

NAGA 2008/2009

Annual National General Assembly
SwissCham China
Swiss Chinese Chamber of
Commerce
27 March 2009

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Welcome Address and Introduction by the Chairman of SwissCham China

Dear Members:

I am inviting you to participate to the 2008/2009 National Annual General Assembly of SwissCham China (NAGA). Please find an invitation attached (Appendix "A").

The Assembly will take place on **Friday 27 March 2009 at 7:00pm sharp** at [Swissôtel](#) in Beijing (registration from 6:30pm)

The Rules of SwissCham China foresee that the National Chamber shall convene a General Assembly at least once a year for discussing and deciding on national affairs.¹

The NAGA takes place after the Regional Annual General Assembly (RAGA) of each Regional Organization, i.e., SwissCham Shanghai and SwissCham Guangzhou,² the Regional Presidents' reports of which the NAGA approves.³

For this purpose, the National Board of Directors must send to the members an invitation together with documents related to the Assembly and in advance of this meeting.⁴ Here it is. Please consult the table of contents on the preceding page.

Over the past two years we have been e-mailing it to you because e-mail is safer and the e-version in .pdf of the Package user-friendly. Given that the experience has been successful, for the sake of simplicity and of saving costs we will only send you the e-version and not send you a paperback version this year. Paperback copies will be available at the NAGA for your convenience though.

During the Assembly, we will:⁵

- adopt the reports of the Chairman of SwissCham China, of the Presidents of SwissCham Beijing, Shanghai and Guangzhou,
- listen to the report of the President of SwissCham Hong Kong
- approve amendment proposals to SwissCham Rules
- adopt the reports of the Treasurer and of the Auditor of SwissCham China

¹ National Articles, Art. 5(A)(2). The Rules are reproduced as Appendices C-D.

² SwissCham Hong Kong is formally not a Regional Organization but it is invited to the NAGA, see below note 11.

³ National Articles, Art. 5(B)(a).

⁴ National Articles, Art. 5(A)(2).

⁵ National Articles, Art. 5(B) and see below.

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- approve the membership fees throughout China
- appoint the Auditor
- approve the election of the National Representatives
- decide on other proposals of the Board or of members

The National Annual General Assembly of SwissCham China (NAGA) will be immediately preceded by the Regional Annual General Assembly of SwissCham Beijing (RAGA). Because of organization constraints we are sending our members two separate programs however.

Your participation is strongly encouraged. Please fill in and e-mail or fax us the **participation form** attached. If you cannot attend or are not sure to, you are urged to return the **proxy form** attached in order to enable us to reach the quorum⁶ (Appendix "B").

Upon arrival, do not forget to validate your votes and get your **vote validation form** at the Voting Bureau desk (Appendix "E").

Thank you for supporting SwissCham China. We are looking forward to seeing you on 27 March 2009, especially those of you who will travel from afar.

I take this opportunity for wishing you a happy new year 2009 and a happy Chinese new year of the ox.

John Liebeskind
Chairman, SwissCham China

⁶ See below p. 9 and note 15.

Agenda

4:30-	Welcome Cocktail Reception	
5:00pm	SwissCham Beijing RAGA registration at the Voting Bureau ⁷	GM ^{*)}
5:00pm	SwissCham Beijing RAGA (see separate program)	
6:30pm	Closing of SwissCham Beijing RAGA Cocktail party SwissCham China NAGA registration at the Voting Bureau	GM
7:00pm	SwissCham China NAGA Closing of the NAGA Voting Bureau (late arrivals will not be considered in the vote count) Opening of the NAGA Review of quorum, including proxies Welcome address by the Chairman of SwissCham China Welcome address by H.E. Blaise Godet, Ambassador of Switzerland to China Administrative matters Approval of Vote Counting Officer(s) and Minutes Taking Officer Approval of the agenda Approval of the Minutes of the 2007/2008 NAGA	C C/GM C B. Godet C/GM C C
	Reports	
	2008/2009 activity reports	C/P
	Rules amendments	C
	2008 accounts	
	Report of the Treasurer	T
	Report of the Auditor	A
	2009 budget	T
	Membership fees	T
	Appointments	T/A

⁷ Members attending both the RAGA and the NAGA will also be registered for the NAGA.

