

MEMBERS CHARTER

Incorporating changes approved at the 2022 AGM

Ao Shang Hui Consulting (Shanghai) Company Ltd is a wholly foreign owned enterprise established in Shanghai that operates under the brand name of “AustCham Shanghai” and may also be referred to as “The Company” elsewhere in this Charter.

The Company is owned by AustCham Consulting Limited, a Hong Kong based Company whose shares are held in trust for the corporate Voting Members of AustCham Shanghai.

The Company has a vision to be the leading bi-lateral organisation to promote trade and investment between Australia and China.

It offers a range of membership options for Companies and individuals in exchange for providing members with access to the products, services and programs of the Company.

This Charter sets out the relationship between Members, the Company and its Shareholding Company in Hong Kong, and thereby enshrines the rights and obligations of Members in the legal and governance framework of the Organisation.

1. Objectives

The Company’s objectives are:

- 1.1. To promote the development of trade, commerce and investment between Australia and the People's Republic of China (‘China’).
- 1.2. To provide a forum which facilitates investment and business cooperation between Australia and China.
- 1.3. To work with organisations in China, Australia and elsewhere on matters of mutual interest.
- 1.4. To maintain relations with Chambers of Commerce and other commercial organisations.
- 1.5. To do all other lawful things as may be incidental or conducive to the attainment of the foregoing objectives.

2. Membership

2.1. Types of Membership

Membership of AustCham Shanghai is open to individuals and entities that share the objectives of the Company. There are two categories of membership: voting and non-voting.

The shares of the Holding Company in Hong Kong are held in trust for the Voting Members of AustCham Shanghai. Voting Members are automatically registered as beneficiaries of the Holding Company as long as their membership status is maintained.

The Board has full discretion to make changes to non-Voting Member categories.

Any changes to Voting Member categories (other than membership dues and fees) must be approved by the Voting Members at a General Meeting of the Company.

2.2. Members Rights and Obligations

Members have the right to:

1. Attend Annual General Meetings and Extraordinary General Meetings of the Company;
2. Vote at the meetings;
3. Waive their right to vote at meetings; and
4. Raise any concerns at meetings.

Members are obligated to:

1. Pay dues and fees as required by the Board;
2. Comply with resolutions of the Board and decisions made at the general meetings; and
3. Comply with the Members' Code of Conduct

2.3. Determination of Membership

The Board shall determine the acceptability of any applicant for membership or for change in classification of membership in AustCham Shanghai.

Applications for membership shall be submitted to the Company's registered office together with all required documentation.

2.4. Membership Dues and Fees

The Board has full discretion to set the amount of membership dues and fees.

2.5. Proxies and Absentee Voting

Proxy Voting:

Any eligible Voting Member may authorise any other member to vote on their behalf at any Annual General Meeting or Extraordinary General Meeting of the Company. Notice of such proxy authorisation must be received in writing by the Company Secretary in advance of the meeting at which such proxy is to be voted.

Absentee Voting:

Any eligible Voting Member may vote at any Annual General Meeting or Extraordinary General Meeting of the Company by absentee ballot.

The detailed process for proxy and absentee voting shall be set forth in the Schedules of this Charter.

2.6. Resignations and Termination

In order to resign from membership with AustCham Shanghai, written notice must be given to the Company by the member.

The Board shall record the resignation of any member in the records of the Company.

The Board may terminate the membership of any member for failure to pay fees, failure to comply with the Members Code of Conduct, or for any other reason determined by the Board in its absolute discretion.

3. Meetings of the Company

3.1. Annual General Meeting

An Annual General Meeting will be held no later than six (6) months after the end of the financial year of the Company. Written notice of such a meeting shall be given to the membership 28 days in advance.

The business to be conducted at the Annual General Meeting shall include, but not be limited to:

- (a) A report of the Board of Directors;
- (b) The auditor's report;
- (c) The audited financial statements for the financial year just completed;
- (d) The legal counsel report including a statement that the Company shares are legally held in trust;
- (e) A declaration of any dividends to be paid;
- (f) Appointment of the Company Auditor;
- (g) Nomination and election of the Board.

3.2. Extraordinary General Meetings

The Board Chair shall convene extraordinary General Meetings of the Company by giving no less than 14 days notice, upon:

- (a) The direction of the majority of the Board;
- (b) The request of at least 10% of the votes of Voting Members; or
- (c) The request of the Company Supervisor

Any member who wishes to place a related item on the agenda of an Extraordinary General Meeting may do so provided he or she gives notice to the Company Secretary one week before the meeting is due to be held.

3.3. Notice

Written notice of the agenda of the Annual General Meeting or of an Extraordinary General Meeting, as relevant, shall be provided to members in advance of such meeting.

3.4. Quorum

The quorum for the Annual General Meeting and for an Extraordinary General Meeting shall be 10% of the votes of the Voting Members of the Company.

For the purposes of determining a quorum, each absentee vote cast by eligible Voting Members and received by the Company Secretary or proxy votes by eligible Voting Members held by any person attending any meeting will be counted separately in determining whether a quorum exists.

In the event of there being no quorum present at any such meeting, the meeting shall be adjourned and reconvened at a place, date and time (within 14 days) to be appointed, and should the number then present, including absentee and proxy votes, be insufficient to form a quorum, those present shall be considered a quorum.

