

By-laws

CHINA-AUSTRALIA CHAMBER OF COMMERCE IN SOUTH CHINA

1 Membership

1.1 As established in Article III of the Articles of Association, there are two categories of members: voting and non-voting.

1.2 Voting Members include: Corporate Members, National Members, Exclusive Hotel Members, Foundation Members, and Platinum Partners.

1.3 Corporate Members, National Members, Exclusive Hotel Members, Foundation Members, and Platinum Partners are voting members defined as follows: "any corporation, partnership, sole proprietorship representative office, branch office or other legal entity formed, founded or incorporated in China or in Australia". Individual members are defined as follows: "individual business people eighteen years or older".

Corporate Members, National Members, Exclusive Hotel Members, Foundation Members, and Platinum Partners may appoint as its Nominee in the Chamber, one representative, who shall be a person of good repute. A Corporate Members, National Members, Exclusive Hotel Members, Foundation Members, and Platinum Partners may also appoint other employees to be nominee representatives".

Each Foundation Member, Platinum Partner, and Exclusive Hotel Member is entitled to three votes and is eligible as a Board Director. Each Corporate Member and National Member is entitled to one vote and is eligible as a Board Director.

1.4 Non-voting Members include:

Individual Members and Young Professional Members

1.5 The Articles of Association grants the Board of Directors the authority to establish voting and non-voting membership categories and set applicable membership fees and dues.

2. Expenditure

2.1 In regard to 'Expenditure Approvals Procedure'

That the Chairperson, Treasurer and General Manager be authorized signatories to all AustCham bank accounts, with the following authorities:

- (a) Up to and including RMB 5,000 – ANY ONE of the 3 authorized signatories may sign;
- (b) RMB 5,001 up to and including RMB 15,000 – ANY TWO of the 3 authorized signatories may sign; and
- (c) Above RMB 15,000 – ALL THREE authorized signatories must sign.

The AustCham office shall keep petty cash of no more than RMB 20,000, being the total value of all currencies held in the office. Cash holding in excess of this value must be deposited into the AustCham bank accounts within 1 working day.

2.2 All disbursements are subject to the budgetary policy of the Chamber and the AustCham Operations Manual.

2.3 Budgetary Exception Process: Disbursements shall adhere to the budget approved by the Board of Directors. The fiscal year of the Chamber shall commence on the first day of January and end on the 31st day of December. The Finance Director and Chairman of the Chamber shall present a budget for the following fiscal year to the Board during the month of November. The Budget will provide monthly detail, and estimations of major revenue and expense items. The budget must be approved by a majority vote of the Board.

2.4 Establishment of Audit Committee: An Audit Committee will be formed of at least one Board member, excluding the Chairman, and two non-current director members, excluding the Auditor, and nominated and

selected by vote of the Board of Directors. The Audit Committee shall hold responsibility for hiring an independent auditor, reviewing the audit report with the auditor and recommending approval or modification of the annual audit to the full board. The Audit Committee shall also review and ratify the Operations Manual annually and ensure that Board-approved internal financial controls are in place and properly applied within the organisation.

3. Appointments

3.1 The elected Officers on the Board of Directors constitute an “Executive Committee. In regard to “Executive Committee Meeting Procedure”

- (a) Agenda to be prepared by the General Manager comprising items to be submitted by any Committee Member or the General Manager.
- (b) Directors may submit Agenda items to a Committee Member for inclusion on the Agenda.
- (c) Quorum of at least 2 Office Bearers.
- (d) Other attendees may be invited with the approval of the Chairperson.
- (e) Committee Meetings will be chaired by the Chairperson or, in his/her absence, the Deputy Chairperson, or in his/her absence the Vice Chairperson (Administration).

3.2 In regard to ‘AustCham Employees’

While the Board shall be ultimately responsible to approve major decisions regarding AustCham employees, day-to-day responsibility for Employees shall be delegated to the Executive Committee. This responsibility shall include Employee Remuneration, Terms and Conditions, Legal/Regulatory requirements, Leave Approvals, Expenses, etc.

Structurally, the staff of AustCham – permanent, temporary or ad hoc – shall report to the General Manager. The General Manager shall report to the Chairperson on all major and general AustCham business, to the Executive Committee on day-to-day operating, membership and finance matters, to the various Committees in regard to their specific tasks and to the Board as required.

The Executive Committee will be responsible, with the General Manager, for establishing the procedures and systems for managing AustCham employees in a professional manner. This includes Job Descriptions, Goal Setting, Performance Review Processes and clear communication on employee issues.