^{*)} NBOD = National Board of Directors; C = National Chairman; P = Regional Presidents; T = National Treasurer; NR = National Representatives; A = Honorary Auditor; GM = General Manager.

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Elections		
	NBOD candidates presentations	C/NR
	Election of the 2009/2010 NBOD	C
Closing		
	Appreciation of Directors	C/P/NR
	Miscellaneous	C
	Closing of the NAGA	C
8:00pm	Swiss Traditional Dinner	All

Late arrivals after the closing of the Voting Bureau will not be considered in the vote count.

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 GA.⁸ Please send such request by e-mail to batiste.pilet@bei.swisscham.org or by fax to No. (10) 6432 3030 with the reference "2008/2009 NAGA: ADDITIONAL AGENDA ITEM".

⁸ National Articles, Art. 5(C)(3).

Organization and Rules

SwissCham China is the only Swiss chamber of commerce officially registered in China with the Ministry of Civil Affairs under the Provisional Regulations for the Administration of Foreign Chambers of Commerce in China.⁹ It is a federative organization. Its local branches comprise SwissCham Beijing, SwissCham Shanghai and SwissCham Guangzhou¹⁰ and are statutory known as **Regional Organizations**. SwissCham Hong Kong¹¹ is legally independent but maintains close ties with SwissCham China with which it shares common projects and organizational structures.

SwissCham China has no operational activities and fulfills mostly a representative and coordination role. Regional Organizations are represented by a **Board of Directors** (BOD)¹² which may delegate the Chamber's management to an **Executive Director** (ED) in charge of the Chamber's office. Regional Organizations delegates **National Representatives** to the National Board Meeting (NBOD) which overviews SwissCham China.

SwissCham is governed by three sets of **Rules**: two at the national level and one at the regional level. National rules include the **National Articles of Association** and the **National Bylaws**. The latter detail the former. Regional rules include the Regional Bylaws. The decisions by which the NBOD implement the Rules are recorded in Minutes of the NBOD Meetings which are generally held twice a year.¹³ They also form part of the Rules at large. The National Articles and the National Bylaws are attached (Appendices "D" and "E").

The **General Assembly** is the supreme authority of SwissCham China. The National Annual General Assembly (NAGA) takes place before the end of March.¹⁴

In order to sit, SwissCham China's NAGA needs a **quorum** of 20% of SwissCham China's members with voting rights. These 20% must comprise at least 10% of the members of each Region. Members can be represented by proxy.¹⁵ Members enjoy such rights upon approval of the BOD following the

⁹ Of 14 June 1989.

¹⁰ Since 2006.

¹¹ Formerly known as the Swiss Chamber of Commerce in Hong Kong (SCHK). SCHK retains "Swiss Chamber of Commerce in Hong Kong" as its legal name but agreed with SwissCham China to use "SwissCham Hong Kong" as its trade name at SwissCham China National Board Meeting of 17 November 2008.

¹² Regional BODs are known in the Rules as Executive Committees, National Articles, Art. 6(E).

¹³ National Bylaws, Art. VI(4).

¹⁴ National Articles, Art. 5(A)(2).

¹⁵ National Articles, Art. 5(C)(4).

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Rules.¹⁶ In any case, a member shall not enjoy voting rights if he has not paid his membership fees.¹⁷

The NAGA takes place every year at the location of another Regional Organization. Since the 2007/2008 NAGA took place in Shanghai, it is set in Beijing this year.¹⁸

¹⁶ National Articles, Art. 4(1).

¹⁷ National Bylaws, Art. VIII(2).

¹⁸ See National Bylaws, Art. VIII(1).

**Activity Reports¹⁹
by the National Chairman and the Regional Presidents**

As noted above, the NAGA shall adopt the **annual activity reports** which will be orally delivered by:

- the Chairman of SwissCham China
- the Presidents of SwissCham Beijing
- the President of SwissCham Shanghai
- the President of SwissCham Guangzhou

Even though SwissCham Hong Kong is under no statutory duty to do so, the President of **SwissCham Hong Kong** will also be invited to deliver a report. In 2008/9 these positions have been held by:

SwissCham China	Chairman	John Liebeskind
SwissCham Beijing	President	John Liebeskind ²⁰
SwissCham Shanghai	President	Christian Guertler
SwissCham Guangzhou	President	Marc Aeschlimann
SwissCham Hong Kong	President	Serge Fafalen

These report may bear on the past as well as on the next term.²¹

The Rules specify certain qualified majority rules but contains no default majority rule. Absent such we assume that a simple 50% majority applies.

