

BYLAWS OF THE AMERICAN CHAMBER OF COMMERCE IN SHANGHAI

Revised February 22, 2020

1. As established in Article III of the Constitution, there are two categories of members: voting and non-voting. Voting members include Corporate Members and Individual Members.

Corporate Members are defined by the Constitution as follows: “The term Corporate Member refers to corporations, partnerships, sole proprietorships or other legal entities formed, founded or incorporated in the United States; or companies whose parent company is formed, founded, or incorporated outside of the United States, subject to any restrictions by law. Further, the company must be established in or have a regional representative in China or have sufficient capital investment or operating interest as a business related interest in China, as determined by the Board of Governors. Each Corporate Member is entitled to designate three voting members: the Principal Corporate Member and two of its Associate Corporate Members.”

The Board of Governors has further divided Corporate Members into U.S. Corporate Members, U.S. Associated Corporate Members, International Affiliate Corporate Members and Small Business Members.

International Affiliate Corporate Members are defined as companies whose parent company is incorporated outside the U.S. and which is established in, or at least has a regional representative office in China. Employees from International Affiliate Corporate members may join the Chamber as Associate Corporate Members.

Small Business Members are defined as companies with less than 50 employees in China or less than one million USD revenue annually in China.

Individual Members are defined by the Constitution as “U.S. citizen or non-U.S. citizen, resident in China, and twenty one (21) years of age or over, subject to any applicable law.”

2. The Constitution grants the Board of Governors the authority to establish non-voting membership categories and set applicable membership fees and dues. The current categories of non-voting memberships are:
 - a. Associate Corporate Membership.

Employees from all categories of corporate members may join the Chamber as Associate Corporate Members. As provided in Article III of the Constitution, the Corporate Member may designate only two of these Associate Corporate Members as voting members.

b. Non-Resident Membership.

Any party who would otherwise qualify for Corporate or Individual Membership but for the fact that he or it is not resident in China, shall be eligible for Non-Resident Membership. This category is further divided into Non-Resident Corporate Membership and Non-Resident Individual Membership.

c. Honorary Membership.

Honorary Members shall be individuals elected by the Board of Governors. All Honorary Members shall be entitled to all of the privileges of Individual Memberships, except as hereinafter provided, and at the discretion of the Board shall be exempt from payment of membership dues. Honorary Members may include among others, such members of the local Shanghai business and professional community as the Board of Governors deems appropriate. The U.S. Consul General shall during their tour of duty in Shanghai be Honorary Chair (non-voting) of the Chamber, and the Principal U.S. Commercial Officer shall be an Honorary Member (non-voting) of the Board of Governors.

d. Special Membership.

Individuals associated with non-profit, educational, governmental, charitable, cultural, fraternal or religious organizations in Shanghai whose activities are related to the objectives of the Chamber may be entitled to Special Membership. Such members may include members of U.S. and non-U.S. Chambers of Commerce and similar organizations, members of U.S. and non-U.S. Consulate staff (other than the U.S. Consul General and the Principal U.S. Commercial Officer), and other individuals as the Board of Governors may deem appropriate.

e. Charitable Organization Membership.

Organization must be approved by the Chamber's Corporate Social Responsibility Committee.

f. CASIC Membership.

For members of the Council of American States in China.

g. Educational Membership.

Must be a U.S.-accredited institution of higher education.

3. Membership dues and fees shall be revised from time to time by the Board of Governors.
4. The Board of Governors may appoint any Committee(s) or Sub-Committee(s) as needed, and may delegate duties or powers to those committees as needed.
5. The Board of Governors may appoint any person(s) as needed to assist.
6. The Chamber shall not attempt to restrict or in any other manner interfere with any lawful activity undertaken by any member in China.
7. The Chamber shall not indulge in any political activity or allow its funds and/or premises to be used for political purposes.
8. If a member's payment of dues and fees is in arrears by more than four (4) months, he/she will be subject to forfeiture of his membership, after which it will be necessary to re-apply.
9. Any withdrawal of funds from Chamber accounts, including, but not limited to checks, bank wire transfers or cash withdrawals, shall require two signatures.
 - a. Any checks, bank wire transfers or cash withdrawals above \$10,000 USD (or the equivalent in other currencies), shall require signatures of two of the following individuals: Chair, Vice Chair, Treasurer, President, or other individual as designated in writing by the Board of Governors. At least one signatory must be an officer of the Board of Governors.
 - b. For checks, bank wire transfers or cash withdrawals of less than \$10,000 USD (or the equivalent in other currencies), the President shall serve as the first signatory and can designate the second signatory from the Chamber staff; however, the staff signatory must be approved by a majority vote of the Board of Governors.
 - c. For bank accounts with greater than two signatories, there will be aggregate daily and monthly withdrawal limits as announced in the Financial Operations Manual.
 - d. All disbursements are subject to the budgetary policy of the Chamber. Budget overruns and non-budgeted items beyond a threshold value (to be set by the Board in the Financial Operations Manual) must be approved by majority vote of the Board of Governors.

