

Swiss Chinese Chamber of Commerce, SwissCham Shanghai:

## Regional Bylaws

### Preamble

The Chamber has its registered office at 26<sup>th</sup> Floor, West Tower, Han Wei Plaza, 7 Guanghua Road, Beijing 100004, People's Republic of China.

In accordance with Article 7 Section E of its Articles of Association, The Swiss Chinese Chamber of Commerce has decided to create a Shanghai Regional Organization: "SwissCham Shanghai". These are the latter's bylaws.

The Articles of Associations and the National Bylaws of the Swiss Chinese Chamber of Commerce supersede these bylaws.

### Article 0

#### Definitions for these Bylaws

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

*Articles of Association* ("*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 Regional Organizations within the Chamber.

*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 Regional Organizations within the Chamber.

*Board of Directors* ("*BoD*") is the executive body of the Chamber.

*National General Assembly* ("*National GA*") includes all members of the Chamber and is the supreme body of the Chamber.



*Regional Organizations* are locally organized bodies within the Chamber. *SwissCham Shanghai* is the regional organization of Shanghai.

*Regional Bylaws* are a set of practical regulations and guidelines based on the

Articles and written to ensure the smooth operation of the Regional Organizations.

*Regional Executive Committee ("Regional BoD")* is the executive body of a Regional Organization. "*Shanghai BoD*" is the BoD of the SwissCham Shanghai

*Regional General Assembly ("Regional GA")* includes the members of a Regional Organization and is the supreme body of a Regional Organization. "*Shanghai GA*" is the Regional GA of the SwissCham Shanghai.

*Swiss Community in Shanghai ("the Community")* includes potential voting members of the SwissCham Shanghai

## Article 1

### Status, Name, Office, Territory

The SwissCham Shanghai shall have its office in Shanghai

SwissCham Shanghai will cover Eastern China, including Shanghai, the provinces of Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong and Fujian, hereinafter referred to as "the Territory".

## Article 2

### Purpose

The SwissCham Shanghai shall promote the Chamber's objectives and activities in the Shanghai region, namely according to Art. 2 of the Chamber's Articles.

It shall additionally, but within the scope of the Articles of the Chamber:

- a) encourage membership and foster participation.
- b) provide an opportunity for the members of SwissCham Shanghai to meet, discuss and promote matters of common interest;
- c) monitor and provide to its members useful information on doing business in the Territory and

- provide practical adding-value tools to facilitates its members' operations;
- d) foster synergies and coordination among members for their mutual benefit;
- e) liaise and cooperate with the Swiss Chinese Chamber of Commerce in Beijing and Switzerland as well as with the Swiss Community in Shanghai and its exponents;
- f) contribute to the enhancement of Switzerland's reputation in China.

### Article 3

#### Membership: Admission, Right & Obligations, Cessation

##### Admission

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

Additionally, associate membership status (without voting right) is provided for by the (national) Chamber bylaws and is offered to persons whose situation does not match the above membership options.

Honorary members of the SwissCham Shanghai will be admitted by recommendation from the BoD of the SwissCham Shanghai and a majority of voting members at the general assembly.

To become a member, applicants must submit a written application and:

- be incorporated or have residence in the territory defined in Article 2; or
- submit their membership application for the SwissCham Shanghai through its offices and not be incorporated or have residence in the territory of another Regional Organization.

The membership is effective with the admission and the payment of the annual membership fee. It ends by resignation given with a written one-month's notice, death, dissolution of a company, bankruptcy or exclusion.

An application may be temporary rejected (or offered associate membership) without indication of the reason. The rejection is final upon confirmation by simple majority of the next Shanghai GA.

##### Rights & Obligations

The members shall observe the Articles of Association and the By-laws of the (national) Chamber as well as the Shanghai Bylaws, and the decisions of the organs of the SwissCham Shanghai and the (national) Chamber.

##### Cessation

Membership in the SwissCham Shanghai shall be canceled, in accordance to Article 3, section C and D of the articles of the (national) Chamber of Commerce.

The Regional Board of Director shall have the right to temporary exclude any member of the SwissCham Shanghai at any given time and without reason, but particularly in case a member's activities are



detrimental to the SwissCham Shanghai or to the image of the SwissCham Shanghai and the Swiss Community in Shanghai.

The temporary exclusion will be valid until the next Shanghai GA confirms it with a simple majority.

Membership will also cease according to National Bylaws in case of non-payment of membership fees.

## Article 4

### Membership fees

The Members shall pay a membership fee. Its amount will be proposed by the Shanghai BoD for approval by the Shanghai GA.

The membership dues shall be paid within one month after receipt of the notification.

The SwissCham Shanghai treasurer shall report the status of unpaid membership fees at every meeting of the board.