3.5. Voting

Decisions of the Annual General Meeting and the Extraordinary General Meeting shall be passed by simple majority except if otherwise provided in the Constitution.

4. Election of Board of Directors

4.1. Board Members

Board members shall be elected for the nominated term at the Annual General Meeting by the corporate Voting Members of AustCham Shanghai.

The size of the Board will be determined in accordance with the Company's Constitution. One director shall be an Executive Director and the remaining Board members will be Non-Executive Directors.

Eligibility to be a member of the Board, along with procedures for nominating and filling vacancies will be clearly stated in a document titled, "Nominations and Elections Process" and must be attached as a Schedule to the Members Charter.

4.2. Role of the Board

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.

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

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



5. Appointment of Auditors

The Board shall appoint an external, independent, accredited auditing firm to audit the Company's accounts each year and to present a report upon them to the Board, which report will also be disclosed to the membership at the Annual General Meeting. The Auditor may be required by the Chair to audit the Company's accounts for any period at any date and make a report to the Board.

6. Amendment of the Constitution

With the exception of Clauses 2 and 3 of the Company Constitution, no alteration or additions to the Company Constitution shall be made except by passing of an ordinary resolution at an Annual General Meeting or an Extraordinary General Meeting. The exception to Clause 2 shall only apply where there are a change of details relating to the existing investor and not if there is a change of investor. The Clause 3 shall only apply where there is a change to the legal address.

7. Amendment of the Members Charter

No alteration or additions to the Members Charter shall be made except by passing of an ordinary resolution at an Annual General Meeting or an Extraordinary General Meeting.

The Board may make alterations or additions to the Schedules attached to the Members Charter at its own discretion, as long as they do not conflict with the Members Charter or the Company Constitution.

Schedule A: MEMBERSHIP REGULATIONS

1. Membership Categories

1.1 Voting Members

Voting Members include all “Corporate Members” and “Platinum Corporate Members” as defined below. Each Voting Member is entitled to one vote.

Corporate Member - Domestic means a member of AustCham Shanghai:

- (a) being any corporation, partnership, sole proprietorship, representative office, branch office or other legal entity formed, founded or incorporated in China; and
- (b) having a regional representative in China or having sufficient capital investment or operating interest as a business related entity in China as determined by the Board in its discretion.

Corporate Member - Overseas means a member of AustCham Shanghai being any corporation, partnership, sole proprietorship, representative office, branch office or other legal entity formed, founded or incorporated outside of China.

Platinum Corporate Member means any Corporate Member, domestic or overseas, meeting the additional platinum criteria determined by the Board.

Corporate Members and Platinum Corporate Members may appoint one representative in AustCham Shanghai, who shall be a person of good repute.

1.2 Non-Voting Members

Non-Voting Members include:

Individual Member means a member of AustCham Shanghai being an individual eighteen years of age or over.

Social Member means an Individual Member entitled to attend only the social events of the Chamber.

Student/Alumni Members means any Individual Member that meets the additional Student/Alumni criteria determined by the Board.

Life Member means an individual who is recognised for his or her longstanding dedication and commitment to fostering a strong Australia-China business relationship and is appointed by the Board by a special majority (two thirds majority) vote.

2. Membership Register

A Membership Register must be kept up to date at the Company's registered office, including the following details of all the Members since the foundation of AustCham Shanghai:

- Company/Individual name
- Address in English and Chinese
- Contact details
- Date of joining and retirement
- Name of Voting Member Representative (for corporate and platinum members)

The Membership Register, both current and edited for public information, may be published as a membership directory or a membership database on the AustCham Shanghai website, or at any time in any other format of an AustCham Shanghai publication.

Personal contact and corporate information provided by members and guests will remain confidential, except when clearly authorised by those providing the information. The confidential information may be used for AustCham Shanghai internal membership management and planning purposes.

3. Membership Application Process

Those interested in joining AustCham Shanghai should submit a fully completed application form to the Company's registered office. This form includes the following details:

- Membership category the applicant is wishing to join.
- Company Name in English (and Chinese if possible) (not applicable for individual membership applications).
Address in English (and Chinese if possible).
Corporate Representative and key contact person including full name, gender (for marketing purposes), professional title and contact details.
- Business license in Mainland China or ABN number (not applicable for individual membership applications).



The staff of AustCham Shanghai will be responsible for: Checking the application form and supporting documentation. Submitting membership applications with recommendations to the Board for approval.

Joining and subscription fees for new Members are due and payable no later than thirty (30) days from the written notice of membership approval.

No applicant for membership will become a member of AustCham Shanghai and be recorded in the Membership Register until:

1. All necessary requested information and supporting documentation has been received;
2. The joining and subscription fees has been received in full; and
3. The application has been approved by the Board.

4. Membership Fees

4.1. Payment Method

To activate or maintain their membership, Members must pay the relevant joining and subscription fees for their approved membership category as set out by the Board.

Any joining and/or subscription fees must be paid in cash or by bank transfer. The Membership Team will provide an exchange rate if fees are to be paid in foreign currency. All related bank fees and transfer costs are the responsibility of the Member or applicant forwarding the payment.

No “in kind” or alternative forms of payment will be accepted to pay membership joining or subscription fees, unless approved by the Board of Directors.