10. The fiscal year of the Chamber shall commence on the first day of January and end on the thirty-first day of December. The Treasurer and President of the Chamber shall present a budget for the following fiscal year to the Board during the month of November. The budget will provide monthly detail and estimations of major revenue and expense items. The budget must be approved by a majority vote of the Board.
11. Budgetary Exception Process: Disbursements shall adhere to the budget approved by the Board of Governors. Specific thresholds for budgetary overrun are found in the AmCham Financial Operations Manual.
12. Turnover of signatory power: All employees, officers or directors (Governors) of the Chamber, acquiring signing authority shall sign an undated relinquishment of that authority that would specifically advise the bank not to honor future signatures by the individual. The relinquishments shall be held by trustee who himself does not have signing authority, and the trustee will only be authorized to use such a note with written Board Authorization, signed by at least 6 of the 11 standing Governors.
13. A Financial Operations Manual, adopted by the Board of Governors shall serve as a further guideline for handling all financial matters of the Chamber, complementing the Constitution and Bylaws. Changes in the Financial Operations Manual should be ratified by majority vote of the Board.
14. The Chamber shall indemnify each director and officer of the Chamber from any losses incurred by such individual as the result of that individual's performance of his or her duties under the Constitution, Bylaws, or Financial Operations Manual of the Chamber. Such losses shall include any judgment of any court, any judicial or administrative fine or penalty, and the reasonable costs of defending against any such claim in any litigation or administrative proceeding, including reasonable attorneys' fees. This indemnification shall not extend to losses arising from any act, outside the scope, or in violation, of the individual's duties to the Chamber. The Chamber will purchase D&O insurance for directors and officers.
15. Establishment of Finance Committee: A Finance Committee will be formed of at least three Board members, including the Chair, and nominated and selected by vote of the Board of Governors. The Finance Committee shall approve and monitor the Chamber's budget, review the audit report with the auditor and recommend approval or modification of the annual audit to the full board. The Finance Committee shall also review and ratify the Financial Operations Manual annually and ensure that Board-approved internal financial controls are in place and properly

used within the organization. The Finance Committee will also oversee the application of the Chamber's investment policy and supervise the Chamber's investments.

16. General Counsel to the Board: The Board Chair and Chamber President may identify an attorney-at-law, qualified to practice in a jurisdiction of the United States and with an understanding of Chinese law, who can serve as General Counsel to the Board. The appointment should be approved by the Board and the General Counsel will attend Board meetings. The General Counsel may serve no longer than two (2) consecutive two (2) year terms. The General Counsel, in consultation with appropriate Chamber staff as determined by the President, shall be responsible for the direction and oversight of the legal affairs of the Chamber under the supervision of the Board of Governors. The General Counsel shall be under a duty of confidentiality with respect to Chamber affairs.
17. The Board of Governors may, by majority vote, expel a member whose continued membership is considered detrimental to the Chamber.
18. Terms of office of the Chair and other Officers of the Board of Governors shall be one year. Terms of office of members of the Board of Governors shall be two years.
19. Vacancies occurring between Annual General Meetings among Officers or the Board of Governors shall be filled by the Board of Governors.
20. Nominations and Election Committee
 - a. The Board of Governors will select (by a secret ballot vote) the Nominations and Election Committee (NEC) Chair by April of each year. The NEC Chair must be either a past Chair of the Board; a past or current, non-running member of the Board; or a past or incumbent, non-running Committee Chair.
 - b. The NEC shall meet from time to time during the year at the request of the Board of Governors if interim vacancies arise, and in any case not later than ninety (90) days prior to the Annual General Meeting each year to prepare nominations for the election of Officers and Governors at the Annual General Meeting.
 - c. The report of the NEC for the Annual General Meeting shall include a list of nominees for the positions being vacant and shall be presented to the Board of Governors at least seven days prior to the date of the Annual Election.

- d. Nominations submitted by the NEC shall be voted on at the Annual Election.
21. The Nominations and Election Process is outlined in detail in the document titled “American Chamber of Commerce in Shanghai: Nominations & Election Process”. This document has been officially incorporated into the Bylaws of the Chamber.

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