3.3 In regard to “Sponsorships and Endorsements Principles”

- (a) AustCham is willing to accept Sponsorship in support of ongoing operating costs, specific events, or activities and items that contribute to AustCham’s ability to serve the Membership better. In return for Sponsorship funding, or other benefits to Members, AustCham is also willing to publicly endorse products or services.
- (b) As a general principle AustCham shall seek Sponsorships and Endorsements which significantly enhance the image, identity and financial strength of AustCham and which do not conflict inappropriately with the interests of any AustCham Members.
- (c) Prior to finalization, an Ordinary Board Resolution must approve all Sponsorships and Endorsements. When AustCham chooses to seek Sponsorship or Endorsement funding, the Board will first define the nature and objectives of the activity. The opportunity to participate in the Sponsorship /Endorsement will then be communicated to all AustCham Members simultaneously.
- (d) When there is competition for AustCham Sponsorship/Endorsement opportunities the principle to be applied shall be that AustCham Corporate Members and AustCham Individual Members shall have right of first refusal, in that order. Once an opportunity is declined, AustCham may seek Sponsorship / Endorsement from non-Member organizations or individuals.
- (e) In the event of a conflict between 2 or more AustCham Members over Sponsorship / Endorsement, the principle of ‘first-in-best-dressed’ shall apply, with a formal written commitment being the required hurdle.
- (f) The specific terms and conditions of any Sponsorship/Endorsement are to be confirmed in writing prior to the start of the Sponsorship/Endorsement activities.

(g) The Board will decide any disputes over Sponsorship/Endorsement issues and the Board's decision shall be final.

3.4 In regard to "Committees"

(a) As permitted by the Articles, the Board may from time to time decide to establish Committees to pursue action on specific AustCham tasks or activities.

(b) AustCham -Committees may be established by an Ordinary Board Resolution and may later be disbanded by an Ordinary Board Resolution.

(c) Each Committee must produce a written "Terms of Reference" for approval by the Board prior to the establishment of the Committee which, amongst other things, shall include a statement regarding the obligations on Members of the Committee in order to be appointed to, and continue, as a Members of that Committee.

(d) Each AustCham Committee shall have a Chairperson or Deputy Chairperson, who shall be a Director, appointed by the Chairperson and shall be responsible for coordinating the activities of the Sub – Committee and for reporting to the Board on its progress.

(e) All Committees must act in accordance with the Articles and By Laws in performing their assigned tasks.

(f) A Committee may be comprised of any Director or any AustCham Member in good standing. Non-AustCham Members may be invited to support an AustCham Committee at the discretion of the AustCham Chairperson on the advice of the Chairperson of the Committee.

3.5 The Board of Directors may appoint any member(s) as Honorary Advisor(s) to assist the Board of Directors.

3.6 The Chamber shall not attempt to restrict or in any other manner interfere with any lawful activity undertaken by any member.

3.7 The Chamber shall not indulge in any political activity or allow its funds and/or premises to be used for political purposes.

3.8 In regard to "Membership"

AustCham membership is open to persons who seek to support and promote the interests of Australian business and Australian business people in the PRC, as stated in the Articles of Association.

(a) Membership Fees

- (I) Corporate Membership RMB 5,000 p.a. membership fee*;
- (II) Foundation Membership RMB 30,000 p.a. membership fee;
- (III) Individual Membership RMB 1,000 p.a. membership fee;
- (IV) Young Professional Membership RMB 800 p.a. membership fee
- (V) Exclusive Hotel Membership RMB 20,000 p.a. membership fee
- (VI) Platinum Partner in-kind services worth RMB 30,000 p.a.

(b) Membership Application Procedure

- (I) A prospective Member (Applicant) must complete a Membership Application Form;
- (II) The Chamber's Membership Manager or General Manager (Application Manager) will review the Membership Application to determine;

(A) Whether the Applicant qualifies for Membership,

(B) Which category of Membership is considered most appropriate for the Applicant.

(III) The Board of Directors shall establish a Membership and Administration Committee (MAC). The Application Manager must provide a copy of the Membership Application Form to at least 2 members of the MAC for review to ensure that it complies with the Chamber's rules.

(IV) The MAC may:

- (A) Request to personally meet with an Applicant to discuss any aspect of the Membership Application.
- (B) Make a recommendation to the Board for the approval or rejection of a Membership Application, or the appropriate membership status for the Applicant.

(V) If there is no good reason to reject the Applicant, the MAC shall advise the Application Manager to proceed with processing the Membership Application.

