

**By-Laws of the
German Chamber of Commerce in China**

(April 16, 2008)

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Article 1
Name, Location, Business Year

- 1.1 This organization shall be called the „German Chamber of Commerce in China“ (hereinafter referred to as „the National Chamber“).
- 1.2 The National Chamber has its registered office in Beijing.
- 1.3 The business year of the National Chamber is the calendar year, from January 1 to December 31.

Article 2
Objectives of the National Chamber

2.1 Objectives

Objectives of the National Chamber, contingent upon its members and the prevailing business and political environment are:

- To promote business relations between companies in the Federal Republic of Germany and the People’s Republic of China;
- To cooperate with the authorities of both countries with the aim of furthering their common economic interests;
- To represent, support and protect the interests of its members within the boundaries of the relevant laws and the existing Statute and By-Laws of the National Chamber;
- To provide non-profitable services to both members and non-members engaged in trade, industry and commerce.

2.2 Cooperation with DIHK

In order to achieve these objectives the National Chamber will cooperate with the Representative Offices of the Association of German Chambers of Industry and Commerce (DIHK) in China (hereinafter referred to as „DIHK-Offices“). This cooperation includes:

- While pursuing its objectives, the National Chamber is entitled to make use of the service capacities and potential of the DIHK-Offices;
- The DIHK-Offices in China functioning as an equal partner organization to the National Chamber and placing their service capacities at the disposition of the Chamber;
- The National Chamber shall respect the functions of the DIHK offices in China in their own right, in particular their sole responsibility for their own staff members, the finances of these Representative Offices and their particular tasks evolving from their tasks commissioned by the German Federal Ministry of Economics and Labour;
- The National Chamber endeavors: to support the objectives and activities of the DIHK-Offices in China; to assist the DIHK-Offices in fulfilling their task to promote

bilateral economic relations between the two countries and to cooperate closely with the Association of German Chambers of Industry and Commerce (DIHK).

2.3 Cooperation with the German Industry and Commerce (Taicang) Co., Ltd., Beijing Branch

Furthermore the National Chamber endeavors: to support the objectives and activities of the German Industry and Commerce (Taicang) Co., Ltd., Beijing Branch (hereinafter referred to as „GIC“) in China and to promote its services; to assist the GIC in fulfilling their task of supporting SME's and to closely cooperate with these SME's.

Article 3

The National Chamber and the Regional German Chambers

3.1 Organizational Relationship

The National Chamber is closely connected to and based on the Regional German Chambers in China.

All members of the Regional German Chambers are implicitly also members of the National Chamber.

The Board of Directors of the National Chamber is composed of the Chairman of each of the Boards of Directors of the Regional Chambers and their respective Executive Directors.

One of the primary tasks of the Board of Directors of the National Chamber is to permanently strive to enhance and deepen the integration of the Regional Chambers under the umbrella of the National Chamber.

The National Chamber and the Regional Chambers report mutually about their activities.

3.2 Principle of Subsidiary

The relationship between the National Chamber and the Regional Chambers is based on the principle of subsidiary.

In general, the Regional Chambers assume all functions and services, including the fulfillment of duties and obligations arising in their respective regions.

The National Chamber assumes only those issues, which cannot be taken on by the Regional Chambers.

The National Chamber assumes functions on the national level, including the safeguarding of the interests of the Regional Chambers towards Germany, China and other foreign countries.

The National Chamber undertakes to perform functions and services assigned to it by one or more of the Regional Chambers. Any such assignment requires approval by the respective Boards of Directors of the Regional Chamber.

3.3 Financial Contributions

The Regional Chambers take full and sole responsibility of their financial matters in their respective regions. The National Chamber is entitled to financial contributions from the Regional Chambers under the following preconditions:

- Any contribution of the Regional Chambers requires the approval of each Board of Directors of the Regional Chambers by simple majority of the votes;
- The rate of contribution of each Regional Chamber depends on its efficiency and capacity;
- The contribution is conditional and may therefore be used for its intended purposes only.

3.4 Personnel & Support

The National Chamber and the Regional Chambers are entitled to ask each other for personnel support over a specific time period, provided that the Chambers involved give their approval. This approval requires a simple majority of votes.

