lawsuit in name of the Chamber.

(3) The Vice Chairman of the Board assist the Chairman in fulfilling the duties. In the absence of the Chairman, one of the Vice Chairmen shall act as the Spokesman/woman of the Board of the Chamber.

(4) The Treasurer to be elected by the Board shall make reports upon request to the Board and under supervision thereof take charge in:

(a) Managing properties and keeping the accounts of the Chamber, including effecting over due payments;

(b) Submitting to the General Meeting fiscal report and auditorial items of relating to the last business year.

(5) Compensation for duties performed by the Chairman, Vice-Chairmen and other Members of the Board shall be decided by the General Meeting.

SECTION D - MEETING OF THE BOARD

(1) A meeting of the Board shall be convened by the Chairman upon a written request by at least one third of all the members of the Board for so doing. The Chairmen must convene the meeting of the Board within fifteen (15) days from receipt of such written request.

(2) At least half of all members of the Board constitute the quorum. In the case that quorum fails to be established, the meeting of the Board shall be convened within the next fifteen (15) days.

(3) Every member of the Board has one vote in the meeting. The Chairman has a casting vote when a tie occurs.

(4) In case of absence by individual member of the Board, a proxy in written form should be served and delivered to the Secretary of the Meeting prior to the meeting to be held.

(5) A Secretary on a non-permanent basis shall be appointed by the Chairman or his representative for each meeting of the Board.

SECTION E - EXECUTIVE COMMITTEE

(1) Each region shall have its own Executive Committee and independence in the organization of daily management and activities for its local members. The

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territorial coverage of an individual region should be decided by the Members of the Board.

(2) Each regional Executive Committee may elect its president who is in charge of that Executive Committee. The President of regions shall submit a report to the General Meeting every year stating activities of that region.

(3) Executive Committee may, if need arises, employ employees.

ARTICLE 7 - FINANCE

(1) The Chamber has the right to accumulate financial assets and to make use of them . The Chamber's funds and assets consist of the following :

(a) Membership contributions;

(b) Reimbursements for costs incurred by the Chamber when rendering services;

(c) Subsidies and other grants from third parties;

(d) Incomes from interest accrued on securities and other properties owned by the Chamber;

(e) Other legal financial resources.

(2) The Board of Directors shall dispose of the Chamber' s financial resources in accordance with the budget approved by the Board and in agreement with the Chairman of the Chamber and Presidents of each region. Where the Chamber receives special purpose grants, they may only be used for the intended purposes.

(3) No member of the Chamber shall have any individual right regarding the Chamber's assets and financial means.

(4) If the Chamber is dissolved, any assets remaining after settlement of liabilities and not dedicated to any special purposes shall, by decision of an Extraordinary General Meeting, be transferred to an institution or a project which promotes Swiss-Chinese economic relations, or that serves for humanitarian or educational purpose.

(5) The Chamber may establish bank accounts.

ARTICLE 8 - LIABILITIES

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Liabilities shall be met exclusively from the Chamber's assets. No member of the Board of Directors, of the executive staff or of the Chamber may be held personally liable.

ARTICLE 9 - RECORD

The record of the General Meeting and the meeting of the Board shall be kept by the Chairman or any person designated by the Chairman. The Chairman shall also take charge of or designates other person to keep documents, statistic and commercial books of the Chamber, and other properties of the Chamber of the similar kind.

ARTICLE 10 - ACCOUNTING BOOKS

(1) The income or expenditure of the Chambers and the activities relating to such income or expenditure, together with the assets and liabilities of the Chamber shall be recorded in the accounting book. The accounting book shall be kept at the registered business place of the chamber, or at other place considered appropriate by the Board.

(2) The accounting books shall be open to members of the chamber for inspection subject to reasonable limitations laid down by the General meeting of the Chamber with regard to the time or method of such inspection.