After the reports will have been delivered to the NAGA, I will invite you to approve them.

¹⁹ National Articles, Art. 5(B)(a).

²⁰ See below p. 33.

²¹ See above note 19. This provision merely mention "reports" with no further qualification.

Amendment Proposals to SwissCham's Rules Introduction

We look at regional and national Rules separately.

Amendment proposals to the **Regional Bylaws** are subject to a three-steps process. Firstly, they must be submitted to the members with the Package in advance of the RAGA which shall approve them.²¹

The Regional Bylaws must be consistent with the National Articles and Bylaws however. Therefore, secondly, the NBOD shall confirm such consistency to the NAGA which, thirdly, shall validate the changes by simple majority vote.²²

Amendment proposal to the **National Articles** or **National Bylaws** may be subject to complimentary or different requirements. However no such proposal has been submitted at this time, so that we skip the details here.²³

²¹ See, e.g., Beijing Bylaws, Art. 6(2)(b)(vi).

²² National Bylaws, Art. III(3)(2). On the majority rule, see above p. 11.

²³ See National Articles, Art. 13-4 and National Bylaws, Art. IX(1).

Amendment Proposal to SwissCham's Rules Amendment Proposal to the Beijing Bylaws

Art. 4(2) ("Membership")

At the last RAGA/NAGA SwissCham Beijing proposed to change the definition of the membership categories. Indeed an audit had revealed several abuses for the only sake of saving fees. These abuses had been permitted by an unclear definition of the categories. Therefore SwissCham Beijing's BOD proposed a new definition, which was approved by the Beijing RAGA.

While acknowledging the legitimacy of our concern, the 2008/9 NAGA was not satisfied with the draft proposed however. Therefore it approved the changes for one year only subject to a new draft proposal at this NAGA.

The new draft purports at addressing the following concerns:

- use the same wording as the National Rules in order to avoid contradictions;
- adapt them in order to additional regional categories allowing, on a no voting rights basis,²⁴ for non-Swiss²⁵ companies and non-Swiss individuals²⁶ not employed by Swiss companies;
- clarify the Associate Membership category;
- recall that the BOD retain discretion to decide;
- state that Corporate Membership is the rule and other categories the exception subject to the BOD's discretion;
- ensure coherence between the membership and the fees categories.

.../...

²⁴ Regional Bylaws must be consistent with the National Rules, which limited voting rights to "Swiss" companies and to Swiss individuals. See National Bylaws, Art. III(3)(2), National Articles, Art. 3(A) and below note 25.

²⁵ The concept of "Swiss" company is difficult to define. This difficulty is a well known legal issue. By "Swiss" the Rules mean to broadly encompass Swiss-invested or controlled companies. In case of doubt, it is further up to the BOD discretion to assess the overall circumstances and to make a decision on a case-by-case basis.

²⁶ According to Chinese law, Chinese nationals may not apply for Individual Membership, see Provisional Regulations for the Administration of Foreign Chambers of Commerce in China (14 June 1989), Art. 5(3).

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As a result, these categories can be summarized as follows:

Category	N/R ²⁷	Rule	Definition	VR ²⁸	Fees
Corporate	N	NA3(A)(1)(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"	YES	YES
	R	Redrafted	"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 not located in Switzerland"	NO	YES
Corporate Affiliate		Redrafted	Additional employees of a Corporate Member	NO	YES
Individual	N	NA3(A)(1)(b)	"All Swiss citizens without restrictions or citizens of other countries, who are employed by a commercial establishment [as defined above]"	YES	YES
	R	Redrafted	"All non -Swiss citizens who are not employed by a commercial establishment [as defined above]"	NO	YES
Associate	N	NBL V(2)(2)	"Members accepted by a Regional BOD that do not qualify for national membership"	NO	YES
		NBL IV(2)	"Business associations when it is deemed appropriate to serve the objectives of SwissCham China"	NO	NO ²⁹
	R	Redrafted	Students	NO	YES
		New	Young professionals	NO	YES
Honorary	N	NA3(A)(1)(c)	"Personalities who have made great contribution to or earned lasting merits for either the trade relations between Switzerland and China or the Chamber"	NO	NO
	R	Redrafted	"Personalities who have made great contribution to or earned lasting merits for either the trade relations between Switzerland and China or the Regional Organization "	NO	NO

.../...