Article 4 Regional and National Chamber Membership

4.1 Register of Members

The National Chamber shall maintain a Register of Members. The register shall be kept by the Regional Chamber's office and supervised by the Executive Director of the respective region. For each member, the following particulars shall be kept on record:

- Name and nationality of the member;
- Name of the legal entity (company, representative office, etc.) operated or represented by the member;
- Type of activity of the entity;
- Date of registration of the entity;
- In case of companies: registered capital, share of the German investor, names of the members of the Board of Directors, name of the German parent company or investor;
- Address, tel./fax of the member and his firm/office;
- Date of admittance to the Regional Chamber.

4.2 Membership

Institutions and individuals located in China, Germany or other countries acquire National Chamber Membership by virtue of membership in a Regional German Chamber in China.

4.3 Membership Categories

Membership shall comprise of five categories: Principal Membership, Additional Membership, Associate Membership, Special Membership, Honorary Membership.

Principal Membership

Principal Members are individuals or institutions, i.e., commercial establishments with representative offices or branches, which are:

- lawfully set up and registered in China by a German company or companies with German investment and other economic organizations
or
- lawfully set up and registered in Germany
or
- have legitimate interest in German affairs.

Additional Membership

Additional Members are individuals, i.e., German nationals who work for institutions specified under "Principal Membership", provided these individuals are eighteen years or older.

Associate Membership

Associate Members are institutions that do not qualify for Principal Membership, or individuals who do not qualify for Additional Membership.

Special Membership

Special Members are institutions or individuals rendering or having rendered outstanding services to one of the Regional German Chambers or to the National Chamber. Special Members shall be elected by the Board of Directors of the respective chamber. An election to the National Chamber needs a two-thirds majority of the votes by the Board of Directors of the National Chamber. Special Members are entitled to all of the privileges of Additional Membership, except as hereinafter provided and shall be exempt from the payment of entrance fees and membership contributions.

Honorary Membership

Honorary Members are individuals of outstanding esteem and reputation and shall be elected by the Board of Directors of the respective chamber. An election to the National Chamber needs a two-thirds majority of the votes by the Board of Directors of the National Chamber. Honorary Members are entitled to all of the privileges of Additional Membership, except as provided and shall be exempt from the payment of entrance fees and membership contributions.

4.4 Commencement of Membership

Membership in the Regional and National Chamber, except for Special Membership and Honorary Membership, begins upon admission of the applicant. No person or entity can claim a right to be admitted.

Admission to the National Chamber, except for Special Membership and for Honorary Membership, is granted on the basis of a written application. An application form can be obtained from the office of the Regional Chamber.

The Board of Directors of the Regional Chamber will decide on the acceptability of an applicant for membership or for a change in the classification of a membership by a simple majority of votes. The applicant will be notified of the decision in writing. The Board of Directors of the Regional Chamber is not obliged to disclose the reasons why an applicant was rejected.

By virtue of his application for membership in the Regional and National Chamber, the applicant, if admitted, shall accept the rules of the National Chamber.

4.5 Termination of Membership

Chamber Membership terminates upon death, resignation or a decision by the Board of Directors of the respective Regional Chamber.

In order to resign from an existing membership, members must inform the Board of Directors of the respective Regional Chamber by registered letter sent to the Executive Director of the Regional Chamber at least three (3) months before the end of the business year.

If a member, after having received a reminder to pay his annual membership fee, is still in arrears with payment after a further three months, this shall be considered a declaration of resignation. The Board of Directors may exclude a member from the Regional Chamber with a two-thirds majority on important grounds.

Important grounds are in particular:

- Any action highly detrimental to the objectives, rules and spirit of the Statute or By-Laws of the Chamber;
- Dishonorable conduct.

If any reason for a member's exclusion becomes known, the Executive Director of the Regional Chamber shall immediately call upon the member concerned in writing, asking the member to submit, in writing, his observations on the charges made against him within a period of two weeks. Subsequently, if the Board of Directors upholds the reasons for exclusion, the Executive Director of the Regional Chamber or his representative shall inform the member of the decision to exclude him by registered letter. The exclusion shall be deemed effective upon the posting of the registered letter.

Exclusion does not entitle the member concerned to any reimbursement of membership contributions, nor does it establish any claim on the National or Regional Chamber's assets.

