



SWEDISH CHAMBER OF
COMMERCE IN CHINA

中国瑞典商会

SINCE 1998

REVIEW &
RECOMENDATION
ON BYLAWS & GM
INSTRUCTIONS
MAY 2022





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WORKING GROUP ASSIGNMENT

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 - COMMITTEE RECOMMENDATIONS
 - Bylaws
 - GM Instructions
 - OTHER RECOMMENDATIONS
- ### APPENDIX
- REVIEW CHARTER PROPOSED CHANGES
 - REVIEW GM INSTRUCTION PROPOSED CHANGES



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INTRODUCTION

Background

With the objective to strengthen the governance body and operational structure of SwedCham, The Board has formed and entrusted a Committee with the specific purpose to clarify the matters related to the Chapters and GM responsibilities, structures and mandates presented in our last Board meeting.

Committee Composition

The committee is composed of the following Board members: Felicia Lindoff, ZZ Zhang, Tony Wang and Christian Ulloa

Methodology

1. To review and analyze the Articles of Association, Bylaws and instructions
2. To review proposals A and B presented to the Board
3. Interview relevant parties and others as needed
4. Draft a unified proposal for Board discussion and approval

People interviewed

Sinisa Krajnovic, Per Linden, Daniela Ling-Vannerus Cassmer, Andreas Bjork, Thilo Zimmermann, Mikael Andersson, Therese Trulsen and Lars Åke Severin.

Challenges

What is the difference between the Board and Chapters roles, work and mandates?

How to balance individuals' engagement vs expectations?

How clear are roles, workflows and procedures?

Opportunities

Document process, mandates of all SwedCham Committees.