²⁷ N = National; R = Regional.

²⁸ Voting rights.

²⁹ The Rules state that Associates may recognized on a "non-member basis", National Bylaws, Art. IV(2),

Therefore SwissCham Beijing now proposes the following **new drafting**:

"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.~~

"The membership categories are defined at Art. 3, Sec. A of the National Articles of Association and Art. V, Sec. 2(2) of the National Bylaws.

"As stated by Art. V, Sec. 2 and 3 of the National Bylaws, the BOD decides on the admissibility of an applicant or on a change in classification of membership by simple majority.

"In principle, applicants are admitted as Corporate Member.

"Additional regional member categories include:

"(a) Corporate Membership: 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 not located in Switzerland; Additional employees of Corporate Members are eligible as Corporate Affiliates;

"(b) Individual Membership: All non-Swiss citizens who are not employed by a commercial establishment 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;

"(c) Associate Membership: Members accepted by the Regional BOD that do not qualify for national membership. Namely, students and young professionals are eligible for Associate Membership. So are business associations as per Art. IV, Sec. 2 of the National Bylaws.

"(d) Honorary Membership: Personalities who have made great contribution to or earned lasting merits for either the trade relations between Switzerland and China or the Regional Organization.

"Additional regional members do not enjoy voting rights."

Subject to pre-approval by the Beijing RAGA, the BOD of SwissCham Beijing believes that this new drafting is now clear and in the interest of the Chamber. Therefore it invites the NAGA to approve it.

2008 Accounts Introduction

The National Rules related to financial matters are somewhat complicated but can be summarized as follows.

The accounts are subject to a **four-layers control**. Indeed both at the regional and at the national level, the accounts are verified by the **Treasurer** and by the **Auditor**, all of whom report to the AGA, first at the **RAGA**, then at the **NAGA**.³¹

In addition these reports are scrutinized and approved by the regional and national **BODs** before the regional or national AGA.

The National Treasurer shall consolidate the regional **accounts** for the accounting year preceding the NAGA and deliver a report to the NAGA for approval.

His report shall also bear on **tax** matters.

Besides he shall also present the regional **budgets** to the NBOD for approval. Even though the Rules are not specific, it can be reasonably taken that the Treasurer shall also report the NAGA about budget matters.

The accounts of SwissCham China must be audited every year. This **audit** is entrusted with an Honorary Auditor proposed by the NBOD and elected at the NAGA for one year. The Treasurer shall confirm the audit to the NBOD. Likewise the Auditor delivers his report to the NAGA.³²

The Auditor which performed the 2008 national audit is SJ Grand.

Even though the statutory year runs from the last NAGA to the next, whereby the NAGA must be held in the first quarter of the year, the accounting year closes on 31st December. As a result the 2008 accounts cover the time period from 1 January 2008 through 31 December 2008 whereas the statutory year runs from 14 March 2008, date of the last NAGA, till 27 March 2009, date of this NAGA. The gap from 1 January 2008 till the 2007/8 NAGA is covered by the 2008 audit whereas the gap between 1 January 2009 and the 2008/9 NAGA will be covered at the next 2009/10 NAGA with the 2009 audit.

³¹ There are therefore up to three regional treasurers, three regional auditors, one national treasurer and one national auditor. The latter is known as "Honorary Auditor". The regional/national assignments may be cumulated but not the treasurer's with the auditor's one. The auditor may not sit on a BOD, National Articles, Art. 5(B)(c).

³² See National Articles, Art. 6(A)(l), 6(C)(4), 7, 10 and 11; National Bylaws, Art. III(4-6).