(VI) The Application Manager shall then notify all Board Members of the new Membership Application and provide sufficient and relevant information including full name, names of contact persons, business license, and proposed membership status, to ensure that the Board can make a proper assessment.

(VII) Upon notifying the Board of Directors:

(A) Where a Board Member objects to a Membership Application it must be presented at the next Board Meeting for consideration. Any decision made by the Board as to the acceptance or rejection of an Applicant, or determination of Membership status, shall be final and absolute.

(B) If there is no objection to the Membership Application from any of the Board Members after at least 1 full working day (9:00 AM to 6:00 PM) of receiving the notice from the application Manager, the Membership Application shall be deemed to have been fully accepted by the Chamber.

(VIII) The Application Manager must advise each Applicant, within 5 business days of having received the approval or rejection of the Membership Application.

(IX) If the Membership Application is approved the Application Manager request payment of the appropriate amount of Membership dues and upon their receipt the Application Manager must:

- (A) Issue a receipt to the Member within 2 working days;
- (B) Record on the Membership Application the receipt numbers, amount and date received;
- (C) Issue the Membership card;
- (D) Issue a copy of the Articles and By-Laws.

(X) The Chamber must maintain a file of every Application received. This file will be permanent and historical. Applications must be sorted in alphabetical order. The file must be available at all times at the Executive Office. In addition to the General Manager and the Membership Manager, only Directors are permitted access to the Membership file.

(XI) The General Manager must provide at each Board Meeting a summary of the Membership status of the Chamber, which data must be accurate and current within 2 days of the date of each Board Meeting.

3.9 If a Member's payment of dues and fees is in arrears by more than [three (3) months], they will be subject to forfeiture of their Membership, after which it will be necessary to re-apply for Membership.

3.10 In regard to "AustCham Board Electoral Process"

The process for the election of new Directors at each AGM, as required under Article 5 shall be as follows:

(a) Balloting Committee

The Board will appoint a 3 person Balloting Committee to oversee the Election Process.

The persons appointed to the Balloting Committee must be Voting Members who:

- (I) are not standing for election themselves;
- (II) do not have a Representative standing; and
- (III) who have no vested interest in the outcome.

(b) Nominations

The General Manager will advise the date of the AGM at least 4 weeks prior to the AGM and forms calling for nominations will be circulated at the same time. Nominations for the Board will close 10 business days prior to the AGM.

Also note:

- (I) A candidate must be nominated by a Voting Member and seconded by another Voting Member.
- (II) Reciprocal nomination or seconding is not permitted.
- (III) The Balloting Committee will screen each candidate's application and confirm the validity of all nominees.
- (IV) All candidates will be asked to provide a brief resume or description of their background and a note to Members regarding their objectives for AustCham if elected to the Board.

(c) Voting Process

One week prior to the AGM the Balloting Committee will issue the Ballot Papers to all eligible Voting Members accompanied by each candidate's resumes and objectives.

Candidates' names will be listed alphabetically on the Ballot Papers and Voting Members may vote by e-mail, fax or cast their vote at the AGM.

Each Voting Paper should be marked by simple 'Ticks' opposite the names of the preferred candidates. Any other marking invalidates the Vote.

All disputes shall be adjudicated by the Balloting Committee in accordance with the Articles and By-Laws. The Balloting Committee's decision shall be final.

3.11 In regard to "Post or Fax Voting Procedures"

(a) In the event that the Board by way of an Extraordinary Board Resolution agrees to hold a Post or Fax Ballot on an AustCham resolution, the Board shall appoint a Balloting Committee, comprised of 3 independent Members of AustCham, to oversee the work of the Secretariat in conducting the Ballot.

(b) The Balloting Committee shall oversee the preparation of clear, unambiguous Balloting Papers and ensure that the wording of the "decision proposition" is unequivocal. The Balloting Papers must include a "return date" by which the Balloting Papers must be returned.

(c) The Balloting Committee shall choose a "strike date" to send out Balloting Papers and ensure that the Secretariat delivers Balloting Papers to all Voting Members who are entitled to vote on the particular resolution(s).

(d) The Secretariat shall hand all returned Balloting Papers to the Balloting Committee. Only Balloting Papers received by the Secretariat on or before the return date are valid.

(e) The Balloting Committee is to discard improperly or unclearly marked Balloting Papers as invalid.

(f) The Balloting Committee shall count all of the properly marked valid Balloting Papers in a reliable and secure fashion and advise the Chairperson of the outcome of the Ballot at the earliest opportunity.