4.2. Membership Terms

Subscription fees for all members, with the exception of Platinum Members, are based on a twelve (12) month membership period commencing on the date when the full amount of the relevant subscription and joining fees have been paid and received in full.

The small member discount may only be granted to a member company once. That is, a member who has received a small member discount may not let the membership lapse and later re-apply for an additional discount.

Platinum members may choose a quarterly payment cycle for a 12-month membership.



Continuing Members' subscriptions become due for renewal on the date of each yearly anniversary of the commencement of their membership. Membership fees will not be charged on a pro-rata basis unless the Member upgrades from one category to another.

Each continuing Member will receive notice two months prior to the renewal falling due. These membership fees will be due and payable either on or before the renewal date unless written resignation of membership has been received and confirmed prior to that date at the Company registered office.

4.3. Overdue Fees

If any membership subscription or joining fee remains for a period of one (1) month from the due date for payment, they will not be considered as Members in **Good Standing**.

If any new applicant's joining subscription fee remains unpaid after the expiration date (30 days from membership approval), the application will become invalid. Should the applicant wish to proceed with membership after the original application has expired, a new application must be submitted.

If a membership renewal subscription fee remains unpaid for more than three (3) months from the due date the Membership Team is required to give written notice to that member. This notice is to advise that, if the fee is not paid in full within one (1) calendar month of the date of the notice, the member may be retired from the Membership Register.

In the event that payment for the outstanding amounts are not received within the period prescribed in the aforementioned notice, a further written notice shall be sent to the member, without prejudice, as to the rights of the Board to recover the outstanding amounts and costs and advising that the Member has been retired from the Membership Register of AustCham Shanghai.

The Board may prohibit any member from using the facilities of the Company, attending its functions or voting on any matter while such member is in default with regards to payments due to the Company.

5. Membership Transfers

Any Member who ceases to be eligible for membership under a particular membership category may, with the approval of the CEO, transfer its membership immediately to another eligible membership category provided any necessary fees required are paid promptly.

Any Corporate Member who transfers its membership to another company must provide full details of the new company and any relevant documents for approval to the Company registered office together with the business license. Individual Memberships cannot be transferred.

6. Membership Resignation

Any Member may resign their membership at any time upon providing written notice to the CEO.

The Company Secretary shall record the resignation of any Member in the Member Register.

Upon membership resignation, all the employees of the company also cease to be members of AustCham Shanghai. Any Member who for any reason ceases to be a Member, will nevertheless remain liable for, and the Company is entitled to make claim for, all monies other than subscription fees, which at the time of ceasing to be a member are deemed to be due to the Company.

Any retired Member may reapply for membership and be reinstated on the Membership Register upon approval of a new application and payment of the appropriate fees.

7. Membership Termination

The **Board of Directors** may terminate the membership of any member by a special majority (two-thirds majority) vote under the following circumstances:

The Member Company has business license concerns.

The Member Company is closed down.

The Member is convicted of any criminal offence or of any offence involving his integrity or honesty.

- The Member enters into any act of bankruptcy or liquidation either voluntarily or compulsorily (with the exception of amalgamation or reconstruction purposes).

The Member becomes unable to pay his debts as they fall due.

The Member violates the Company Constitution or Members Charter.

If any Member persistently violates any of the provisions of the Constitution, or if his/her conduct is, in the opinion of the Board, injurious to the character or best interests of the Company, the Board will specifically consider the matter. If the Member does not explain his conduct to the satisfaction of the Board, the Board may, by affirmative resolution passed by a majority of its maximum potential number of Directors, strike that Member's name off the Membership Register. The Board may, at its discretion, determine to immediately suspend such member from access to and the use of facilities of

the Company pending the investigation of his conduct by the Board.

The Board may also, in its absolute discretion, upon written application of the Member and after due inquiry, may by affirmative resolution passed by a majority of its maximum potential number of the Board, restore such Member's name to the Membership Register upon such terms as the Board thinks fit and in accordance with the Members Charter.

The process for termination is as follows:

- i) The CEO collects all required information and presents it to the Board of Directors.
- ii) The Board of Directors considers the motion with a decision to strike off the Member requiring a two-thirds majority.
- iii) The CEO informs the Member, by a written notice, that the membership will be terminated as of the date of the notice.
- iv) The CEO informs the Members that such Member is no longer a Member of AustCham Shanghai to prevent any potential damage to the Company and its Membership.

Members are not entitled to any refund of fees, or part thereof, if a membership is terminated in accordance with the above proceedings.

8. Annual General Meetings

8.1. Attendance and apologies registration

Only Members in good standing may register to attend an AGM. A registration form is to be filled in as part of the formal registration process. Non-Voting Members may also register to attend. The deadline for attendance registration is exactly 24 hours prior to the AGM.

8.2. Proxies duly appointed to attend the AGM

Voting Member Representatives in good standing may duly appoint another person as his or her proxy. This proxy must be:

- An employee of the Voting Member Company; or
- A representative or employee of another Member Company (not necessarily a Voting Member); or
- An Individual Member of AustCham Shanghai.



The registration form signed by the Voting Member Representative must be submitted to the Company Secretary. The proxy shall also register his or her attendance on the form. The Deadline for the appointment of a proxy is exactly 24 hours prior to the AGM.