To integrate Chapters Committees with Board

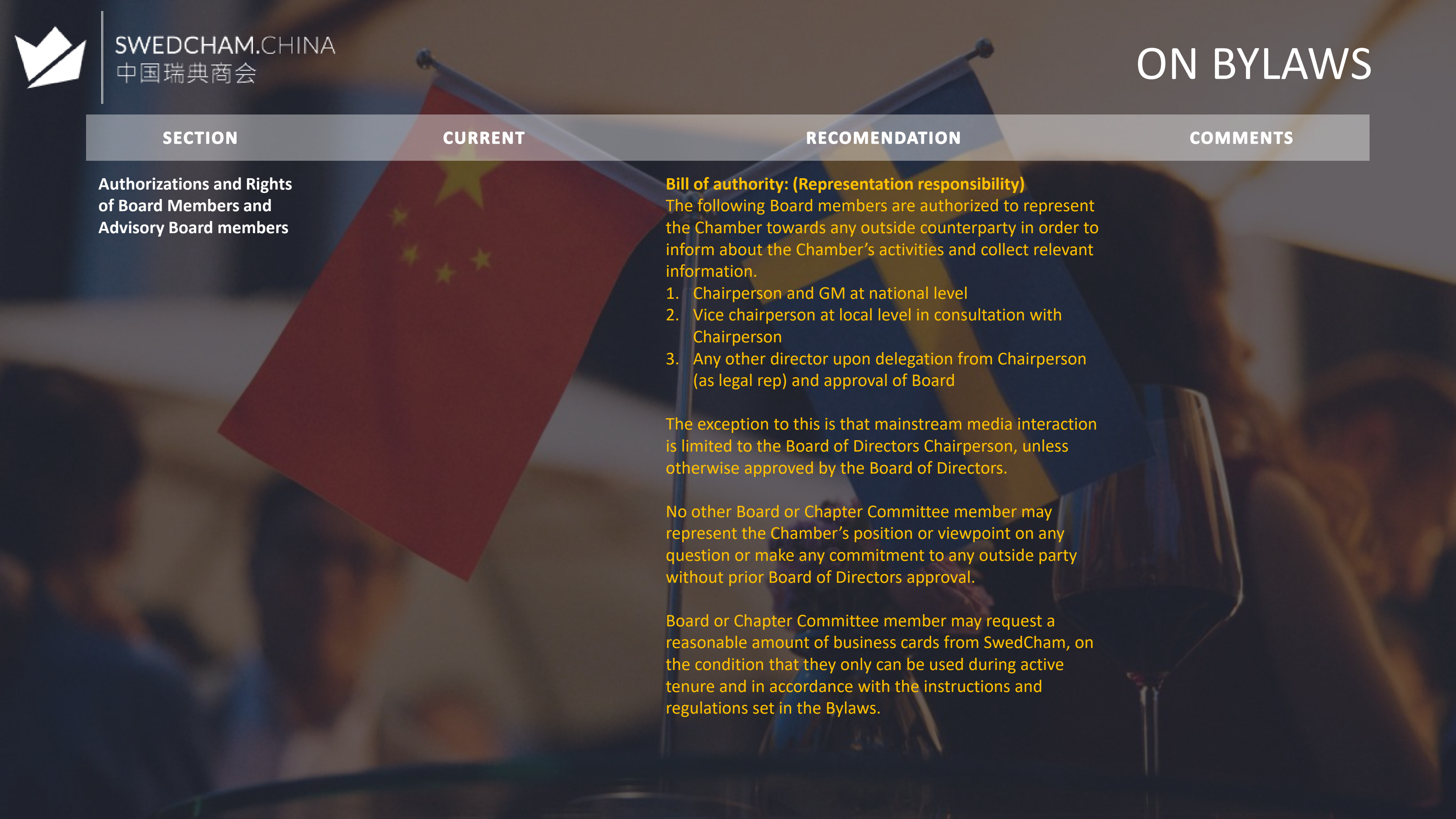
Creation of a Bill of Authority

Alignment between Articles of Association, By-laws & Instructions

SECTION	CURRENT	RECOMENDATION	COMMENTS																																
Introduction	<p>This Charter has been adopted by the Chamber’s Board of Directors (the “Board”) to assist the Board and its committees in the exercise of their responsibilities. The Board will review this Charter at least annually and, if appropriate, revise this Charter from time to time.</p>	<p>A Charter is synonymous of Article of Association; therefore this Charter document in accordance to AA should be renamed as a <u>Bylaw</u>.</p>																																	
Agenda Items for Board	<p>Titles</p> <ul style="list-style-type: none">- Chairman- Chapter- Chapter Chairman	<p>Titles For the Board of Directors:</p> <ul style="list-style-type: none">- Board Chairperson- Board Vice Chairperson (Chapter Beijing or Shanghai -As Chapters Committee Chairs)- Board Director <p>Titles For the Chapter Committees (BJ &SH)</p> <ul style="list-style-type: none">- Chapter Committee Chairperson- Chapter Committee Vice Chairperson- Chapter Committee Member	<ul style="list-style-type: none">▪ In the AA and Bylaws there are no chapters, but <u>Committees</u>▪ The AA suggest two chapters with staff employed. Bylaw(charter) and General Instructions created in 2018																																
Meetings of the Board	<p>During these meetings, the Board shall discuss the following topics:</p> <table><tr><td>Jan-Feb^[SEP]</td><td>Review and approval of Board Charter</td></tr><tr><td></td><td>Review and approval of General Manager Instruction</td></tr><tr><td>Mar-Apr</td><td>General Manager evaluation</td></tr><tr><td>May-Jun</td><td>Annual General Meeting</td></tr><tr><td>Aug-Sep</td><td>Mid-year budget vs actual</td></tr><tr><td></td><td>Next year budget and strategy review</td></tr><tr><td>Oct-Dec</td><td>Next year budget approval</td></tr><tr><td></td><td>Strategy approval</td></tr></table>	Jan-Feb ^[SEP]	Review and approval of Board Charter		Review and approval of General Manager Instruction	Mar-Apr	General Manager evaluation	May-Jun	Annual General Meeting	Aug-Sep	Mid-year budget vs actual		Next year budget and strategy review	Oct-Dec	Next year budget approval		Strategy approval	<p>During these meetings, the Board shall discuss and decide on relevant topics, which shall include the following topics:</p> <table><tr><td>Jan-Feb^[SEP]</td><td>Review and approval of Bylaws</td></tr><tr><td></td><td>Review and approval of General Manager Instruction</td></tr><tr><td>Mar-Apr</td><td>General Manager evaluation</td></tr><tr><td>May-Jun</td><td>Annual General Meeting</td></tr><tr><td>Aug-Sep</td><td>Mid-year budget vs actual</td></tr><tr><td></td><td>Next year budget and strategy review</td></tr><tr><td>Oct-Dec</td><td>Next year budget approval</td></tr><tr><td></td><td>Strategy approval</td></tr></table>	Jan-Feb ^[SEP]	Review and approval of Bylaws		Review and approval of General Manager Instruction	Mar-Apr	General Manager evaluation	May-Jun	Annual General Meeting	Aug-Sep	Mid-year budget vs actual		Next year budget and strategy review	Oct-Dec	Next year budget approval		Strategy approval	<ul style="list-style-type: none">▪ On voting procedures, A simple majority is suggested to be sufficient: (https://www.se4nonprofits.com/blog/qa-74-how-does-simple-majority-voting-differ-from-other-types-of-board-voting)
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SECTION	CURRENT	RECOMENDATION	COMMENTS
Duties of the General Manager	<p>The Board appoints the General Manager. The General Manager shall manage the business in accordance with guidelines and instructions from the Board, set out in the General Manager Instruction.</p> <p>The General Manager may not make decisions in matters that are of an extraordinary nature. If the General Manager is in doubt on whether a matter is within his or her authority, the General Manager shall confer with the Chairman of the Board. The Chairman of the Board makes the final decision in such a case.</p> <p>The General Manager is a Director of the Board and will attend all Board meetings unless the Board has decided otherwise</p>	<ul style="list-style-type: none">The creation of a Compensation Committee composed of The Chairperson, Treasurer and 2 Vice Chairs to be responsible for the evaluation of the GM and operational staff performance and the drafting of their compensation package and succession planning for Board discussion and approval.	<ul style="list-style-type: none">The GM is subordinate to the Board. AA: The day-to-day affairs of Chamber shall be managed by the General Manager whose responsibilities and authorities shall be determined by the BoardThe Board shall approve the hiring of the GM, succession plan and performance review presented by the Chairperson.
Evaluation and Management Succession	<p>The Chairman and the two Chapter Chairmen will evaluate the General Manager’s performance and propose the General Manager’s compensation level based on this evaluation.</p> <p>The Chairman and the two Chapter Chairmen will report to the Board annually on succession planning for the General Manager.</p>	<p>The Compensation Committee will evaluate the General Manager’s performance and propose the General Manager’s compensation level based on this evaluation. The Compensation Committee will report to the Board annually on succession planning for the General Manager.</p>	<p>To keep the 4 eyes principle and Board mandate regarding GM compensation and Succession planning. Compensation includes all benefits and bonus</p>