2008 Accounts
Report by the Treasurer of SwissCham China

As explained the Treasurer of SwissCham China will deliver orally his report on the **consolidated accounts** of SwissCham China.

I will then invite you to approve it.

2008 Accounts
Report by the Honorary Auditor of SwissCham China

As explained the Honorary Auditor of SwissCham China will deliver orally his report on the **audit of the consolidated accounts** of SwissCham China

The Honorary Auditor of SwissCham China for 2008 is SJ Grand. SJ Grand's audit has been certified by Beijing Deyuanxinheng Certified Public Accountants. SJ Grand is also Auditor of SwissCham Beijing.³³

I will then invite you to approve this report.

³³ SJ Grand is a Corporate Member of SwissCham Beijing.

2009/10 Budget
Report by the Treasurer of SwissCham China

As explained the Treasurer of SwissCham China will deliver orally his report on the **budgets** of the Regional Organizations.

I will then invite you to approve it.

Membership Fees

Introduction

The fees are decided by the Regional Organizations. According to the Rules, the membership fees have to be approved by the RAGA,³⁴ then the NAGA.³⁵

The National Treasurer will briefly recall the fees currently charged by the Regional Organizations.

He will then together with the Treasurer of SwissCham Beijing introduce an increase proposal by SwissCham Beijing provided this proposal has been preapproved by the RAGA of SwissCham Beijing.

³⁴ Beijing Bylaws, Art. 5(1).

³⁵ National Articles, Art. 5(B)(d) and 6(A)(g); National Bylaws, Art. V(6).

Membership Fees Increase Proposal by SwissCham Beijing

This year SwissCham Beijing is proposing a fees increase.

The reason is that in order to even make a small profit in the current challenging economic environment, the BOD of SwissCham Beijing believes that a membership fee increase is necessary. Other revenue sources, in particular sponsorship and advertising revenues, are most likely going to decrease substantially during the 2009/10 statutory year. As membership fees have not been increased since 2004, and given the inflation since then, the BOD is convinced that a membership increase is in the best interest of the Chamber.

The current fees of SwissCham Beijing are:

Corporate	CNY4,500
Corporate Affiliate	CNY500
Individual	CNY2,000
Associate	CNY1,000

The increase proposed is the following:

"L" Corporate (100 staff or more) ³⁶	CNY7'500
"SM" Corporate (less than 100 staff)	CNY5'000
Corporate Affiliate	CNY1'000
Individual	CNY2'500
Associate ³⁷	CNY500

This increase is in line (although slightly different) with that approved by the members of SwissCham Shanghai last year.

³⁶ Staff in Mainland China.

³⁷ Including students and young professional. Detail requirements are left to the BOD discretion, see above pp. 15 and 17.

The BOD together with the Management of SwissCham Beijing have been displaying considerable efforts, in particular during the past three terms, for improving the value offered by the Chamber to its members whilst suffering severe underfinancing at all times. Therefore the BOD of SwissCham Beijing hopes that the NAGA will acknowledge these efforts in order to permit it to meet its members expectations.

I will then invite you to approve this proposal provided it has been preapproved by the RAGA of SwissCham Beijing.

Appointments

Appointment of the Honorary Auditor

As noted above, the NAGA has to appoint the **Honorary Auditor**. The Auditor is appointed upon recommendation of the NBOD.³⁸

The BOD recommends to reappoint **SJ Grand** for the 2009/10 statutory year. For voting, please raise your hand and show your vote validation form.

We take this opportunity for expressing our gratitude to SJ Grand during the past statutory year.

³⁸ National Articles, Art. 11.

Elections

Introduction

The NBOD is in charge of the coordination of the Regional Organizations and of the representation of SwissCham China.³⁹

It is currently composed of three representatives of SwissCham Beijing, three of Shanghai and, since 2006, one of Guangzhou.⁴⁰ A representative of SwissCham Hong Kong is regularly invited to sit on the NBOD even though SwissCham Hong Kong is not formally entitled to. These representatives are known as National Representatives. They are elected for three years.⁴¹

The NBOD comprises of one Chairman and one Treasurer, whilst all the other Directors are Vice-Chairmen.⁴² All National Representatives are elected by their RAGA and their election must be confirmed by the NAGA.⁴³ The Chairman is elected by the NBOD.⁴⁴