It is the responsibility of the Voting Member Representative to instruct the duly appointed proxy to vote at the AGM.

On receipt of correctly completed proxy forms the Company Secretary will acknowledge receipt and enter the details into the Record of Registered Proxies for the AGM.

Registration of proxy attendance at the AGM and a formal apology for the Voting Member not in attendance must be checked and entered in the formal AGM records.

A duly appointed proxy who is not a Voting Member Representative will have the same rights to speak and vote at General Meetings, just as a Voting Member Representative would.

A vote cast in accordance with the terms of the proxy appointment will be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid is received at the Company registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

8.3. Absentee voting

Any eligible Voting Member may vote at any General Meeting of the Company by absentee ballot.

The Articles entitle any Voting Member duly appointing a proxy, to register a written preferred vote or to allow the duly appointed proxy vote as informally instructed or according to any other agreed way.

8.4. Meeting quorum

The Quorum for an Annual General Meeting and an Extraordinary General Meeting shall be 10% of Voting Members in Good Standing, including their proxies.

Each Voting Member nominates a Voting Member Representative who has the right to vote. The Voting Member Representative may attend the AGM, debate and vote as required on business and on the election of the Board of Directors. These individuals from Voting Members in Good Standing or their



duly appointed proxies are those who are counted when a quorum is calculated.

At exactly 24 hours prior to the AGM, the Company Secretary will report the Quorum for General Meetings to the CEO and the Chairman of the Board.

The Company Secretary will not register the attendance of any Voting Member if monies outstanding for more than one (1) month have not been fully paid up by the date of the General Meeting. These members are not considered to be in Good Standing. The calculation of one month will be made from the day 24 hours before the AGM to the date exactly 30 days prior.

No business may be transacted unless a Quorum of Eligible Voting Members in Good Standing is present when the meeting proceeds to business or, where relevant, at the time of conclusion for electronic votes. For business to continue the Quorum must continue to be present until the conclusion of the meeting. Once a Quorum is present and continues to be present (monitored), even if some Voting Members abstain from voting, the business of the AGM may proceed.

The Company Secretary will note the time the meeting commences and whether the Quorum has been achieved by persons present or by duly appointed proxy. If a Quorum is confirmed by registration checklist and head count, the nominated Chairman of the Meeting will be notified to commence the proceedings.

If quorum is not present at the time set for AGM commencement as stated in the Formal Notice, the Company Secretary will monitor any new registrations and await arrivals until a Quorum is present or until thirty (30) minutes has passed, whichever occurs soonest.

If a Quorum is not achieved within 45 minutes of the appointed commencement time, the meeting will be adjourned and reconvened at a time and place determined by the Board of Directors.

In the event that exceptional circumstances affects many attendees' arrival, if the Board of Directors has knowledge to the effect that a Quorum is reasonably and unusually delayed or hindered from arriving, but will be able to present itself at a reasonably expected later time, then the Board of Directors may, with the consent of those present, or in electronic communication, schedule the AGM for later the same day.

In the event that a Quorum is not present at any such General Meeting, the meeting shall be adjourned and reconvened at a place, date and time to be appointed. The date of such a meeting shall be within fourteen (14) days of the original meeting date. Should the number then present, including

absentee and proxy votes, be insufficient to form a Quorum, those present shall be considered a Quorum.

Each absentee or proxy vote cast by eligible Voting Members and received by the Company Secretary will be counted in determining whether a Quorum exists.

8.5. Voting at AGMs

At any General Meeting a resolution to put to the vote of the meeting will be decided on a show of hands, or by such electronic voting methods as the Board may determine from time to time. A declaration by the Chairman that a resolution has on a show of hands, or by confirmation of final electronic votes, been carried (either carried unanimously, or carried by a particular majority, or lost) will be conclusive evidence of the fact without further proof of the number or proportion of the votes recorded in favour of, or against such resolution.

In case of a vote being tied, the Chairman will have the casting vote.

8.6. Meeting minutes

The Company Secretary will prepare minutes of the Annual General Meeting. The minutes will be approved by the Board at the first Board meeting following the AGM.

In accordance with the Company Constitution, the Directors of the Shareholding Company in Hong Kong will then sign the minutes.

The minutes will be presented at the Annual General Meeting the following year for noting.

This written record of the minutes, together with all reports presented (including electronic presentations) and the original Audit Reports will be kept for the life of the Company in the permanent records, both in hardcopy and electronic forms, and stored with the Archives of AustCham Shanghai.

8.7. Post-AGM communications

The results of Board elections and any votes taken at the AGM will be announced on the AustCham Shanghai website after the AGM.

Schedule B: NOMINATIONS AND ELECTIONS

In accordance with the Constitution and Members Charter, the following is the official Nominations and Elections Process of Ao Shang Hui Consulting Co., Ltd (AustCham Shanghai).