SECTION	CURRENT	RECOMENDATION	COMMENTS
Beijing and Shanghai Chapter Committees	<p>The Chamber has two permanent Chapters to assist the Board in its work. These two are Beijing Chapter and Shanghai Chapter. Each Chapter is led by a Chapter Chairmen, which has the duty to appoint the members of each Chapter Board, except for the Vice Chapter Chairman, that is elected by the Election Committee. The two Chapters plays an important advisory role to the Board but have no executive power.</p>	<ul style="list-style-type: none">▪ The Chamber has two permanent Chapters Committees to assist the Board in its work. These two are the Beijing Chapter Committee and the Shanghai Chapter Committee.▪ Each Chapter Committee is led by a Chapter Committee Chairperson, which has the duty to nominate the members of each Committee, except for the Committee Vice Chairperson, that is nominated by the Election Committee.▪ The nominations to the Chapter Committee should be prepared by the Board Chairperson and Vice Chairpersons in consultation with the General Manager. The nomination shall take into consideration the value of corporate partners; however suitability is a pre-requisite. The Board of Directors shall review the nominations and appoint the Chapter Committees.▪ The two Committees play an important advisory role to the Board but have no executive power.	<p>Clarifications:</p> <ul style="list-style-type: none">▪ Composition: Main Board members shall be part of the Chapter's composition▪ Qualification Criteria: to be reviewed and discussed with Nomination Committee▪ Board Chairperson and Vice Chairpersons shall Ensure the nomination of balanced Committees with experienced, engaged and committed members that can fulfill the Board delegated mission.
	<p>The primary functions of the Chapters are to:</p> <ul style="list-style-type: none">▪ Review and advice on major strategy decisions▪ Arrange local speaking events and seminars▪ Arrange and run local networking groups	<p>The primary functions of the Chapter Committees are</p> <ul style="list-style-type: none">▪ Advice on major Board of Directors strategy decisions and issues▪ Channel any improvement and development ideas and suggestions to the Board of Directors▪ Suggest topics and provide feedback on local speaking events and seminars▪ Engage in and promote events, networking groups and other SwedCham offerings▪ Promote the SwedCham brand and attract new members▪ Act as a resource to assist the SwedCham management team	<p>The Board is the only governance body that has the mandate to develop and approve the chamber strategy, budget and by-laws.</p> <p>GM and the office teams are entrusted to implement and execute the operations of such strategy.</p> <p>Chapter Committee members shall support and provide advise to the Board, GM and the operational team in the implementation of such strategy.</p> <p>Chapter Committee participation, support, advise and recommendations shall be encouraged and welcomed by the Board and GM.</p>



