

AustCham Shanghai
Resolutions to be presented at AGM 2010

The following resolutions will be proposed in the order of the Agenda at the AGM 2010

RESOLUTION No.1

5. Membership categories and fees

- 5.1 Vote on proposed AustCham Shanghai membership categories 2010-2011
- 5.2 Vote on proposed AustCham Shanghai membership fee levels from 2010-2011

5.1 The AustCham Shanghai membership category of **Corporate Membership** will continue as the core membership category, each of whose **Corporate Member** companies (and only these **Corporate Members**) carries one vote (and only one vote) exercised by its designated **Voting Member representative** (or its duly appointed proxy) as outlined in Article 9:5-7 whenever a vote in a general meeting (or similar) is undertaken.

*Click here for ***Australian Chamber of Commerce, Shanghai Articles of Association (rev 2007)***

However, the Board proposes that from July 1 2010 changes will be introduced in the articulation and management of the **Corporate Membership** category as follows:

Part 1 - Platinum Corporate Member status

- The current **Platinum Sponsorship** program successfully introduced in 2010 will convert to an upper status tier of the **Corporate Membership** category under the title **Platinum Corporate Member**
- Current **Platinum Sponsors** will automatically roll over into this new membership status retaining *pro rata* their current **Corporate Membership** rights and benefits in addition to receiving the current **Platinum Sponsorship** benefits
- A limit of twelve (12) **Platinum Corporate Memberships** has been set for the first year, while the Board continues feasibility and implements effective roll out of this new membership status. **Platinum Corporate Membership** status currently is only available to companies which are already **Corporate Members**
- The Board will explore the ways in which access to **Platinum Corporate Membership** status for interested **Corporate Members** can be equitably made available and managed over time

- **Platinum Corporate Membership** status will be reflected in delivery of an agreed package of privileged benefits but not including any increase in the franchise of one (1) vote per **Corporate Member** company. Fees paid for **Platinum Corporate Membership** will be set at a premium level, to be reviewed annually

Part 2. - Small Business membership category elimination with upgrade conversion to full Corporate Membership

The Board proposes that from July 1 2010 the current **Small Business Membership** category which is a non-voting membership (refer Article 9:4-6) will be eliminated **and**

- All current **Small Business Memberships** will convert immediately to full **Corporate Membership** from July 1 2010
- Each newly converted **Corporate Membership** of this SME type will retain *pro rata* (two years or part thereof) the privileged SME company discount on subscriptions based on the SME criteria currently applied
- At the close of the two year (or current pro rata part thereof) introductory discount period, all general **Corporate Membership** fees will apply without further discount for these SME companies
- Newly joining SME businesses (assessed against the same criteria currently used to define these companies on joining) will join as **Corporate Members** at a privileged SME discount rate, applicable for the first two years of **Corporate Membership** but automatically converting to the general **Corporate Membership** fee structure at the commencement of their third year of continuous membership
- The Board during 2010-2011 will further assess whether any differences in initial delivery of membership benefits will apply to SME companies enjoying discount subscriptions for **Corporate Membership**. Currently however, each **Corporate Member** will enjoy the one (1) vote franchise immediately and each interested employee may register to receive full Membership card benefits
- The opportunity to join as a first-time **Corporate Member** at the discount privilege charges set for SME companies will apply only once

*Click here for ***Australian Chamber of Commerce, Shanghai Articles of Association (rev 2007)***

The vote for resolution 5.1 will be taken in two parts

- (i) Approval of introduction of **Platinum Corporate Member** status
- (ii) Approval of elimination of **Small Business Membership** category with upgrade conversion to **Corporate Membership**

5.2 Membership Fees and benefits proposal 2010-2011

- The Board proposes no immediate changes in fees 2010-2011
- Current fee schedules will be aligned with the membership category adjustments outlined in 5.1 immediately from July 1 2010, if these are approved as proposed
- This decision to propose no fee increases in 2010-2011 reflects the Board's sensitivity to the economic stress that a number of membership companies experienced in last year's global economic downturn and the generous support which **Platinum Corporate Members** will bring to AustCham Shanghai in 2010-2011
- While increased costs are a reality, the Board and Secretariat have again delivered healthy financial outcomes in 2009-2010 providing strong backing for the 2010-2011 financial year and budget
- The fees and benefits for **Corporate Membership** including **Platinum Corporate Membership** and SME two (2) year introductory **Corporate Membership** discount rates are outlined clearly in membership information.
- **Associate Membership** essentially an offshore membership category will remain as a non-voting membership category
- **Individual Membership** (a limited category of membership) is also available to those who qualify, as is **Student Membership**