ARTICLE 11 - HONORARY AUDITOR

The Chamber's accounts must be audited every year by an Honorary Auditor proposed by the Board of Directors and elected at the Ordinary General Meeting for a period of one year. The Honorary Auditor shall inspect the annual financial statements, including cash flow statements and other documents. He has the right to require submission of financial statements and relevant documents, and to inspect the current balance situation. The result of the inspection shall be reported in written forms to the Board and submitted to the General Meeting.

ARTICLE 12 - ARBITRATION

The Board of the Chamber may appoint an Arbitration Committee to settle disputes among members of the Chamber.

ARTICLE 13 - AMENDMENTS TO THE ARTICLES OF THE CHAMBER

These Articles of Association of the Chamber may be amended by decision of a General Meeting on the proposal of the Board of Directors or following a written motion by at least one tenth of the Voting Members of the Chamber.

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Any decision to alter or to make additions to these Articles of Association shall require a two-thirds majority of the Voting Members present or represented at a General Meeting.

ARTICLE 14 - BY-LAWS OF THE CHAMBER

The Board of Directors may draft, alter, add to and repeal By-Laws of the Chamber, as long as they do not conflict with this Articles of Association of the Chamber. The By-Laws and any amendment thereto shall only become effective upon approval by a simple majority of the Voting Members present or represented at a General Meeting. The members of the Chamber shall be notified of any changes in the By-Laws.

ARTICLE 15 - DISSOLUTION OF THE CHAMBER

(1) The Chamber may only be dissolved by a decision of an Extraordinary General Meeting exclusively convened for this purpose.

(2) The invitation to attend the Extraordinary General Meeting which is to decide upon the dissolution of the Chamber must specifically indicate the purpose of the meeting and have been mailed at least six (6) weeks prior to the meeting. After dissolution, the assets and property would be handled in accordance with Article 7.4.

ARTICLE 16 - FINAL PROVISION

(1) These Articles of Association is written in Chinese and English versions. In case of conflict, the Chinese version shall prevail.

(2) These Articles of Association is with the Ministry of Civil Affairs as of December 2005, per the approved resolution by the SWISSCHAM General Assembly Meeting held on April 18, 2005

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PART 2.2 - SWISSCHAM CHINA NATIONAL BYLAWS

(Swiss Chinese Chamber of Commerce China)

("NATIONAL BYLAWS")

Version of 12 March 2004. Amended on 12 April 2006.

ARTICLE I - DEFINITIONS

For the purpose of these Bylaws and of any Regional Bylaws:

The Swiss Chinese Chamber of Commerce (hereinafter referred to as "SwissCham China" or "the Chamber") is the legally established chamber of commerce concerned with Sino-Swiss economic and trade relations in the People's Republic of China ("PRC").

The Articles of Association (hereinafter referred to as "the Articles") are the basic rules with regard to the founding and organization of the Chamber as approved on 22 December 2000 by the PRC's Ministry of Civil Affairs. They apply to all Members and Organizations within the Chamber.

The National Bylaws are a set of practical regulations and guidelines written in order to clarify the Articles where necessary and to ensure the smooth operation of the Chamber. They apply to all Members and Organizations within the Chamber.

The National Board of Directors (hereinafter referred to as "NBoD") is the executive body of the Chamber.

The National General Assembly ("National GA" or "NGA") includes all members of the Chamber and is the supreme body of the Chamber. (It is referred to as "General Meeting" in the Articles.)

Organizations or Chapters are the regional Organizations within the Chamber.

The Regional Board of Directors ("Regional BoD") is the executive body of an Organization. (It is referred to as "Executive Committee" in the Articles.)

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The Regional Bylaws is a set of practical regulations and guidelines based on the Articles and the National Bylaws written to ensure the smooth operation of an Organization.

The Regional General Assembly ("Regional GA") includes the members of an Organization and is the supreme body of an Organization.

ARTICLE II - NAME, SEAL, FORMAL DOCUMENTS

Section 1. SwissCham China shall have a seal, a reproduction of which is attached (Exhibit 1).