1. Composition of the Board of Directors

- 1.1 The Board of Directors of the Company is comprised of ten (10) elected Non-Executive Directors and one (1) non-elected Executive Director (CEO).
- 1.2 A minimum of 80% of the Board shall be Australian citizens and at most 20% of the Board may be non-Australian citizens.
- 1.3 Directors are elected by eligible Voting Members at the Annual General Meeting (AGM) for a two-year term. Terms are staggered, with approximately half of the Board standing for election each year.
- 1.4 The first Board meeting shall be held within the first 14 days after the AGM.
- 1.5 The Ao Shang Hui Consulting (Shanghai) Co., Ltd Board elects the position of Chairman and Deputy Chairman by a simple majority vote. This vote will take place by secret ballot at the first Board of Directors meeting held after the AGM.
- 1.6 All Directors are formally appointed to their elected positions through an appointment letter from AustCham Shanghai's shareholding Company in Hong Kong.
- 1.7 Members and Chairs of Board Committees are selected by the Chairman and approved by the Board.
- 1.8 The Chair, Deputy Chair and Audit and Risk Committee Chair are further appointed as the three directors of AustCham Consulting Limited.

2. Criteria for Nominations to the Board of Directors

- 2.1 A candidate for the Board of Directors must be an employee of a Company who is a Voting Member in good standing.



- 2.2 Candidates who are not the registered voting representative of their Employer Company must be proposed by the Voting Member representative of their Employer Company.
- 2.3 Candidates for the Board of Directors must be legally entitled to reside and work in China, therefore candidates must have a Chinese passport or a work permit and work visa.
- 2.4 A candidate for the Board of Directors need not be an Australian citizen; however a Director must be an Australian citizen to be eligible to nominate for the positions of Chairman and Deputy Chairman of the Board.
- 2.5 Only one employee from any one Voting Member may serve on the Board at any one time. An Honorary Advisor to the Board and a Director employed by the same member Company may not serve on the Board concurrently.
- 2.6 Any employee of a Government, or of an organisation that is controlled by and/or reports to a Government, is not eligible to nominate for election to the Board of Directors.
- 2.7 Retired Directors and interim appointed Directors can be nominated to stand for election provided that they satisfy all other eligibility criteria.
- 2.8 A Board member of another organisation that has a potential conflict of interest, such as another Chamber, is ineligible for the AustCham Shanghai Board.
- 2.9 Annually, the Board shall update the suitability criteria for candidates to be elected to the Board of directors. Each candidate must be deemed by the Board to meet these criteria. (see also Item 5.6)

3. Terms of Office

- 3.1 Directors serve a two-year term and may then stand for re-election. There is no limit on the number of terms for which a Director may stand.
- 3.2 The Chairman and Deputy Chairman shall serve a one-year term and may then stand for re-election, provided that they are still an elected Director of the Board. There is no limit on the number of terms for which a Director may stand for an Officer position.



4. Process for Nominations

- 4.1 Nominations may be submitted by any Voting Member of AustCham Shanghai using only the official AustCham Shanghai nomination form. With the official form, items to be covered must include:
- (a) A professional curriculum vitae updated to the time of submission;
 - (b) A colour portrait style photo;
 - (c) The signatures of a proposer and seconder to the nomination who are the registered representatives of Voting Members of AustCham Shanghai (all signatures must be on a single candidate nomination form);
 - (d) An election statement (of no more than 300 words) for inclusion in the election ballot outlining the reasons for their suitability to be a Director of the Board;
 - (e) A signed acknowledgement that the individual has read, understood and will agree to sign the Directors Code of Conduct if elected.
 - (f) A copy of the front page of the candidate's passport and visa to verify that they are a resident of China.
 - (g) Details of the membership category to which the member belongs (which shall also be stated on the election slate).
 - (h) A contact email address for the candidate that shall be released to members in the election materials.
- 4.2 Using the information provided, the Company Secretary will check to verify that the nominee is qualified to nominate as per the criteria in item 2.0 above.
- 4.3 The Company Secretary will sign and record when a completed nomination form has been received.
- 4.4 Where time permits, the Company Secretary will immediately inform a nominee who has submitted an incomplete application so that the nominee has the opportunity to re-submit a complete application.
- 4.5 Candidates are not permitted to propose or second their own nomination.
- 4.6 The proposers and seconders of candidates must be AustCham Shanghai Voting Member representatives.



- 4.7 A Voting Member representative may propose or second more than one candidate for election, provided each candidate nominated is employed by a different Voting Member Company.

5. Process for Inviting Nominations

- 5.1. The Nominations Committee will announce a call for nominations to the AustCham Shanghai membership at least twenty-eight (28) days before the elections and AGM. Specific dates will be released in February each year.
- 5.2. After the call for nominations, but prior to nominations opening, an Information Session shall be held for those interested in nominating for the Board.
- 5.3. The nominations period should be open for a minimum of fourteen (14) days.
- 5.4. The notice of the call for nominations should clearly set out and include:
- the date of closure of nominations and the place where nomination forms should be returned;
 - the nominations form detailing all the required information;
 - the number of Director positions open for election;
 - the names of serving Directors who are continuing for the second year of their 2-year elected term in office;
 - the names of those Directors automatically retiring from the Board at the completion of their 2-year elected term in office;
 - the names of those Directors (if any) who, having served any period of their two-year elected term in office, are retiring early at the AGM;
 - the names of those Directors (if any) who were interim appointments to the Board during the year and who therefore automatically retire at the AGM;
 - the eligibility and suitability criteria for **Voting Members** wishing to stand as candidates for election as Directors of the Board;
 - any validity and receipt requirements;
 - the procedure for nominating, proposing and seconding;
 - Notice that each incoming Director, if elected and before taking up office, will be required to sign the Directors Code of Conduct and an official letter of appointment