SECTION	CURRENT	RECOMENDATION	COMMENTS
Authorizations and Rights of Board Members and Advisory Board members		<p>Bill of authority: (Representation responsibility)</p> <p>The following Board members are authorized to represent the Chamber towards any outside counterparty in order to inform about the Chamber’s activities and collect relevant information.</p> <ol style="list-style-type: none">Chairperson and GM at national levelVice chairperson at local level in consultation with ChairpersonAny other director upon delegation from Chairperson (as legal rep) and approval of Board <p>The exception to this is that mainstream media interaction is limited to the Board of Directors Chairperson, unless otherwise approved by the Board of Directors.</p> <p>No other Board or Chapter Committee member may represent the Chamber’s position or viewpoint on any question or make any commitment to any outside party without prior Board of Directors approval.</p> <p>Board or Chapter Committee member may request a reasonable amount of business cards from SwedCham, on the condition that they only can be used during active tenure and in accordance with the instructions and regulations set in the Bylaws.</p>	



ON GM INSTRUCTIONS

SECTION	CURRENT	RECOMENDATION	COMMENTS
General Manager Responsibilities	<p>The General Manager (“GM”) is responsible for the Chamber’s day-to-day activities, in accordance with the Board of Director’s (the “Board”) instructions and guidelines. The GM must therefore ensure that strategies and policies agreed by the Board are effectively implemented.</p> <p>The GM is responsible for making sure that the Chamber pays its taxes, and that accounting is managed in compliance with laws and local accounting principles. The GM is also responsible for Chamber resources and that they are managed in a satisfactory manner.</p> <p>The GM is responsible for continuously preparing and presenting the Board with financial reports; and any other documentation that might be requested.</p> <p>The GM shall, in advance of the start of each new financial year and at the latest in [November] prepare and submit a draft business plan and an annual budget, to the Board. The GM is subordinate to the Board</p>	<ul style="list-style-type: none">It is proposed to confirm GM as a Voting Board Member.To add to the Bylaws an Ethic’s policy. (DRAFT ENCLOSED)The creation of an Ethic’s Committee <p>For more information: https://learning.candid.org/resources/knowledge-base/executive-director-on-board</p>	
Responsibilities of the Board	<p>The following actions needs prior approval by the Board:</p> <ul style="list-style-type: none">Amendments to the certificate of incorporation or bylawsadopting the annual budget;entering into a new office lease if beyond the approved budget;any investment that amounts to more than CNY 10,000 and not previously approved in the budgeta dissolution or winding up of the Chamberamendments to the certificate of incorporation or bylaws;	<p>Bill of authority: (expenditure)</p> <ol style="list-style-type: none">staff manager plus GM signature any expenditure that amounts up to CNY 10,000 per year and not previously approved in the budgetGM plus Board Chairperson signature any expenditure that amounts up to CNY 50,000 per year and not previously approved in the budgetBoard resolution for any expenditure that amounts over CNY 50,000 per year and not previously approved in the budget.	<p>Deleted elements in proposal A are risky. These elements are there for legal reasons, aka to limit the risk of a GM to change or amend articles of association, bylaws 4 eyes principle required.</p>



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OTHER RECOMENDATIONS

For the new appointed Board 22-23:

1. To review and approve SwedCham Ethics Policy
2. The formation of an Ethics Committee and draft its instructions
3. To consider a whistleblower mechanism
4. To review Nomination process to create transparency to the process
5. To review the Nomination Committee Instructions where their workflow, nomination criteria, structure, reporting line, composition and term of service is clarified.





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THANK YOU !