The Chairman alternates in principle every two years from one Regional Organization to the other. However a Regional BOD can skip its turn, but in that case the Chairman must be elected with a two-thirds majority at the NAGA.⁴⁵

This is what happened last year. Indeed the Chairmanship was due to revert to SwissCham Shanghai. However because of the Olympic year in 2008 and of the Expo in 2010, the BOD of SwissCham Shanghai quite logically skipped its turn for 2008 in order to let SwissCham Beijing enjoy the Chairmanship during the Games, whereas SwissCham Beijing committed to return the Chairmanship to SwissCham Shanghai after one year so that the latter will enjoy it for the Expo.

³⁹ National Articles, Art. 6(A).

⁴⁰ National Articles, Art. 6(B); National Bylaws, Art. VI(3).

⁴¹ National Articles, Art. 6(B)(3).

⁴² National Articles, Art. 6(C).

⁴³ National Articles, Art. 6(B)(1).

⁴⁴ National Articles, Art. 6(C)(1)(a).

⁴⁵ National Bylaws, Art. 6(3).

Elections

National Board of Directors of SwissCham China 2009/10

The composition of the 2008/9 NBOD is the following:

SwissCham Beijing	Chairman	John Liebeskind
SwissCham Beijing	Treasurer	Max von Zedtwitz
SwissCham Beijing	Vice Chairman	Peter Troesch
SwissCham Shanghai	Vice Chairman	Christian Guertler
SwissCham Shanghai	Vice Chairman	Stephan Titze
SwissCham Shanghai	Vice Chairman	Nicolas Musy
SwissCham Guangzhou	Vice Chairman	Cédric Thinard

Since the candidates for the NBOD must have been preliminarily elected on the BOD of their Regional Organization, they will only be known after the regional elections will have been completed, including that of SwissCham Beijing which will take place immediately before the NAGA.

BOD members are elected by simple majority of the voting members present or represented at the NAGA.

Those Regional Directors of the Board which will have been reelected and which have not yet completed their three-years term will need neither to be reelected by their RAGA nor will their election need to be approved by the NAGA.⁴⁶

The Chairman of SwissCham China is elected by the NBOD among the National Representatives after their election by their RAGA has been approved by the NAGA. He is not elected directly by the NAGA.⁴⁷ As noted above, the new Chairman will be elected for the two next terms among the ranks of SwissCham Shanghai's National Representatives.⁴⁸

The representative of SwissCham Hong Kong is invited and his regional election is not subject to the NAGA's approval. It has been represented by its President, Serge Fafalen.

⁴⁶ See above note 41.

⁴⁷ As explained last year's election was exceptional due to the cumulating of a Regional Presidency together with the National Chairmanship, see above p. 33.

⁴⁸ See above p. 33.

Other Proposals

The NAGA shall decide any other proposal (also known as "motion").

Any member of the Chamber may submit a written request to the Board for additional items on the agenda provided such request are made at least forty eight (48) hours prior to the GA.⁴⁹

We are not aware of such motion at the time being but the meeting agenda shall be updated accordingly if any.

⁴⁹ National Articles, Art. 5(B)(e) and 5(C)(3).

Directors Appreciation

The Board of Directors of SwissCham China wishes to express its sincere appreciation to the following Directors who leave the Board at this RAGA.

John Liebeskind has been sitting on the NBOD for four terms. Acting as Vice-President of SwissCham Beijing during the first one, he acted as President of SwissCham Beijing over the past three terms and concurrently served as Chairman of SwissCham China during the Olympic year. We warmly thank him for his dedication over the past four years.

Max von Zedtwitz served as Vice-President of SwissCham Beijing for two terms. At the same time, he also acted as National Treasurer. Thanks to his ties with the academic circles both in Switzerland and in China, he also contributed to the development of SwissCham's partnerships in this field. We thank him for his support and wish him all the best.

Marc Aeschlimann has been the first President of SwissCham Guangzhou from the day it was established by SwissCham China in 2006 and has been serving in this capacity throughout the three past terms. He shall be gratefully remembered as such especially by our Guangdong members.