## Article 5

### Regional General Assembly

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

The Shanghai GA shall be called by the President or, in his absence, by the Vice-President by sending a notice including the agenda to the membership at least 20 (twenty) days prior to the meeting.

The annual GA of the SwissCham Shanghai shall be held during the month of March every year and on a date and at a place to be selected by the Shanghai BoD.

The quorum for any GA or extraordinary GA of the SwissCham Shanghai shall be not less than one third of the total voting membership.

Each legal entity and individual member shall have one vote. Honorary and associate members have no voting rights.

In the event of a member's absence, a written proxy may be given to another member for voting.



Resolutions shall be made by a simple majority vote. If the votes are equally divided the President of the Shanghai BoD shall have the deciding vote.

Only members whose annual fee is paid in full have the right to vote.

The following subjects shall be part of the agenda for the annual General Assembly:

1. Acceptance of the minutes of the last General Assembly
2. Application for changes in the agenda
3. Activity report of the Shanghai BoD
4. Treasurer's report and Auditor's statement
5. Discharge of the Board
6. Election of Board Members and Auditors
7. Budget and annual program
8. Amendment to the bylaws
9. Other items

Applications of any kind concerning the agenda or/and other items must be lodged in written form with the president of the Regional BoD not later than 5 days before the General Assembly.

The minutes of the annual General Assembly shall be recorded by the Secretary and signed by the President and the Vice-President prior to distribution to the members.

The minutes of the Shanghai GA shall be made available to the membership no later than one month after its convening.

### Extraordinary Regional General Assembly

Extraordinary General Assemblies shall be called by the President of the BoD, or upon the decision of the Regional BoD, or upon a written request addressed to the President and signed by not less than 10% of the members, by sending a notice to the membership at least 20 (twenty) days prior to the meeting indicating the subjects to be decided.

## Article 6

### Shanghai Board of Directors, Committees, Staff

The Regional Board of Directors is in charge of management and representation of the SwissCham Shanghai. It is composed of:

- a President
- at least one Vice-President,
- a Treasurer

- a Secretary
- the number of representatives to the SwissCham China (national Chamber) that will serve as SwissCham China BoD members
- ordinary members to reach a total of 10 members of the Shanghai BoD.

No legal entity shall have the right to more than one representative on the Board. The Board shall adequately represent the variety of interests within the SwissCham Shanghai.

Members of the Shanghai BoD will stand for confirmation at every ordinary General Assembly by a simple majority.

Should this confirmation not occur for a representative to the SwissCham China (national Chamber), it will be the not re-elected representative's duty to resign from his position in the (national) Chamber.

The Board is empowered to appoint members from the membership to special committees, as it deems appropriate to undertake assignments. The term of any appointed members of committees shall cease when the assignment is completed, but must be confirmed annually by the General Assembly if it exceeds one years. A term shall not expire until a successor assumes responsibility.

The BoD may appoint a coordinator for taking care of daily matters, as well as other staff. Such staff appointment will be effected within programs and budgets approved by the Shanghai GA. Coordinator and other staff need not be Members of the Chamber.

### Meetings, Quorum, Attendance & Agenda

Meetings of the Board of Directors shall be called by the President or Vice-President or jointly by two other Board members, by notice of at least seven days prior to the meeting

The quorum for the BoD meeting is achieved with a majority of the BoD.

The Board shall attend to the following:

- Admission of new members
- Status of unpaid membership
- The fulfilling of the SwissCham - Shanghai objectives, activities & programs
- Financial matters.
- Other matters relating to the administration of the SwissCham - Shanghai.
- The agenda for the Shanghai GA.
- Any matters adopted by the annual General Assembly.

The BoD shall recommend to the membership at the annual General Assembly:

- Amendments to the Bylaws of the SwissCham - Shanghai
- All fees and the proposed budget for the coming fiscal year.
- An activity plan for the coming fiscal year.



- Nominees for the BoD.
- Nominees for Auditors.

### Resolutions & Official Signatures

Resolutions shall be made by a simple majority vote of the Board members present. If the votes are equally divided, the president or in his absence the vice-president shall have the deciding vote.

Based on a resolution passed by the BoD, contracts, documents or any instruments in writing requiring the signature of the SwissCham Shanghai, shall be signed by any two of the President, Vice-president, Secretary or Treasurer.

All contracts, documents and instruments in writing so signed shall be binding upon the SwissCham Shanghai.

### Elections to the Shanghai BoD & Committees

As much as possible, the SwissCham Shanghai BoD and committees shall reflect the diversity of members of the Regional Organization, both as individual members and company representatives, bearing in mind such attributes as the age, gender, social interests and cultural background of individuals who make up the SwissCham Shanghai membership.