Section 2. The Chamber's structure, proceedings and decisions are established by means of a set of formal documents:

(a) Legal documents (approved by PRC authorities):

(i) Business Licence;

(ii) Articles;

(iii) Chairperson and members of the NBoD;

(b) Formal documents (approved by the Chamber's organs):

(i) National Bylaws approved by the NGA;

(ii) Minutes of the NGA meeting;

(iii) Minutes of the NBoD meetings ;

(iv) Auditors reports;

(v) Acknowledgement of receipt of the Chairperson.

The seal, legal and formal document shall be held by the Chair and be duly handed over to the newly elected Chairperson.

The handover is formalized by an acknowledgement of receipt of the seal and the complete set of formal documents signed by the newly elected Chairperson.

ARTICLE III - ORGANIZATIONS

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Section 1. SwissCham China recognizes the diversity of business activities in China and serves its members locally through its Regional Organizations.

Section 2. Organizations are established upon request of a regional group of SwissCham China Members and by decision of the NBoD. This decision shall be approved by simple majority at the next NGA meeting.

Section 3. Within the framework of the Articles and these Bylaws, Organizations may establish their Regional Bylaws.

These Regional Bylaws' shall be consistent with the Articles and National Bylaws. The NBoD shall confirm such consistency and the NGA shall validate them by simple majority vote.

Section 4. Each Organization contributes an equal amount of money to cover the annual administrative expenses accrued by the Chamber according to the budget approved by the NGA.

Section 5. Bookkeeping is carried out within and by the Organizations. The Organizations shall follow PRC accounting rules and regulations (Chinese GAP), the Articles and the National Bylaws for the financial accounting of their activities.

For consolidation purposes, the Organizations shall establish their financial statements according to the chart of accounts established by the NBoD.

The National Treasurer shall establish or amend the chart of accounts subject to prior consultation with the Treasurer of each Organization.

Section 6. Each Organization shall submit to the NBoD 45 days before the date of the NGA the following documents:

- (i) Report on activities conducted and attended by members of the Organization;
- (ii) explanation of accounts;
- (iii) Assets & Liabilities and Profit & Loss reports;
- (iv) Fixed Assets lists;
- (v) General Ledger;
- (vi) Membership list, including a Membership Fee Paid list to ascertain voting rights;

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(vii) One supporting document for every entry in the General Ledger;

(viii) Budget for the new business year.

ARTICLE IV - CO-OPERATION, ASSOCIATES

Section 1. SwissCham China recognizes the value and importance of close co-operation with the Swiss-Chinese Chamber of Commerce, Zurich, and its regional Organizations in Switzerland.

Section 2. The BoD and the Regional Executive Committees may recognize business associations (“associates”) on a non-member basis when it is deemed appropriate to serve the objectives of SwissCham China.

ARTICLE V - MEMBERSHIP

Section 1. Applicants address the SwissCham China’s application form, a reproduction of which is attached (Exhibit 2), to the respective Regional BoD. Honorary Members shall not be required to make applications.

Section 2. On behalf of the NBoD the Regional BoD shall decide on the admissibility of an applicant to membership or on a change in classification of membership by simple majority.

Members accepted by a Regional BoD that do not qualify for national membership shall be listed as “National Associates” without voting rights

Section 3. An application may be refused without giving any reason, but where an application has been refused, any member in good standing of the respective region may file a motion to admit the applicant at the next Regional GA meeting. Such resolution must be approved by two-thirds of the members present at the meeting.

Section 4. Members have the right to attend all activities of any Organization at Members' conditions.

Section 5. Visiting members of the Swiss-Chinese Chamber of Commerce, Zurich, or of its regional Chapters, have the same rights as members described in section 4, with the exception of voting rights at the National and Regional GA’s.

Individual members of the Swiss-Chinese Chamber of Commerce, Zurich, or of its regional Chapters, taking residence in the PRC and having

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paid their annual fees in Switzerland can enjoy membership status in an Organisation, with the exception of any voting rights until the next Regional General Assembly of such Organisation. This privilege does not apply to corporate members.

