

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) 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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