Presenter:

On behalf of the Board, David Keir, Chair, Industry Working Committees will present the membership category resolution (Agenda 5.1) and Tim Lyons, Membership Director will outline the recommended membership fees and categories 2010-2011 (Agenda 5.2)

Board Notes

- The Board, in recommending these changes in membership management, aims to better unite, consolidate and represent the increasingly diverse interests and strengths of AustCham Shanghai's membership pool. Emphasis will be put on developing greater range in the ways that high relevance membership value can be delivered to each **Corporate Member**. The proposed changes introduce a synergistic strategy underpinning these developments by capturing and returning increased generous support from "high profile interested" **Corporate Members**
- The Board acknowledges that while continuing to provide the two year privilege discount price introduced only in recent years for newly joining SME companies and now further immediately granting those newly joining SME companies full **Corporate Membership** rights and benefits including the vote, , there needs to be some consideration of those SME companies, who joined earlier without this support. These companies have loyally continued over the years paying the full **Corporate Membership** fees without discount. "One size fits all" was the only membership option offered for many years

- At this time the Board neither recommends, nor considers it financially feasible, to open permanently, a lower SME status tier in the Corporate Membership category. This would require cutting the two year limited introductory discount and offering all SME qualifying membership companies long term a lower **Corporate Membership** fee compared to larger companies, no matter when, or for how long, they have been AustCham Shanghai members
- The Board will continue to review the revenue and cost implications of all related options without compromising optimum delivery of high membership value for all in the coming year
- The Board will consider ways in which SME companies paying full **Corporate Membership** fees over time as continuing members, might receive some further benefits in recognition of their membership loyalty and contribution

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RESOLUTION No. 2:

AGENDA Item 5.3 – Vote on proposed Life Membership candidates

This resolution will be put to the Voting members in two parts:

First, that **Article 10:3, Australian Chamber of Commerce, Shanghai Articles of Association (rev 2007)** regarding **Life Membership** will for the first time be activated

*Click here for ***Australian Chamber of Commerce, Shanghai Articles of Association (rev 2007)***

Second (if approved in the first part), it is proposed that the first three (3) individuals recommended for induction as AustCham Shanghai **Life Members** are:

- (a)** Marc Gauci, Founding Chair
- (b)** Ken Rippin, Founding member and Board Director
- (c)** Kate Dunmore McLean OAM, Founding member, former Chair and Honorary Adviser

Each of these people from Foundation of AustCham Shanghai in 1994, for many years and in diverse ways, have contributed greatly not only to the development of AustCham Shanghai but to the well being and good standing of the Australia-China business community in China generally. Each of these people also played an effective key pioneering role in various highly regarded and Australian-identified professional and sustainable commercial initiatives in China. Their individual and shared contributions to the best interests of Australia-China business have been substantial.

Presenter:

This resolution to activate Life Membership and induct the first three (3) recipients will be outlined at AGM 2010 on behalf of the Board by Stephen White, Chair, AustCham Shanghai 2009-2010

Board Note:

This year in activating **Life Membership Article 10:3**, the Board wishes to recognize three of the original 1994 Founding Members. As required by **Article 10:3** the Board following Voting Members' approval will finalise the relevant by-law for implementation of this special membership category. Draft guidelines have already been prepared and approved by the Board. The following general points are provided for Voting Members' reference.