Section 6. Members shall pay an annual membership fee to their respective Organization. The annual membership fees of an Organization can vary but shall not exceed the limits of the fee range approved by the NGA. Any change in the amount of the annual membership fee is subject to the amendment rules and procedures set forth in the the applicable Regional Bylaws.

Section 7. In addition to Article 4 Section C of the Articles, Membership terminates in case of non-payment of the membership fees within 6 months after the annual Regional GA meeting. The respective Organization's treasurer shall send out payment reminders at least twice and report the status of unpaid membership fees at every meeting of the Regional BoD.

Section 8. Updated member lists are filed with the Regional BoD and the National BoD.

ARTICLE VI - BOARD OF DIRECTORS

Section 1. The Organizations shall nominate candidates for the NBoD to the NGA for election.

Section 2. The ~~All~~ Organizations in Beijing and Shanghai shall each be represented by three directors, the Organization in Guangzhou by ~~one~~ ~~an~~ ~~equal number of~~ directors ~~in~~ on the NBoD. All activities, representation, public appearance and use of the title "chairperson (or vice chairperson) of the NBoD of SwissCham China" are mandate-based and subject to prior formal approval by the NBoD.⁵

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Section 3. The chairperson of the NBoD shall in principle alternate between nominees of the different Organizations every two years, unless a Regional BoD whose turn it is forfeits its right to nominate its candidate and the Chair is elected with a two-thirds majority by the NGA.

The President of a Regional BoD shall not be nominated for Chair of the NBoD, unless such nomination is confirmed by a two-thirds majority at the NGA.

⁵ Modified by the National General Assembly of 12 April 2006.

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Section 4. The NBoD shall meet at least once every semester during each business year, each time under the auspices of a different Organization, on a rotating basis.

Section 5. In case of negligence of duty, violation of Chinese laws and/or regulations or any other activities detrimental to the SwissCham China and the Swiss Business Community in China, any NBoD member may be dismissed by a vote of dismissal of at least three-quarters of all NBoD members.

ARTICLE VII - REGIONAL GENERAL ASSEMBLY AND REGIONAL BOD

Section 1. Each Regional BoD shall call at least one annual Regional GA meeting to discuss and decide on regional affairs in accordance with its own Bylaws.

Section 2. Each Regional BoD will be elected by its respective regional GA.

Section 3. Each Regional GA shall at least elect a regional President and one or more candidate(s) to the NBoD.

Section 4. An open bidding process, including at least all members, shall be conducted prior to any award of contracts beyond the amount of RMB 50'000.-. The NBoD or the Regional BoD or the committees reporting to the Regional BoD shall approve any such award of contracts.

Regional and NBoD members shall be awarded such contracts only if they are proven to be more competitive than other bidders and after other bidders have been informed of the BoD member bid and had the opportunity to counter-offer.

ARTICLE VIII - NATIONAL GENERAL ASSEMBLY

Section 1. The ordinary NGA meeting of SwissCham China shall take place each time under the auspices of a different Organization, on a rotating basis.

Section 2. A member will have voting rights at the NGA provided:

(a) s/he personally attends the NGA meeting and both of the following cumulative conditions have been met:

(i) The member has been confirmed by the National Board of Director based on the list provided by the Regional BoDs;

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(ii) The member has paid all his dues in full before the NGA meeting for the year the NGA meeting is closing, as evidenced by the Regional Treasurer Accounts, including the Membership Fee Received list.

(b) ~~s/he/he~~He/she⁶ appoints a proxy by means of a written and signed original authorization letter to be presented by the proxy at the NGA meeting. Such proxy letter shall specify the nature of the meeting and its date, the member to be represented and the member acting as proxy.

It is the NBoD responsibility to duly establish the representation of members at the NGA meeting and to announce each representation before any voting~~ation~~.⁷

ARTICLE IX - FINAL PROVISIONS

Section 1. The National Bylaws and any amendment thereto shall only become effective upon approval by a simple majority of the voting Members present or represented at the NGA.