(g) The Chairperson will present the Ballot result to the next Board Meeting and make arrangements for the proper implementation of the Voting Members' decision.

(h) The Secretariat shall retain all Balloting Papers and other documents relating to the Ballot in a separate File for future reference as necessary, until not more than one month after the **next** AGM.

(i) Access to Balloting Papers is restricted to the Balloting Committee **only**.

3.12 The Board of Directors may, by a special majority vote (at least 75% of current members on the Board of Directors), expel a Member whose actions have caused significant detriment to the Chamber, and whose continued Membership is considered detrimental to the Chamber. Such actions and detriment must be demonstrated by supporting evidence that should be considered by the Board of Directors prior to any decision being made to expel a Member.

In regard to "Election of Office Bearers"

3.13 The following procedures shall apply for the election of Office Bearers.

(a) The General Manager shall, in confidence, and prior to the first Board Meeting after the AGM canvass all of the Directors to seek nominations for each of the 4 Office Bearer positions.

(b) The General Manager shall advise all Directors of the candidates for each Office at least one week prior to the first Board Meeting after the AGM.

(c) The General Manager and a Member of AustCham with no strong vested interest in the outcome of the Office Bearer's elections shall prepare 12 simple Ballot Papers showing the candidates for each Office in a 'tick-the-box' format.

(d) At the first Board Meeting, if a quorum is present, the outgoing Chairperson shall authorize the General Manager and the Member to distribute the Ballot Papers to each Director for completion.

3.14 In regard to "Role and Obligations of Directors"

(a) Membership of the Board confers a distinct set of responsibilities and obligations on the Directors. These responsibilities and obligations are even more incumbent on Office Bearers.

(b) There is a commitment of time and effort that goes with the role of Director and AustCham can only function well against a background of energy and commitment from the Board as a whole. The 2 year Board Term is a significant commitment and represents the undertaking of an obligation to Members of AustCham and to other Directors. Candidates should examine their situation carefully to ensure that they can properly honour such an obligation.

(c) Board meetings are held each month. Directors are expected to physically attend these meetings in South China regularly. Attendance via teleconference is acceptable, however Directors who miss 3 consecutive board meetings in-person will be immediately terminated from The Board of Directors.

(d) Directors are required to work in good faith to pursue and execute agreed strategies of the Board.

(e) AustCham has a range of public functions and activities that require the support and attendance of Directors to promote AustCham's goals and maintain contact with Members. Member's cocktails and speaker functions all come under this heading and Directors are expected to attend these functions regularly.

(f) Directors must keep any matter of a sensitive, commercial or confidential nature discussed at board meetings, committee meetings, working group meetings and functions in confidence.

(g) Each Director is required to sign and adhere to the most recently updated Directors Information and Obligations Pack as soon as reasonably possible after each AGM (or more frequently if required by the Conflict of Interest Guidelines contained in the Directors Information and Obligations Pack).

3.15 Terms of office of Officers of the Board of Directors shall be two years. Terms of office of members of the Board of Directors shall be two years.

3.16 The Board of Directors shall appoint the General Manager. The General Manager reports to the Chairman of the Board and/or ExCo.

3.17 Vacancies occurring between Annual General Meetings among Officers or the Board of Directors shall be filled by the Board of Directors.

3.18 Nominations and Election Committee

(a) The Board of Directors will appoint the Nominations and Election Committee (NEC) by April of each year.

(b) The NEC shall meet from time to time during the year at the request of the Board of Directors if interim vacancies arise, and in any case not later than ninety (90) days prior to the Annual General Meeting each year to prepare nominations for the election of Officers and Directors at the Annual General Meeting.

(c) The report of the NEC for the Annual General Meeting shall include a list of nominees for the positions being vacant and shall be presented to the Board of Directors at the meeting of the Board prior to the date of the Annual Election.

3.19 Resolutions in Writing by the Board of Directors

Any Board resolutions that are proposed and resolved in writing (example, by mail, facsimile, e-mail, or WeChat), in lieu of a board meeting, are required to be circulated and agreed to in writing by all members on the Board of Directors.

3.20 Where any Chamber related dispute or issue arises between or among any members, Board Directors, or employees of the Chamber, such dispute or issue shall immediately be reported to the Chamber's General Manager or the Executive Committee for their further handling and resolution. Where the General Manager or an Executive Committee member has a conflict of interest in handling the matter, such person must disclose their conflict of interest and recuse themselves from the handling of such matter.