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APPENDIX



REVIEW CHARTER PROPOSED CHANGES

SECTION	CURRENT	PROPOSAL A	PROPOSAL B	RECOMMENDATION
Introduction	<p>This Charter has been adopted by the Chamber's Board of Directors (the "Board") to assist the Board and its committees in the exercise of their responsibilities. The Board will review this Charter at least annually and, if appropriate, revise this Charter from time to time.</p>	<ul style="list-style-type: none">- None	<p>The work of the chapter boards is poorly defined in the current charter. The Shanghai chapter board has developed the following proposal which has been endorsed by all Shanghai Chapter members.</p>	<ul style="list-style-type: none">▪ Charter is synonymous of Article of Association,▪ Charter to be renamed as a <u>Bylaw</u>.▪ In the AA and Bylaws there are no chapters, but <u>Committees</u>▪ The AA suggest two chapters with staff employed. Bylaw(charter) and General Instructions created in 2018
Agenda Items for Board	<p>Titles</p> <ul style="list-style-type: none">- Chairman- Chapter- Chapter Chairman	<p>Titles</p> <ul style="list-style-type: none">- Chairperson- Advisory Board- Advisory Board Chairperson	<p>Titles</p> <ul style="list-style-type: none">- Chairman- Chapter Board- Chapter Chairman	<p>For the Board of Directors:</p> <ul style="list-style-type: none">▪ Board Chairperson▪ Board Vice Chairperson Chapter Beijing or Shanghai (As Chapters Committee Chairs)▪ Board Director <p>For the Chapter Committee Beijing or Shanghai:</p> <ul style="list-style-type: none">▪ Chapter Committee Chairperson▪ Chapter Committee Vice Chairperson▪ Chapter Committee Member

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Meetings of the Board	<p>During these meetings, the Board shall discuss the following topics:</p> <table><tr><td>Jan-Feb</td><td>Review and approval of Board Charter</td></tr><tr><td></td><td>Review and approval of General Manager Instruction</td></tr><tr><td>Mar-Apr</td><td>General Manager evaluation</td></tr><tr><td>May-Jun</td><td>Annual General Meeting</td></tr><tr><td>Aug-Sep</td><td>Mid-year budget vs actual</td></tr><tr><td></td><td>Next year budget and strategy review</td></tr><tr><td>Oct-Dec</td><td>Next year budget approval</td></tr><tr><td></td><td>Strategy approval</td></tr></table>	Jan-Feb	Review and approval of Board Charter		Review and approval of General Manager Instruction	Mar-Apr	General Manager evaluation	May-Jun	Annual General Meeting	Aug-Sep	Mid-year budget vs actual		Next year budget and strategy review	Oct-Dec	Next year budget approval		Strategy approval	<p>During these meetings, the Board shall discuss and decide on relevant topics, which could include the following topics</p>	<p>none</p>	<p>Proposal A with the change on document title from Board Charter to Bylaws</p> <p>On Decide and voting procedures, A simple majority is suggested to be sufficient: (https://www.se4nonprofits.com/blog/qa-74-how-does-simple-majority-voting-differ-from-other-types-of-board-voting)</p>
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Evaluation and Management Succession	<p>The Chairman and the two Chapter Chairmen will evaluate the General Manager’s performance and propose the General Manager’s compensation level based on this evaluation.</p> <p>The Chairman and the two Chapter Chairmen will report to the Board annually on succession planning for the General Manager.</p>	<p>General Manager Evaluation and Management Succession</p> <p>The Chairperson and the two Advisory Board Chairpersons will evaluate the General Manager’s performance and propose the General Manager’s compensation level based on this evaluation and the adopted bonus program, if any.</p> <p>The Chairman and the two Chapter Chairmen will report to the Board annually on succession planning for the General Manager.</p>	none	REJECT PROPOSAL A in order to keep the 4 eyes principle and Board mandate regarding GM compensation and Succession planning proposals. Compensation includes all benefits and bonus