Section 2. These National Bylaws shall come into effect once approved by the SwissCham China NGA held on March 19, 2002.

⁶ Mdified by the National General Assembly of 12 April 2006.

⁷ Mdified by the National General Assembly of 12 April 2006.

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PART 3 - SWISSCHAM BEIJING REGIONAL RULES

PART 3.1 - SWISSCHAM BEIJING REGIONAL BYLAWS

Swiss Chinese Chamber of Commerce Beijing

("BEIJING BYLAWS")

(Swiss Chinese Chamber of Commerce Beijing)

Last modified by resolution of the Annual General Assembly of 25 January 2005.

The Swiss Chinese Chamber of Commerce ("SwissCham") is an organization established in accordance with the relevant laws and regulations of the People's Republic of China.

The Chamber has its registered office at 20th Floor, Star City Tower C, 10 Jiuxianqiao Road, Beijing 100016, China.

In accordance with Article 7 Section E of its Articles of Association, the Chamber has decided to create SwissCham Beijing, and it issues the following Regional Bylaws for such Chamber:

ARTICLE 1 - STATUS, NAME AND OFFICE

SwissCham is an internal regional division of the Chamber.

The Chamber shall be named the "Swiss Chinese Chamber of Commerce Beijing" or "SwissCham".

SwissCham shall have its office at The Chamber has its registered office at 20th Floor, Star City Tower C, 10 Jiuxianqiao Road, Beijing 100016, China.

ARTICLE 2 - PURPOSE

SwissCham shall promote the Chamber's purpose in the Beijing region.

ARTICLE 3 - TERRITORY

SwissCham Beijing covers the region of Northern China meaning the territory north of the Yangtse river.

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ARTICLE 4 - MEMBERSHIP

Those Members of the Chamber shall also be Members of SwissCham Beijing who:

- (a) are incorporated or have residence in the territory defined in Article 3;
- (b) submit their membership application for the Chamber through the offices of SwissCham Beijing.

SwissCham Beijing Regional Membership Constitution:

(i) Members With Voting Rights:

- (aa) Corporate Membership: members with Swiss investment or offices in Switzerland. Members with Swiss investment or offices in Switzerland and in the process of setting-up in China.
- (bb) Individual Members: All Swiss citizens or all others employed by Swiss-based or Swiss-invested enterprise.

(ii) Members Without Voting Rights:

- (aa) Corporate Membership: members without Swiss investment or offices in Switzerland.
- (bb) Individuals: other citizens who are not employed by Swiss-based or Swiss-invested enterprise.
- (cc) Associate Membership: any person or institutions that likes to be affiliated with SwissCham.
- (dd) Honorary Membership: person(s) with great contribution for Swiss-China trade or for SwissCham.

ARTICLE 5 - MEMBERSHIP FEES

The Members shall pay a membership fee that will be submitted by the Regional Board for approval by the Regional General Assembly Meeting. The membership dues shall be paid within one month after receipt of the notification.

In addition to Article 4 Section C of the Articles, Membership terminates in case of non-payment of the membership fees within 6 months after the

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annual GA meeting. The treasurer of the Beijing Chapter shall send out payment reminders at least twice and report the status of unpaid membership fees at every meeting of the board.

ARTICLE 6 - REGIONAL GENERAL ASSEMBLY

The Regional General Assembly of the Members shall be the supreme body of SwissCham Beijing. Its decisions shall be subject only to the decisions, rules and regulations of the Chamber.

The Regional General Assembly shall function according to the rules outlined in Article 6 of the Articles of Association of the Chamber.

(a) The Swiss Embassy Beijing is a standing Honorary Member of the Beijing Chamber.

(b) Invitation to the annual Beijing GA will be sent 30 days in advance and include the following documents:

(i) Agenda

(ii) Activity report of the Board

(iii) Accounts for the past period and auditors' identification

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(iv) Program and budget for the next period

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(v) Candidacies call to the Board

(vi) Amendment proposals for the Beijing bylaws, when relevant

(c) Quorum for the Beijing GA is 50% of membership with voting right.

