BOARD CHARTER

1. Purpose

This Board Charter (Charter) sets out the role, responsibilities, structure and processes of Ao Shang Hui Consulting (Shanghai) Co., Ltd trading as AustCham Shanghai (the Company).

2. Roles and Responsibilities

2.1 The role of the Board is to provide leadership and strategic guidance for the Company in addition to overseeing management's implementation of the Company's strategic initiatives. The Board is accountable to members for the performance of the Company's business. In performing its role, the Board aspires to excellence in governance standards.

2.2 This requires the Board to work as a team and meet on a regular basis.

2.3 The key responsibilities of the Board are as follows:

(a) Approving the strategic direction of the Company and significant strategic initiatives.

(b) Approving the Company's annual targets and financial statements and monitoring financial performance against forecast and prior periods.

(c) Determining foundation fund policy and the amount of surplus funds to be retained in a reserve account each year.

(d) Considering and approving the Company's Risk Management Strategy and monitoring the effectiveness of risk management by the Company, including satisfying itself through appropriate reporting and oversight that appropriate internal control mechanisms are in place and are being implemented.

(e) Assessing and determining whether to accept risks beyond the approval discretion provided to management.

(f) Maintaining an ongoing dialogue with the Company's auditors and, where appropriate, principal regulators, to provide reasonable assurance of compliance with all regulatory

requirements.

(g) Selecting, appointing and terminating the external auditor (including associated recommendations to members for approval).

(h) Overseeing the Board Audit and Risk Committee's evaluation of auditor's performance and ongoing independence.

(i) Selecting, appointing and determining terms of appointment of the Chief Executive Officer (CEO), General Manager, and Finance Manager.

(j) Determining the Company goals and objectives relevant to the remuneration of the CEO and evaluating the performance of the CEO in light of these objectives.

(k) Reviewing succession plans for the CEO.

(l) Considering and approving the Company's Remuneration Policy.

(m) Determining the size of bonus/incentive pools as part of the Company's annual plan based on consideration of pre-determined business performance indicators and the financial soundness of the Company.

(n) Providing oversight and monitoring of Workplace Health and Safety (WHS) issues in the Company.

3. The Role of Management

3.1 The CEO is responsible for the development of strategic objectives for the business and the achievement of the planned results for the Company.

3.2 Management of the Company's day-to-day operations is undertaken by the CEO, subject to specified delegations of authority approved by the Board.

3.3 Any matters or transactions outside the delegations of authority must be referred to the Board for approval.

4. Composition, Size and Structure of the Board

4.1 The Board is responsible for:

(a) determining the ideal mix of directors based on skills, experience and/or member representation;

(b) forming a directors skills profile matrix to identify gaps and/or needs on the Board;

(c) making recommendations to the Company's members for the appointment of Directors based on an ideal Board composition. The Board will not endorse or recommend individual candidates.

4.2 The Board will be comprised of 10 Non-Executive Directors and one Executive Director.

4.3 The size of the Board will be determined in accordance with the Company's Constitution.

4.4 Collectively, the Board members should have a range of financial and other skills, experience and knowledge necessary to guide the business of the Company.

5. Appointment and Responsibilities of Chairman

5.1 The Board will appoint one of its members to be the Chairman in accordance with the Company's Constitution.

5.2 The Chairman represents the Board to the members and communicates the Board's position.

5.3 The Chairman must be an independent Non-executive Director, and must not have been the CEO of the Company within the previous two years.

6. Company Secretary

6.1 The Company Secretary is responsible for the co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.

6.2 Appointment and removal of the Company Secretary will be subject to Board approval.

7. Committees of the Board

7.1 The Board may from time to time establish and delegate any powers to a committee of the Board in accordance with the Constitution.

7.2 The Board is responsible for approving and reviewing the charter terms and membership of each committee established by the Board.

7.3 The Board shall, as a minimum, establish the following committees and adopt Charters setting out matters relevant to the composition, responsibilities and administration of these Committees:

(a) Audit and Risk Committee;

(b) Human Resources Committee; and

(c) Nominations Committee.

7.4 All non-executive directors shall be entitled to attend meetings of Board committees where there is no conflict of interest.

8. Board Meetings

8.1 The Board shall meet at least eight times per year, and otherwise as often as the directors determine necessary to enable the directors and the Board to fulfill their duties and responsibilities to the Company.

8.2 The Company Secretary is responsible for distributing Board meeting papers to directors prior to each meeting.

8.3 A quorum for a Board meeting shall be determined in accordance with the Constitution.

8.4 The Chairman is responsible for the conduct of all Board meetings, including briefing all directors in relation to the issues arising at Board meetings. The Chairman has a casting vote, subject to the terms of the Constitution.

8.5 Draft minutes of each Board meeting shall be prepared by the Company Secretary promptly following the meeting for review by the Chairman.

9. Board Performance

9.1 The Board will undertake an annual performance evaluation that:

(a) reviews the performance of the Board against the requirements of this Charter;

(b) reviews the performance of the Board Committees against the requirements of their respective Charters; and

(c) reviews the individual performances of the Chairman, the CEO and the Directors.

9.2 The Board, through the Nominations Committee, will determine the scope of the performance evaluation and how it is carried out, in order to achieve the objectives in Section 9.1.

10. Ethical Standards and Legal Duties

10.1 Each director is expected to uphold the ethical standards and corporate behaviour described in the Directors' Code of Conduct and shall abide by its terms.

10.2 Duties The Board will operate in a manner reflecting the values of the Company and in accordance with its agreed corporate governance guidelines and the Constitution.

10.3 Conflicts of interest Each director has a duty not to place himself or herself in a position that gives rise to a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. Each director is required:

(a) to ensure that the Board is notified (whether by formal standing notice or notification to the Company Secretary or Board immediately on becoming aware) of any interest which may give rise to a real or substantial possibility of conflict, including any material personal interests; and

(b) if any matter is or likely to be brought before the Board which could give rise, or be perceived to give rise, to a real or substantial possibility of conflict, to:

* disclose to the Board;

* continue to receive Board papers or other information which relates to the matter which is the subject of the conflict of interest, unless the director requests, or the

Chairman determines,
that he or she shall not receive any or all of those documents; and

* withdraw from any part of a Board or Board Committee meeting for the duration of any discussion and not vote on the matter, unless a majority of directors who do not have an interest in the matter resolve that the disclosed interest should not disqualify the director.

11. Confidentiality

The directors acknowledge that all proceedings of the Board and its committees are strictly confidential and will not be disclosed to any person other than Board members, except as agreed by the Board or as required by law.

12. Review of Charter

The Board and Committee Charters will be reviewed every two years or as required, to ensure that they meet best practice standards as measured by the Australian Institute of Company Directors and meet the needs of the Company and the Board.