- **Life Membership** will be instituted as a Membership Register status rather than a membership category *per se*
- **Life Memberships** will recognise the contribution of individual persons not companies
- **Life Membership** provides the opportunity to recognise/honour any individual (not limited to Voting Member representatives of Corporate Members)
- **Life Membership** will be limited to those few individuals who have made an outstanding contribution
- The number of individuals proposed for **Life Memberships** at any AGM for Voting Members' approval will not exceed three (3) per annum
- Lifelong (long term) **Life Membership** for any person once recognized, is assumed. The Board, however, in communication with the Voting Members at the AGM, will reserve the right to propose/approve cancellation of any person's **Life Membership** if at any time it is deemed that for sound reasons, continuing the connection with any individual **Life Member**, is in any way no longer in AustCham Shanghai's membership best interests
- **Life Membership** status is non-voting (refer below)
- Limited membership rights, privileges and recognition will be granted to **Life Members** including event attendance (including first guest) at membership prices, attendance at membership exclusive events, occasional AustCham Shanghai event privilege invitations free of charge, website listing under **Life Membership**, other general AustCham Shanghai recognition and courtesies
- Reciprocal attendance rights for AustCham Shanghai **Life Members** will be requested, but cannot be guaranteed with other peer group "reciprocal rights" organizations
- **Life Membership** will require no payment of subscription or joining fees (cost of event attendance or similar charges will apply)
- **Life Memberships** will be recorded on the Membership Register year by year and contact maintained. If an extended period of time (2-3 years) passes without

return contact/communication with a **Life Member**, emphasis will be put on making contact. If that fails, closing of that **Life Membership** may be considered. (**Life Members** will be advised of the above and asked to maintain contact)

- Any recommendation to honour any person with **Life Membership** will be taken by the Board to the Voting Members at the AGM for their approval (not automatic)
- **Life Membership** proposals will maintain a high standard in recognition of comparable personal contributions and endeavours over the years, and at no time will be based purely on length of service, or related corporate contributions to AustCham Shanghai
- Recommendations for **Life Membership** will not automatically be put at each year's AGM
- A membership card will be issued annually to **Life Members**
- **Life Members** may be appointed as Honorary Advisors to the Board of Directors, but may not stand for election to the Board of Directors
- The Board may recommend at any time to Voting Members, that a cap or limit on the number of **Life Members** be set, guided by changing AustCham Shanghai demographics, over time. For example a limit of three (3) **Life Members** per 100 Corporate Members might be set

Key Factors currently considered in recommending Life Membership

1. One key objective in honouring individuals as **Life Members** for their contribution will be to form an influential AustCham Shanghai alumni. **Life Members**, as a well-connected and respected group of people, no matter where located globally, will ensure widespread contact and interest in AustCham Shanghai, continue to build useful networks and be on call from time to time for expert advice or mentoring.
2. Length of service to AustCham Shanghai will only be recognised if it also reflects a marked quality of leadership impact, and significant contribution of expertise (above and beyond) over time. Such recognition will usually be for *pro bono* services, but from time to time a retiring AustCham Shanghai employee might be considered for **Life Membership**
3. An individual's high calibre professional contribution (not just position based), broadly recognised and respected in Australia/China business/government and other related communities generally, and of long-standing support to AustCham Shanghai, may be considered for recognition
4. Demonstrated high value voluntary input and service to AustCham Shanghai broad membership interests as personal service, compared with more specifically corporate and professional employment-based contributions will be highly considered
5. Proven professional leadership, skills impact, pioneering and ongoing contribution to Australia-China business, particularly in the local AustCham

Shanghai “region” of influence and particularly when shared professionally and voluntarily with others through the auspices of AustCham Shanghai, and similar community activities will be considered highly

6. From time to time, AustCham Shanghai may propose as a **Life Member**, an individual whose core contribution while broadly recognised in the local Australia-China business community has not been centred on AustCham Shanghai’s development and service. However, any such candidate will have contributed to an unusually high level in their community role, and also demonstrated over time their full support for and cooperation with, AustCham Shanghai Mission and strategic objectives

Finally.