Article 5
Rights and Obligations of Members of the National Chamber

- 5.1** All members of the National Chamber shall have the right to make use of the services of the National Chamber and to receive accurate and timely information on these services. The services of the National Chamber are, in principle, available to members free of charge. If they involve any special expenditure or if they include services rendered by a Representative Office of the Association of German Chambers of Industry and Commerce (DIHK), a contribution may be charged to cover costs. If there is a service charge, the amount will be made known prior to the rendering of the service.
- 5.2** The members undertake to observe the Statute and By-Laws of the National Chamber and the decisions of the Board of Directors of the National Chamber.
- 5.3** Prerequisite for membership is payment of due membership fees.
- 5.4** No member shall be entitled to restrict the National Chamber's activities beyond the legal regulations and the framework set by this By-Laws.

Article 6
General Meeting of the National Chamber

There shall be no General Meeting of the National Chamber. General Meetings shall only take place at the Regional Chamber level. The resolutions of the General Meetings of the Regional Chambers shall be brought to the attention of the Board of Directors of the National Chamber.

Article 7
Composition of the Board of Directors of the National Chamber

7.1 Board of Directors

The Board of Directors of the National Chamber shall be composed of six (6) members.

Any member of the Board of Directors of the National Chamber shall hold a senior management position, i.e. either General Manager, member of the Board or Chief Representative and shall have a good standing in German-Chinese business relations.

Regional Chambers in China shall be represented on the Board of Directors in equal numbers. Each Regional Chamber in China shall be represented in the Board of Directors by two (2) members.

The two Board Members of each region shall consist of:

- a) The Chairman of the Regional Chamber, who shall be a Corporate Member Representative;
- b) The Executive Directors of the Regional Chamber.

For the time being, Regional Chambers exist in Beijing, Shanghai and Guangzhou. Since each of these three regions shall be represented in the Board of Directors of the National

Chamber by two (2) members, the Board of Directors of the National Chamber will consist of six (6) members.

Contingent upon the establishment of further Regional Chambers in China, the Board of Directors of the National Chamber shall, after notification of DIHK, provide for an enlargement of the Board by two members for each additional Regional Chamber. The distribution, type and number of functions in the Board of Directors may be adapted to the new conditions.

The Members of the Board of Directors of the National Chamber shall act in an honorary capacity and shall not be compensated by the National Chamber for expenditures incurred while conducting their function on the Board.

7.2 Office holders

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

- A Treasurer;
- Any contingent further office holders.

For each meeting of the Board, the Executive Director of the respective Regional Chamber, where the meeting takes place or his representative shall appoint a Recording Secretary on a non-permanent basis.

Article 8 Duties of the Board of Directors of the National Chamber

The duties of the Board of Directors of the National Chamber comprise of:

- Electing the office holders to the Board of Directors;
- The employment and dismissal of the National Chamber's non-Board officers and staff;
- The coordination of National Chamber activities whereby tasks shall be executed by using the service capacities of the DIHK-Offices;
- Representing, promoting and protecting the interests of the National Chamber and its members;
- Laying down general guidelines for the management of the National Chamber in conformity with the Statute and By-Laws;
- Planning, adopting, execution and control the annual budget;
- Proposing financial contributions of the Regional Chambers, if the necessity arises;
- Actively contributing to the integration and cooperation of the Regional Chambers in China, not only having its representatives participate in Board Meetings of the National Chamber.

The Board of Directors shall have the authorization to negotiate, conclude and denounce contracts in the name of the National Chamber.

Article 9 Duties of the office holders

- 9.1** Meetings of the National Chamber shall be chaired by the Chairman of the Board of Directors of the Regional Chamber which is responsible for the region where the meeting takes place. If the Chairman is unavailable for a Board Meeting, the meeting shall be chaired by the Executive Director of the respective Regional Chamber.
- 9.2** The Chairman of the Board of Directors of the Regional Chamber in Beijing is the legal representative of the National Chamber.
- 9.3** The Executive Director the Board of Directors of the Regional Chamber in Beijing, in the absence of the Chairman of the Regional Chamber in Beijing, shall have the same powers and authority as the Chairman.
- 9.4** The Board of Directors of the National Chamber may assign specific tasks to the Regional Chambers. The Chairman of the Board of Directors of the Regional Chamber in Beijing and the Executive Director of the Regional Chamber in Beijing shall represent the National Chamber individually or jointly in the National Chamber's external political and economic governmental relations, both having equal ranking. Further tasks for the Regional Chambers remain to be defined.
- 9.5** The Treasurer shall, within the overall budgetary responsibility of the Board of Directors and in close cooperation with it, administer funds and collect contributions and fees on behalf of the National Chamber and keep an accurate account of all the financial transactions of the National Chamber. The Treasurer shall prepare an annual financial report not later than one (1) month after the end of the fiscal year, to be submitted to the Board of Directors and to the Honorary Auditor for the final auditing. The Treasurer shall prepare other financial reports when so requested by the Board of Directors. All accounting information and other records kept by the Treasurer shall be kept confidential and shall not be disclosed to any person not a member of the National Chamber without the express written consent of the Board of Directors, unless this person is the Honorary Auditor.