Every member of the SwissCham Shanghai may be a candidate to the BoD. However, the SwissCham Shanghai BoD may not include more than one member per legal entity.

The SwissCham Shanghai BoD is responsible that the following election process is respected:

- a) 60 days prior to elections, all members of the SwissCham Shanghai will be informed of the election and offered to bring their candidacy, provided they supply the following information:
  - Name, company, position; business scope (professional coverage), industry coverage and specialties within their professional activities.
  - Intended position in the Board (President, Vice-President, Secretary, Treasurer, Representative to and Member of the national Chamber BoD)
- b) Candidates should present their (mentioned under a) information 30 days prior to election to the Shanghai BoD
- c) With the invitation to the Shanghai GA, all candidates details (mentioned under a) must be distributed to all the members by the Shanghai BoD to enable members to cast informed votes.
- d) Candidates should be present at the Shanghai GA to present themselves verbally and answer members' questions.

### Responsibilities of the Members of the Board

On the first Board Meeting after a Shanghai GA election, the Members of the Board shall:

- decide in how many and which departments the Board will distribute the SwissCham Shanghai activities for the year
- share among each others the departments of the SwissCham Shanghai.

Every Board Member shall take the responsibility to carry out a department's program.

In a GA, each Board Member shall present her/his activity in a report.

### Remuneration of the Members of the BoD

The Board Members shall not receive any stated remuneration for their service, but may, by resolution of the Board, be refunded for expenses, incurred on behalf of the SwissCham Shanghai.

If deemed necessary the BoD may propose time compensation schemes to the Shanghai GA for approval by a majority.

### Resignation, Change of Professional Status, Exclusion, Vacancy

Any Board Member may resign by sending a written resignation notice to the President of the Board. Such resignation takes effect one month from the date of receipt of the said notice by the Board.

In case of negligence, dereliction of duty, break of the Chinese laws and regulations or any other activities detrimental to the SwissCham Shanghai or the Swiss Community in Shanghai, the Shanghai Board of Directors may temporary exclude such a Member of the Shanghai BoD with a 75% majority. The temporary exclusion will be valid until the next Shanghai General Assembly confirms it with a simple majority.

In the case of a vacancy in the BoD, it will inform the membership and ask for candidates to come forward according to the election process and internal election rules.

The BoD may then appoint a candidate and inform the membership accordingly within one month. The member so selected shall nevertheless stand for election at the next Shanghai GA or EGA.

## Article 7

### Finance

The SwissCham Shanghai provides the appropriate bookkeeping and accounting measures for its finances and reports to the (national) SwissCham China BoD.

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

The accounting year shall be from January 1 to December 31. Any surplus money at the end of the fiscal year shall, in accordance with the decision of the Shanghai BoD, be carried forward to the next fiscal year.

The annual membership fees are approved by the annual General Assembly and method of payment shall be determined by the Shanghai BoD and announced at the annual General Assembly.

The funds of the SwissCham Shanghai shall be applied solely to meet its recurrent expenditures and for the furtherance of its objectives set out in Article 2 of these Bylaws.

The debts and liabilities of the SwissCham Shanghai shall be limited to the SwissCham Shanghai's assets. Its members shall not be liable personally for such debts and liabilities.

## Article 8

### Auditors

Auditors proposed by the Shanghai BoD and elected at the Shanghai GA for a period of one year must audit the SwissCham Shanghai's accounts once a year.

The Auditors shall inspect the annual financial statements, including cash flow statements and other documents. They have 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 Shanghai BoD and submitted to the Shanghai GA.

After approval by the Shanghai GA, the Auditor's report on the financial statements of the SwissCham Shanghai shall be forwarded to the SwissCham China (national) BoD 14 days before the date of the General Assembly of the (national) Chamber.

## Article 9

### National Chamber, Other Regional Organizations



Members of the Regional Board of Directors elected to represent the SwissCham Shanghai to the (national) Chamber are bound to only represent the Shanghai BoD's explicit written resolutions & opinions within the (national) Chamber BoD.

Members of other Regional Organizations shall have the right to attend all activities of the SwissCham Shanghai at the same preferential conditions granted to any member of the SwissCham Shanghai.

## Article 10

### Financial Contributions to the (national) Chamber

The SwissCham Shanghai shall pay a fee to the Chamber in order to cover the latter's expenses.

The Regional Organization's fee will be suggested by the Board of Directors of the Chamber and approved by the General Assembly of the Chamber.

## Article 11

### Final Provisions

These Regional Bylaws of the Swiss Chinese Chamber of Commerce SwissCham Shanghai come into effect when approved by the Regional GA of the SwissCham Shanghai, scheduled on July 2, 2001; pending approval by the SwissCham China GA. Previous bylaws are automatically voided when these are approved.