If, in any future development, AustCham Shanghai joins more closely with/ coordinates with/incorporates into/ another or other organization(s), an ongoing requirement of negotiations with others influencing changes to AustCham Shanghai, will be the ongoing recognition of the individuals honoured as AustCham Shanghai **Life Members**, by any newly emerging organizational structure

Caveat:

1. From time to time, a person whom AustCham Shanghai wishes to recognise individually as a (non-voting) **Life Member** may at that time, still be employed by, and designated as, the Voting Member representative of an AustCham Shanghai Corporate member company. In such case the person may continue for the immediate future as the Voting Member representative while accepting Life Membership in their own individual right, to be held long term, independent of any Corporate Membership employer with which they are connected at the time. Life Membership for that individual however, will in no way convey any rights or benefits of any sort whatsoever, to the Corporate Member (a “company”) which employs the individual. That company, if it wishes, must continue to qualify and pay for AustCham Shanghai Corporate Membership as required by all relevant policies and guidelines at the time.
2. From time to time, regulatory constraints in China may render it difficult to recognise an individual using the phrase AustCham Shanghai **Life Member**. In such cases an acceptable alternative nomenclature using terms like “honorary recognition”, or “group of Australian business people in Shanghai” might be adopted according to the situation, to describe acceptably, the recognition intended.

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RESOLUTION No. 3:

AGENDA Item 7 – Other Business

Amendment to the **Australian Chamber of Commerce, Shanghai Articles of Association (rev 2007)** regarding limits to the number of proxy votes held when Voting Members (or their duly appointed proxies) meet to vote at any general meeting including the annual general meeting, will be proposed as outlined below.

* *Click here for **Australian Chamber of Commerce, Shanghai Articles of Association (rev 2007)***

Date of Implementation

If the resolution is passed at AGM 2010, the proposed change will become immediately effective at any general meeting held following AGM 2010, commencing July 1 2010, and the **Articles (rev 2007)** will be immediately amended to reflect that changed wording.

Amendment is proposed to Article 15:4 p26 of 56 of the Articles (rev 2007) which currently allows for appointment of proxy as follows:

“Any Voting Member of the Chamber entitled to attend and vote at a general meeting of the Chamber, will be entitled to appoint another person who must be either himself, a member, or an employee of a member (whether or not a Voting Member) as his duly appointed proxy to attend and vote in his place”.

Article 15:5 further stipulates:

“A person other than the Chair of the Board stepping down from that position at the Annual General Meeting may hold only a maximum number of three (3) proxies.”

PROPOSED AMENDMENT FOR RESOLUTION

It is proposed that the following words are added to **Article 15:4** of the **Australian Chamber of Commerce, Shanghai Articles of Association (rev 2007)** clearly prescribing limits to the total number of proxy votes which may be held at any one time, not only by any individual but also in total by the employees of any one membership company:

PROPOSED WORDING ADDED TO ARTICLE 15.4 (above)

“However, the number of proxy votes held in total by the employees of any one membership company (of any category), each person having been duly appointed proxy, will be limited, at any one time, to a total of three (3) proxy votes, whether

these votes are held by one, or by more than one person, when each person is an employee of the same membership company”.

Presenter

This proposed amendment will be outlined at AGM 2010 on behalf of the Board by Seamus Cornelius, Deputy Chair, AustCham Shanghai 2009-2010

Board Note

Each year following the AGM, review is undertaken of AGM and election of Board Directors related matters, and Voting Members at any time may submit their comments to the Board for consideration. Guided by the **Articles (rev 2007)**, a number of administrative matters regarding equitable appointment of proxy and distribution and use of proxy votes are clarified in by-laws and correspondence with Voting Members. Current guidelines, for example, outline the way in which, (refer **Article 15:5**) in the event that a person receives more than three (3) proxies, the relevant Voting Member is contacted by the Returning Officer to enable alternative appointment of proxy to be arranged and the way in which proxy votes possibly passing to the Chair of the Board stepping down, are equitably administered particularly in the event that the retiring Chair himself/herself is standing for re-election to the Board. The **Articles (rev 2007)** have provided sufficient guidance to the Board (as delegated) for developing equitable administration in these and other AGM related matters when relevant, without seeking approval from the Voting Members for further amendments at this time.

Reason for the Proposed Amendment

Feasibility and review indicate that there is continuing difference of opinion on equitability grounds concerning the currently potentially unlimited total number of proxy votes which may be held concurrently by the employees of any one member company when a vote is held, including the election of Board Directors. For this reason, the Board has decided to put the resolution for amendment to **Article 15:4** (refer also **Article 15:5**) to the Voting Members for their decision, at AGM 2010. The Board wishes to obtain clear guidance from Voting Members of what Voting Members consider appropriately equitable practice in this particular matter.

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