(d) A member has voting rights when he has paid his membership fee for the past period and all other dues.

(e) Representative functions of the Board (President, National Representatives) are elected by the GA, others are decided within the Board

(f) Board members are elected by secret ballot. A member is elected to the Board only if a simple majority of the represented members at the GA have voted for them.

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- (g) A secret ballot will be conducted:
- (i) If the Chair of the GA so requests or
 - (ii) If 2 members of the GA so request

ARTICLE 7 - REGIONAL BOARD OF DIRECTORS & EXECUTIVE STAFF

The Regional Board of Directors is in charge of management and representation of SwissCham Beijing.

It shall be convened and function according to the rules outlined in Article 7^{VI}⁸ of the Articles of Association of the Chamber.

It may appoint a manager for taking care of daily matters, as well as other staff. Manager and other staff need not be Members of the Chamber.

- (a) Board Members are elected for one year.
- (b) Board is constituted of a maximum of 7 Members, which does not include honorary Board members, as relevant.
- (c) Typically, Board Members are expected to attend 2/3rd of scheduled Board Meetings. Attendance of Board Members to past year Board Meetings will be announced within the election process. The Office Holders (President, Vice-President(s), Treasurer and Secretary) may not stand for re-election if they did not attend 2/3rd of scheduled Board Meetings.
- (d) Board membership is revoked in case a Board Member of corporate category changes company.
- (e) Before annual elections to the Board or, in case of a vacancy, before selecting a temporary Board member, the Board shall make an open call for candidacy to all the membership.
- (f) An open bidding process, including all members shall be followed for the awarding of contracts approved by the Board.
- (g) Board members shall not be included in the bidding of SwissCham Beijing projects and shall not take such contracts.
- (h) Responsibilities of the Executive Director (ExD) include:

⁸ Subject to the approval of the Regional General Assembly in 2007.

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- (i) Daily Beijing Chamber activities
 - (ii) Events
 - (iii) Sales & marketing
 - (iv) New members acquisition
 - (v) Services offered by the Beijing Chamber
 - (vi) Profit & loss accountability
- (j) The Board will set targets expenses level, manage and review performance of the ExD on a bi-annual basis.

ARTICLE 8 - FINANCE

The Beijing Chapter provides the appropriate bookkeeping and accounting measures for its finances and reports to the National Board.

With regard to financial matters the rules outlined in Articles 8 and 11 of the Articles of Association of the Chamber also apply to SwissCham Beijing.

ARTICLE 9 - AUDITOR

An Auditor proposed by the Regional Board of Directors and elected at the Regional General Meeting for a period of one year must audit SwissCham's accounts once a year.

The Auditor shall inspect the annual financial statements, including cash flow statements and other documents. He has the right to require submission of financial statements and relevant documents, and to inspect the current balance situation. The result of the inspection shall be reported in written forms to the Regional Board and submitted to the Regional General Meeting.

After approval by the Regional General Meeting, the Auditor's report on the financial statements of SwissCham Beijing shall be forwarded to the Board of Directors of the Chamber 14 days before the date of the General Assembly Meeting of the Chamber.

ARTICLE 10 - REPORTING TO THE CHAMBER

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The President of the Beijing Chapter shall submit an Annual Report to the Board of Director of the Chamber 14 days before the date of the General Assembly Meeting of the Chamber including:

- (a) Activities conducted and attended by members of the Beijing Chapter
- (b) Budget for the new calendar year
- (c) Updated register of Members

ARTICLE 11 - FINAL PROVISIONS

These Regional Bylaws of SwissCham Beijing came into effect when approved by the General Assembly Meeting of the Swiss Chinese Chamber of Commerce for the first time on April 18 2001. Last revisions per the approved Bylaws modifications approved during the EGA Meeting of March 17, 2003.

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