Article 10 Business Management

- 10.1** The Executive Directors of the respective Regional Chambers are responsible for the National Chamber's regular business according to their respective authority and as far as their interests are concerned.
- 10.2** Managing the business of the National Chamber, the Executive Directors of the Regional Chambers shall be responsible for:
 - The preparation of, execution of and follow up on the National Chamber's Board Meetings. Each Executive Director shall carry this responsibility for meetings held in his or her respective region;

- All regular business within the framework of the Statute and the By-Laws of the Chamber, the guidelines given by the Board of Directors and the principles agreed upon between the National Chamber and DIHK;
- To permanently strive to enhance and deepen the integration of the Regional Chambers under the umbrella of the National Chamber.

Article 11

Election of the Board of Directors of the National Chamber

11.1 Procedures

Amongst the two Representatives representing each region in the Board of Directors of the National Chamber, the Corporate Representative shall be elected and nominated by the Regional Chamber's Board of Directors of that region amongst the Members of that Board.

The Executive Directors of the Regional Chambers in China shall not stand for election. They shall serve automatically as Members of the Board of Directors of the National Chamber by virtue of their function.

All office holders of the Board of Directors of the National Chamber shall be elected amongst the members of that Board itself. In particular, the Board of Directors of the National Chamber shall elect the following office holders amongst its Corporate Members by a simple majority of votes:

- The Treasurer: The Treasurer shall also be elected amongst the Corporate Members of the Board of Directors;

The Board of Directors may decide to introduce additional offices.

The Board of Directors shall elect an Honorary Auditor who shall not be Member of the Board of Directors.

11.2 Terms of office

Board members shall be elected for terms of two years each, after completion of which they may stand for re-election. All other Office Holders may stand for re-election to the same office for one consecutive term.

11.3 Vacancies

If a Member of the Board of Directors of the National Chamber resigns before the expiration of his term of office, the respective Regional Chamber of Directors shall appoint a new Board Member who shall hold office until the current term of the Board ends.

Article 12
Meetings of the Board of Directors of the National Chamber

- 12.1** Meetings of the Board of Directors of the National Chamber shall be convened by the Executive Director of the Regional Chamber where the meeting takes place and chaired by the Chairman of the Board of Directors of the Regional Chamber responsible for the region where the meeting takes place.
- 12.2** The Board of Directors of the National Chamber shall meet at regular intervals of no less than 6 months to discuss ongoing matters of concern to the National Chamber. Invitations shall be sent out no later than four (4) weeks prior to the date of the meeting along with the agenda. In urgent cases, invitations may be extended verbally without any need to observe a time limit.
- 12.3** During the periods between Meetings of the Board of Directors, if the Chairman and/ or the Executive Director of the Regional Chamber which is responsible for the preparation of, execution of and follow up on the National Chamber's Board Meeting according to Art. 10 have to make major decisions which have not yet been approved by the Board of Directors of the National Chamber, the respective Regional Chamber to be affected by such decisions shall be involved in the decision making process.
- 12.4** 50 or more percent of the members of the Board of Directors can apply for an Extraordinary Meeting. In this case, the Extraordinary Meeting shall be scheduled to take place within 30 days after application.
- 12.5** The Board of Directors of the National Chamber shall form a quorum if the majority of its members are present in the relevant meeting. Decisions may be made by a simple majority unless the Statute or By-Laws provide otherwise. The Members of the Board of Directors may be represented by proxy, the proxy holder being one of the other Members of the Board. In case of a split vote, the respective Chairman of the Board of Directors of the Regional Chamber which is responsible for the region where the meeting takes place, shall have the casting vote. In urgent matters, members of the Board may cast their votes in writing, in which case they must sign accordingly.
- 12.6** Persons other than Members of the Board of Directors of the National Chamber (in particular members of the local diplomatic mission) may be invited by the Board to attend meetings of the Board of Directors of the National Chamber. Participants at meetings of the Board of Directors who are not Members of that Board shall have no voting rights at such meetings.
- 12.7** Minutes shall be taken for all meetings of the Board of Directors of the National Chamber. No later than one (1) month following the date of each meeting of the Board, the minutes taken at the said meeting shall have been reviewed for accuracy, corrected as necessary by the respective Executive Director of the Regional Chamber where the meeting takes place and approved by the Board of Directors.
- Minutes of the meetings of the Boards of Directors of the Regional Chambers shall be notified to the other Regional Chambers.
- 12.8** The German Chamber of Commerce in Hong Kong may attend meetings of the Board of Directors of the National Chamber as a non-voting attendee.