Cédric Thinard has been assisting Marc Aeschlimann during the same period of time not only as Secretary-General of SwissCham Guangzhou but also as National Representative. We appreciated his support both at the regional and national level and wish him a successful continuation.

APPENDIX "A"

Invitation to the National Annual General Assembly of SwissCham China 2008/9

Dear Member:

In compliance with Article VII(1) of the Bylaws of SwissCham China, the Board of Directors of SwissCham China is pleased to invite you to the

2008/9 National Annual General Assembly of SwissCham China

The NAGA will take place on

Friday 27 March 2009 at 7pm sharp at Swissôtel in Beijing.

Registration as from 6:30pm. You must register for being able to vote. The Voting Bureau will close at 7:00pm. Late arrivals can attend but not vote. You can also register before the RAGA of SwissCham Beijing between 4:30pm and 5pm.

The details of the hotel are: 2 Chaoyangmen Beidajie, tel: (10) 6553 2288, <http://beijing.swissotel.com>. A detailed program is attached.

Please fill in and fax the participation form attached. In order to reach the quorum and enable the NAGA to sit, **please return the proxy attached if you cannot or are not sure to attend.**

Thank you for supporting SwissCham China.

For the Board of Directors of SwissCham China:

John Liebeskind
Chairman, SwissCham China

APPENDIX "B"

**Participation and Proxy Form
2008/9 National General Assembly of SwissCham China of 27 March
2009**

Please detach, fill in and fax the following page to (10) 6432 3030. We appreciate your early confirmation.

1 Check "1a" OR "1b" AND fill in as appropriate:

1a I am an INDIVIDUAL MEMBER. My name is:

.....

1b I represent a CORPORATE MEMBER. The name of my company is:

.....

and my name is:

.....

2 Check "2a" OR "2b":

2a I will attend in person. (Move to 4)

2b I will not attend or I am not sure to attend and give my proxy vote to: (Move to 3)

3 IF you checked "2b", check "3a" OR "3b" AND fill in as appropriate:

3a another person whose name is:

.....

3b the Board of Directors of SwissCham China

4 Sign:

.....

5 Fax to (10) 6432 3030

You have completed the registration. Thank you.

RULES

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) 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;

(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, as individual members.

(4) 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 as honorary members.

SECTION B - COMMENCEMENT OF MEMBERSHIP

⁴ This section had been tentively modified by the National General Assembly of 12 April 2006 but that modification was rejected by the Ministry of Civil Affairs, see 1st edition of these Rules (v4).

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(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; 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.

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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:

(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.

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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.

(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.

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(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;
- (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.

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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;

(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.

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(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 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.

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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

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

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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. 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

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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.

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ARTICLE III - ORGANIZATIONS

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;

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(vi) Membership list, including a Membership Fee Paid list to ascertain voting rights;

(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.

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Individual members of the Swiss-Chinese Chamber of Commerce, Zurich, or of its regional Chapters, taking residence in the PRC and having 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 Organizations in Beijing and Shanghai shall each be represented by three directors, the Organization in Guangzhou by one directors 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

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, see 1st edition of these Rules (v4).

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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) 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.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 Modified by the National General Assembly of 12 April 2006, see 1st edition of these Rules (v4).

⁷ Modified by the National General Assembly of 12 April 2006, see 1st edition of these Rules (v4).

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APPENDIX "E"

Votes Validation Form
2008/9 Annual National General Assembly of SwissCham China of 27
March 2009

Upon arrival, every voting member needs to validate, at the Voting Bureau desk, their own vote plus any proxy vote they may hold on behalf of other voting members. Once validated, each voting member will be issued this form with the number of valid votes for that voting member.

Example for two votes:

VOTING MEMBER NAME:

NUMBER OF VOTES:

2

Minutes Type: National Annual General Assembly (NAGA) 2008

Date: March, 14, 2008

Venue: Hilton Hotel, Shanghai

MINUTES

Chairperson of the Meeting

Cyrill Eltschinger, Chairman, SwissCham China

Keeper of the Minutes

Michaela Scarpatetti, Executive Director, SwissCham Beijing

Voting Procedure

- ⌚ Total voting members on national level as of March 14, 2008: Total: 234, Guangzhou 11, Shanghai: 149, Beijing: 74,

	GZ	SH	BJ	Total
Voting members	11	149	74	234
Quorum needed	2	15	8	25
Voting member present	1	27	4	32
Proxies	2	29	9	40
Total (proxies & voting members present)	3	56	13	72

- ⌚ A valid quorum 20% of total membership, 10% each of regional membership was achieved.