- 5.5. The Nominations Committee shall prepare a report that outlines the current composition of the Board including its skills, experience, diversity and industry representation. The report must be objective based and not refer to any individual names, whilst highlighting areas where the Board would benefit from a particular skill, experience, etc. It must also include the membership categories to which each of the directors' member companies belong. Such a report must be approved by the Board and be disclosed at the same time as the notice of the call for nominations.
- 5.6. The Nominations Committee shall prepare a set of suitability criteria for assessment of candidates who nominate for the Board. This criteria must be approved by a simple majority of those Board members whose positions are not coming to the end of their two year period and must be disclosed at the same time as the call for nominations. Fundamental suitability criteria that shall be shall take into account at least the following:
- A candidate's level of active engagement with the AustCham Shanghai membership and candidates contribution to the Chamber, such as through subcommittees, attendance at events, social or other contribution;
 - The candidate's understanding of the role of AustCham Shanghai and how the Board functions;
The candidate's Industry/professional sector to ensure diversity on the Board;
 - Level of seniority in the candidate's workplace and experience on other Boards of Directors;
 - Candidate's good standing within the community, honesty and integrity, including no significant legal issues in China;
The candidate's ability to meet time commitments;
The level of the candidate's interest in contributing to the Board;
 - Candidate's qualifications, further education and unique skills to add value to the Board;
 - Likelihood of the candidate offering a different point of view in a constructive manner and offering diversity in Board discussions, recognised thought leader;
 - Length of time in China or working within the China-Australia business environment;



- Confidence to speak frankly and engage in constructive debates during meetings;
- Ability to work as a team.

6. Process for Reviewing Nominations and Candidate Endorsement

- 6.1. At the close of the nominations period, the Company Secretary will review all nominations and verify that each nominee is eligible to stand in the election. Within two (2) days, the Company Secretary will present the review findings to the Nominations Committee. Any disputes over eligibility or applications shall be resolved by the Nominations Committee.
- 6.2. In the event that there are not enough candidates nominated to fill the vacant positions on the Board, the Nominations Committee will extend the nominations period by another seven (7) days and solicit additional candidates to nominate for the election. Such action must be notified in writing to the full Board of Directors immediately upon the Committee making such a decision. The Nominations Committee also reserves the right to request additional information for the assessment of a candidate's nomination.
- 6.3. An interview with each candidate shall be scheduled with the Nominations Committee within two (2) weeks immediately following the close of nominations. The interview may be conducted in person or by any technology enabling all participants to hear and be heard. The Nominations Committee shall assess the suitability of each candidate to be a Director of the Board as measured against a pre-disclosed set of criteria.
- 6.4. The Nominations Committee shall provide its recommendation to the Board on which candidates meet the suitability criteria. The Board will then approve a final list of candidates who are recommended by the Board as having met the suitability criteria. The number of candidates recommended by the Board is not limited and may be more than the number of vacant positions for election.
- 6.5. Within twenty four (24) hours of the Board decision, all candidates will be advised by the Company Secretary whether their nomination has or has not been recommended by the Board. Upon request by the relevant candidate, the Nominations Committee may release details to the candidate explaining why he/she was not recommended. Those candidates who are not recommended will be allowed two (2) days to decide whether or not to withdraw their nomination. Such candidates



may choose to continue to run for election as a non-recommended candidate if they wish, provided they are eligible for election in all other respects. A candidate who has not withdrawn their nomination in writing within the time allowed shall be deemed to have not withdrawn their nomination and will be added to the election slate accordingly. The Company Secretary shall have a further 24 hours to finalise the election slate and disclose it to the membership.

- 6.6. The names of members who have proposed, seconded or endorsed a candidate shall be disclosed in the election materials.
- 6.7. The election materials must disclose which candidates are recommended by the Board.
- 6.8. Formal notice of the election (including the election slate and voting instructions) must be sent to all Voting Members within twenty eight (28) days of the close of nominations.

7.0 Election Procedures

Directors of the Board will be elected by Voting Members of AustCham Shanghai through an electronic voting process. Voting will be conducted during the 30 days preceding the Annual General Meeting convened within six (6) months of the end of the financial year. Elections will be carried out according to the following procedures.

7.1. Election Auditor

(a) *Appointment of the Election Auditor*

Based on the recommendation of the Nominations Committee, the Board will appoint an external Election Auditor (such as a professional consulting or law firm that routinely provides corporate secretarial services) prior to the call for nominations to the Board.

The election auditor must have an office located in Shanghai and may not have any employees running for the Board during the election in question. The election auditor does not have to be a member of AustCham Shanghai.

(b) *Responsibilities of the Election Auditor*

The Election Auditor will be briefed on the voting process by the Company Secretary prior to the commencement of the voting period. The exclusive access code to the electronic voting database will then be disclosed to the Election Auditor. The only two (2) people with access to this code shall be the Company Secretary and the Election Auditor. No other person shall be given access to this code.



During the voting period, the Election Auditor will be required to monitor the electronic votes being lodged to ensure the process is working smoothly.