Article 13 Finance

- 13.1** The National Chamber's funds and assets consist of:
- Compensations for costs incurred by the National Chamber when rendering services;
 - Subsidies and other grants from third parties;
 - Within the limitations outlined in Article 3 of the By-Laws contributions of the Regional Chambers.
- 13.2** Within the limitations given by its legal status as a non-profit organization, the National Chamber may accept contributions from members or third parties to compensate for costs incurred by the National Chamber when rendering special services to them.
- 13.3** The National Chamber may seek supplementary funds by accepting contributions from third parties for the purpose of promoting the statutory objectives and of carrying out the operations of the National Chamber.
- 13.4** The Board of Directors shall dispose of the National Chamber's financial resources in accordance with the budget approved by the Board. When the National Chamber receives special purpose grants, they may only be used for the intended purposes.
- 13.5** No member of the National Chamber shall have any individual right regarding the National Chamber's assets and financial means.
- 13.6** If the National Chamber is dissolved, any assets remaining after the settlement of liabilities and not dedicated to any special purpose shall, by a decision of the Board of Directors, be transferred to an institution or a project, which promotes German-Chinese economic relations.
- 13.7** The Chamber may establish a bank account.

Article 14 Liabilities

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

Article 15 Auditor

The National Chamber's accounts must be audited every year by an Honorary Auditor within 90 days after the business year of the National Chamber is concluded. The auditor shall be appointed by the Board of Directors

The auditor shall make a record of the cash in hand and of the balance available in the National Chamber's bank accounts as of December 31 and sign it. He has the right to require access to financial statements and relevant documents. In addition, he is entitled to inquire about the current balance situation of the National Chamber.

A written report shall be prepared following the audit of the annual statement of accounts.

Article 16 Arbitration

- 16.1** The Board of the National Chamber may appoint an Arbitration Committee to settle disputes among members of the National Chamber.
- 16.2** Any disputes arising out of the membership with the National Chamber may be settled exclusively by this Arbitration Committee.
- 16.3** Disputes between the National Chamber and the DIHK-Offices in China, if they cannot be resolved between these parties, shall be settled with DIHK.

Article 17 Amendments to the By-laws of the National Chamber

The By-Laws of the National Chamber may be amended by a decision of the General Meetings of all the Regional Chambers by a proposal of the Board of Directors or following a resolution by at least one-tenth of all the combined Voting Members of all the Regional Chambers. Any decision to alter or make additions to these shall require a two-thirds majority of the combined Voting Members present or represented at the General Meetings of all the Regional Chambers.

Article 18 Dissolution of the National Chamber

- 18.1** A motion to dissolve the National Chamber may be tabled by the Board of Directors or by at least one-third of the combined Voting Members of the Regional Chambers. The motion of non-Board members must be submitted to the Board in writing.
- 18.2** The dissolution of the National Chamber may only be decided upon by a two-thirds majority of the combined Voting Members of all the Regional Chambers. The Voting Members may be either present in person at these Extraordinary General Meetings or represented by proxy, or they may express their consent by postal vote.
- 18.3** The invitation to attend the Extraordinary General Meeting, which is to decide upon the dissolution of the National Chamber, must specifically indicate the purpose of the meeting and must have been mailed at least six (6) weeks prior to the meeting.
- 18.4** The Extraordinary General Meetings of the Regional Chambers may decide, by a combined simple majority of votes, on the disposal of the National Chamber's assets. They should be used to further strengthen German-Chinese business relations.

Article 19
Address of the National Chamber

The address of the National Chamber shall be as follows:

China German Chamber of Commerce
c/o Representative Office of the DIHK in Beijing
Landmark Towers II, 801
8 North Dongsanhuan Road
Chaoyang District, Beijing 100004, China