1. Welcome, Status of Quorum

The Chairman Cyrill Eltschinger welcomed the assembly, including the President of SwissCham Shanghai Christian Guertler, the President of SwissCham Beijing John Liebeskind, the National representative of SwissCham Guangzhou Cedric Thinard, The quorum of 20 % was achieved.

2. Approval of Agenda, ev. applications for changes

The agenda was approved by acclamation.

3. Approval of the minutes taker

Michaela Scarpatetti, Executive Director of SwissCham Beijing was approved as minutes taker.

4. Approval of the minutes of the General Assembly March 16, 2007

Christian Guertler commented on the minutes from last year that only Stefan Titze and Max von Zedwitz were elected. The other ones didn't need to be elected. The minutes were approved.

4. Activity report 2007/ Regional Chambers

The three regional chambers presented their activities for 2007.

5. Treasurer's report and Auditors' statement

The National Treasurer, Max von Zedtwitz, presented total profit and loss. The Honorary Auditor delivered her report and explained that the three regional chambers had been audited and this has been conducted with accordance to Chinese Law. In her opinion the regional organizations are fair and according to Chinese regulations.

6. Discharge of the Board

The National Board of 2007 was discharged by all votes.

7. Election of the Board Members

National Board Members need to be approved by simple majority.

- Beijing: Peter Troesch and John Liebeskind
- Guangzhou: Cedric Thinard

All other members did not need to be re-elected.

SwissCham China Chair:

Extended to Beijing +1 year (total 3), so as to allow Shanghai to secure Chairmanship during 2010 World Expo. John Liebeskind was elected as Chairman China.

8. Voting

Election of the Auditor: SJ Grand was elected.

9. Budget 2008

	Beijing	Shanghai	Guangzhou	Total
Revenue	1'302'050	1'517'900	25'000	2'844'950
Expenses	1'262'024	1'515'600	22'000	2'799'624
Profit/Loss	40'026	2'300	3'000	45'326

The budget was approved.

10. Membership

	Guangzhou	Shanghai	Beijing
Membership fee in RMB			
Corporate	2500		4500
With less than 100 employees		3500	
With more than 100 employees		6000	
Corporate Associate (non CH-companies)			
With less than 100 employees		3500	
With more than 100 employees		6000	
Corporate Affiliate (additional members of Corporate companies)			500
Individual	1200	1800	2000
Associate		1800	1000
New: Young professional		500	

The membership fees were approved.

11. Amendments of the bylaws

SwissCham Shanghai Board proposes to change Article 3 of the regional bylaws as following:

"Article 3

Membership: Admission, Right & Obligations, Cessation

Admission

Membership categories are as per article 3 of the Chamber's Articles.

Additionally, associate membership & young professional and student membership status (both without voting right) are provided for by the (national) Chamber bylaws and are offered to persons whose situation does not match the above membership options."

SwissCham Beijing Board explained the BJ amendments:

JL explained that applicants should apply for corporate membership unless the Board considers special cases as exceptions. All changes had been discussed and approved by the Beijing RAGA.

Another proposal was to extend BOD numbers up to 11, the attendance of BOD members and some typos. The changes needed to be added to the NAGA presentation.

CG mentioned that according to the national articles of associations, Swiss can join the chamber as individuals. As the members expressed some concerns as the Chinese Articles of Association might be harmed.

The amendments were accepted subject to a new wording delivered from SwissCham Beijing before the next NAGA.

12. Adjourn

Christian Guertler and John Liebeskind thanked Cyrill Eltschinger for his support and commitment to the chamber for the last years as a Board member, President and Chairmen.

The former Chairman wished all members a good appetite for the following dinner.

Beijing, March 14, 2008

Cyrill Eltschinger
Chairman SwissCham China

Michaela Scarpatetti
Executive Director SwissCham Beijing
Minutes Keeper

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