At the end of the voting period, the Company Secretary will tally votes and determine the successful candidates for vacant Board positions. The Election Auditor will check the Company Secretary's tally and determination, before providing a signed statement to declare the final tally of votes and the winners of the election. This statement should be addressed to the Members of AustCham Shanghai and sent via email to the CEO and Company Secretary within 24 hours after the close of voting.

(c) *Independence of the Election Auditor*

The Election Auditor will not interact with any AustCham Shanghai member or AustCham Shanghai staff member on any issue related to the Election Auditor's work or the AustCham Shanghai elections. The Election Auditor must keep all information related to the AustCham Shanghai elections in the strictest confidence.

(d) *Election Irregularities*

If the Election Auditor wishes to report any irregularities or issues with the election process, then such matters may be raised with the Chair of the Nominations Committee. The Nominations Committee will determine if the matter is serious enough to warrant a report to the Board of Directors.

Any irregularities involving the Election Auditor will be brought to the attention of the Chair of the Nominations Committee. The Nominations Committee will determine if the matter is serious enough to warrant a report to the Board of Directors.

Should the Nominations Committee find that the independence of the Election Auditor has been compromised, inappropriate information has been released by the Election Auditor, or the Election Auditor is incompetent, the Committee will, in a timely fashion, make a recommendation to the Board of Directors for action. Depending on the severity of the situation, recommendations may include dismissal of the Election Auditor, postponing of elections, the appointment of a new Election Auditor, and/or calling of new elections.

7.2. Electoral Roll

The Company Secretary will prepare a register of voters for the Election Auditor. This will be a roll of voting Corporate members in good standing. The roll will include the names of corporate representatives who are authorised to vote.

Registrations for the electoral roll will close on the day that nominations are called for the election of the Board of Directors. New corporate members who join AustCham Shanghai after this date, but before the AGM, will not be eligible to vote.

7.3. Ballot Design & Distribution

Once the nominations period for candidates to the Board of Directors closes, the Nominations Committee has confirmed that the nominees are eligible, and the Board has approved the list of recommended candidates, information is collated by the Company Secretary to form an election ballot.

The ballot will be published with the list of approved candidates in alphabetical order by surname.

The Nominations Committee will decide on the method of distribution.

The election ballot shall state the names of the members who have endorsed candidates nominations and email address of the candidate.

The election ballot shall also state whether the candidate is recommended by the Board.

7.4. AustCham Shanghai Staff

All AustCham Shanghai staff, other than the Company Secretary, will be removed from activities relating to the nominations and election process. No person, member or otherwise, may seek assistance or guidance from any AustCham Shanghai staff, unless expressly approved in writing by the Chairman of the Board and/or the Chair of the Nominations Committee.

7.5. Confidentiality of Information

At no time during the electronic voting period will any information relating to the voting be revealed by the Election Auditor or Company Secretary to any AustCham Shanghai member, AustCham Shanghai staff or member of the general public. The Election Auditor may only disclose to the Chair of the Nominations Committee when quorum has been reached, or if it appears unlikely that quorum will be reached prior to the close of voting.

7.6. Quorum

Quorum will be reached when ten percent (10%) of the registered voters have cast their votes.

Should the Election Auditor inform the Nominations Committee Chair that quorum is unlikely to be reached, the Committee Chair will inform the Nominations Committee who may then choose to initiate additional efforts to encourage members to vote.

In the event that quorum is not reached by the close of voting, the Election Auditor will inform the Nominations Committee Chair. The Committee Chair will inform the Nominations Committee who will then announce an extension of time to the voting period.

If the voting period is extended, all ballots cast in the first election period are carried over and any member who had not voted in the first election period is eligible to cast a vote.



7.7. Voting

The election of Directors of the Board will be conducted electronically. The process of electronic voting is by secret ballot.

Each registered Voting Member representative will receive one (1) link to access the electronic voting platform. This link will be sent to each Voting Member's email address on the day after Formal Notice of the election is sent out.

The purpose of electronic voting is to allow Voting Members the flexibility to lodge their vote at a convenient time. Proxies and absentee votes are, therefore, not necessary or permitted for the voting process.

Votes must be submitted from the registered voter's email address that the link for voting was sent to.

Voting Members are responsible for the authenticity and anonymity of their vote.

Once a vote has been submitted it cannot be changed.

In voting for the Board of Directors, Voting Members may only cast as many votes as there are open seats. For example, if there are 5 seats, each member may only cast 5 votes. Members may choose not to cast their full allotment of votes.

The voting period must be open for a minimum of seven (7) days and close forty-eight (48) hours before the AGM.

A reminder will be sent to Voting Members who have not yet cast their vote three (3) days after the voting period opens.

A final reminder email will be sent to Voting Members who have not yet cast their vote two (2) days before the voting period closes.

7.8. Vote Tally

Candidates shall be appointed to the Board in sequential order based on the number of votes received, If the appointment of candidates would result in the composition of the Board exceeding 20% non-Australian citizens, those candidates that would result in the limit being exceeded shall then become ineligible for appointment to the Board. Australian citizens shall fill the remaining Board positions in sequential order.

In the event of a tied final place, the Nominations Committee will make the final decision.

7.9. Announcement of Election Results

The official statement of the Election Result submitted by the Election Auditor shall be released to the full membership the day before the Annual General Meeting and presented at the AGM by the Chairman of the meeting.

Election results will also be published on the AustCham Shanghai website immediately after the AGM.

7.10. Maintenance of Election Results

The final register of voters and the total vote tally will be maintained in a file held by the Company Secretary for a period of three (3) years.

8. Campaigning

- 8.1. Candidates for the Board of Directors, should they choose to actively campaign for office, will do so in such a manner as to maintain decorum and the dignity of AustCham Shanghai.
- 8.2. Statements by candidates or their supporters should maintain a positive air.
- 8.3. No monetary or in-kind consideration may be provided to Voting Members in return for their votes.
- 8.4. Other than any decision by the Board to recommend particular candidates, individual Directors may not endorse candidates in an official capacity. Should AustCham Shanghai members or Directors choose to support candidates in a personal capacity, this would not constitute endorsement by the Company.
- 8.5. Employees of AustCham may not endorse or assist candidates in any way.
- 8.6. Member information and contact details shall not be provided to candidates.
- 8.7. The Nominations Committee may review any disputes or issues that arise with respect to campaigning during the course of an election. The Chair of the Nominations Committee will keep the Board of Directors informed on such issues. The Board of Directors will decide

on any necessary action to be taken.

- 8.8. A “meet the candidates” opportunity may be made part of an Aussie Drinks event prior to voting closing.

9. Vacancies

- 9.1. Vacancies occurring between Annual General Meetings among the Board of Directors may be filled by the Board of Directors.
- 9.2. A Board position will immediately be considered vacant if the individual:
- (a) resigns their post of Director;
 - (b) is no longer a resident of mainland China;
 - (c) is a corporate member and leaves the employ of the Company they were with when elected to the Board;
 - (d) is required by the Board to surrender their position due to lack of participation/performance of duties as outlined in the Directors Code of Conduct;
 - (e) is a corporate member and their Company ceases to operate or be a member of AustCham Shanghai.
- 9.3. Procedures for filling Board vacancies are as follows:
- (a) The Chair of the Nominations Committee will initiate the review process within one (1) week of a vacancy arising.
 - (b) The Nominations Committee will consider the remaining slate of candidates from the previous election, plus any other candidates that have been identified since the previous election. The Committee will then make a recommendation to the Board, which must be passed by a simple majority vote of the Board. The vacancy should be filled immediately after the Board has made its decision.
 - (c) If a retiring Director joins another member Company they can be reconsidered for the vacant Board seat.
 - (d) If a Board vacancy arises within six (6) months of the next election, the Nominations Committee may choose to recommend that the vacant position not be filled until the next election.

- (e) A Board position filled as a result of a vacancy becomes open at the next election of the Board of Directors.

10.0 Changes to the Nominations and Election Process

Any changes to nominations and/or election process must be approved by a simple majority vote of the Board no later than three (3) months before the Annual General Meeting.



Schedule C: MEMBERS CODE OF CONDUCT

The objectives of AustCham Shanghai (the **Company**) are to:

- (a) Promote trade and investment between Australia and China;
- (b) Be recognised as the leading bi-lateral organisation representing Australian business in China;
- (c) Provide quality programs and services that support the commercial objectives of its membership; and
- (d) Promote the highest standards of ethical practice and professional conduct of its members in compliance with applicable laws and standards of the People's Republic of China.

To help achieve these objectives, every Member of AustCham Shanghai is expected to comply with the following standards of conduct:

- 1. Act honestly, in good faith and in the best interests of the Company as a whole.
- 2. Be courteous to other members and foster a culture that is free of intimidation and bullying. When attending Company sponsored events, members behave in a way that reinforces the integrity and professional reputation of AustCham Shanghai.
- 3. Refrain from engaging in any conflict likely to bring discredit upon the Company.
- 4. Comply with the spirit, as well as the letter, of the law and with the principles of this Code.
- 5. Properly manage any conflict with the interests of the Company.
- 6. Conduct business in an ethical and responsible manner.
- 7. Pay membership dues on time.
- 8. Participate in research surveys and other requests for feedback undertaken by the Company.
- 9. Participate in the Annual General Meeting and Extraordinary General Meetings of the Company. Where members express their views at meetings,

they do so without causing harm to the reputation of other members or the Company.

10. Show respect to other members and treat them fairly.
11. Where members obtain privileged information or commercially sensitive information, they do not use the information to cause detriment to the Company.
12. Abide by the Board of Directors published resolutions.
13. Refrain from creating noise or other disturbances that disrupt Company activities or Company sponsored events.
14. Do not harass, physically threaten, or physically or verbally abuse any person in the Company or at any Company sponsored function or event.
15. Respect the diversity of the membership and refrain from harassing any individual because of that person's race, colour, gender, religion, marital status, disability, sexual orientation, or for other reasons.

Where a breach of the Code has caused harm to a member or to the Company, the offending member (either as an individual or as a Company) may be subject to disciplinary action. Such action may include exclusion from some member benefits, suspension of membership or expulsion.

All cases will be reviewed by the CEO who will present recommendations to the Board of Directors. The Board will determine whether disciplinary action needs to be taken.

Any breaches of the Code will be kept on record with the Company Secretary.