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SECTION	CURRENT	PROPOSAL A	PROPOSAL B	RECOMMENDATION
Beijing and Shanghai Chapter	<p>The Chamber has two permanent Chapters to assist the Board in its work. These two are Beijing Chapter and Shanghai Chapter. Each Chapter is led by a Chapter Chairmen, which has the duty to appoint the members of each Chapter Board, except for the Vice Chapter Chairman, that is elected by the Election Committee. The two Chapters plays an important advisory role to the Board but have no executive power.</p>	<p>The Chamber has two permanent Chapters Advisory Boards to assist the Board in its work. These two are the Beijing Chapter Advisory Board and the Shanghai Chapter Advisory Board. Each Chapter Advisory Board is led by a Chapter Advisory Board Chairperson, which has the duty to nominate the members of each Advisory Board, except for the Advisory Board Vice Chairperson, that is elected by the Election Committee. The nominations to the Advisory Board should be prepared by the Advisory Board Chairperson together with the General Manager and should also take into account the value of corporate partners, however suitability is a pre-requisite. The Board of Directors shall review the nominations and appoint the Advisory Board. The two Advisory Boards play an important advisory role to the Board but have no executive power.</p>	<p>The Chamber has two permanent Chapters to assist the Board in its work. These two are Beijing Chapter and Shanghai Chapter. Later additional Chapters might be started in other locations. Each Chapter is led by a Chapter Chairmen, which has the duty to appoint the members of each Chapter Board, except for the Vice Chapter Chairman, that is elected by the Election Committee. The two Chapters plays an important advisory role to the Board, but have no executive power.</p> <p>Qualification Criteria for Chapter Board Member</p> <ul style="list-style-type: none">▪ Has industry and China knowledge▪ Is Interested and Engaged▪ Represent an important industry	<p>Proposal A with the following clarifications:</p> <ul style="list-style-type: none">▪ Name: Chapter Committee▪ Role/Function: As Proposal A▪ Reporting to: SwedCham Board▪ Composition: Main Board members shall be part of the Chapter's composition▪ Qualification Criteria: to be reviewed and discussed with Nomination Committee▪ Board Chairpersons and Vice Chairpersons to Ensure the nomination of balanced Committees with experienced, engaged and committed members that can fulfill the Board delegated mission for Board's approval.



REVIEW CHARTER PROPOSED CHANGES

SECTION	CURRENT	PROPOSAL A	PROPOSAL B	RECOMMENDATION
Beijing and Shanghai Chapter	<p>The primary functions of the Chapters are to:</p> <ul style="list-style-type: none">▪ Review and advice on major strategy decisions▪ Arrange local speaking events and seminars▪ Arrange and run local networking groups	<p>The primary functions of the Advisory Boards are</p> <ul style="list-style-type: none">▪ Advice on major Board of Directors strategy decisions and issues▪ Channel any improvement and development ideas and suggestions to the Board of Directors▪ Suggest topics and provide feedback on local speaking events and seminars▪ Engage in and promote events, networking groups and other SwedCham offerings▪ Promote the SwedCham brand and attract new members▪ Act as a resource to assist the SwedCham management team	<p>The primary functions of the Chapters are to:</p> <ul style="list-style-type: none">▪ Monitor and support chamber events and activities to make sure the Chamber can provide relevant services for the members in their Area.▪ Build networks and contribute to the positive image of the Swedcham brand in the local community by networking with stakeholders including Swedish community, other chambers of commerce, local government and agencies.▪ Channel ideas, feedback from local members important issues, and channel these to the main board <p>Chapter Chairman Task</p> <ul style="list-style-type: none">▪ Ensure a balanced board with experienced, engaged and committed members that can fulfill the board mission.	<ol style="list-style-type: none">1. the Board is the only governance body that has the mandate to develop and approve the chamber strategy, budget and by-laws.2. GM and the office teams are entrusted to implement and execute the operations of such strategy.3. Chapter Committee members shall support and provide advise to the Board, GM and the operational team in the implementation of such strategy.4. Chapter Committee participation, support, advise and recommendations shall be encouraged and welcomed by the Board and GM.



REVIEW CHARTER PROPOSED CHANGES

SECTION	CURRENT	PROPOSAL A	PROPOSAL B	RECOMMENDATION
Authorizations and Rights of Board Members and Advisory Board members	none	<p>To inform about the Chamber's activities and collect relevant information on behalf of the Chamber to and from any outside counterparty. The exception to this is that mainstream media interaction is limited to the Board of Directors Chairperson, unless otherwise approved by the Board of Directors.</p> <p>To use the approved title, which shall be:</p> <p>For the Board of Directors:</p> <ul style="list-style-type: none">▪ Chairman / Chairwoman▪ Vice Chairman / Chairwoman & Beijing (or Shanghai) Advisory Board Chairman / Chairwoman)▪ Director <p>For the Advisory Boards:</p> <ul style="list-style-type: none">▪ Beijing (or Shanghai) Advisory Board Chairman / Chairwoman▪ Beijing (or Shanghai) Advisory Board Vice Chairman / Chairwoman▪ Beijing (or Shanghai) Advisory Board Member <p>To request a reasonable amount of business cards from SwedCham, on the condition that they only can be used during active tenure.</p> <p>No board or advisory board member may represent the Chamber's position or viewpoint on any question or make any commitment to any outside party without prior Board of Directors approval.</p>	<p>Benefits for Chapter Board Member s to participate</p> <ul style="list-style-type: none">▪ Board Director Title and name cards.▪ Opportunity to participate to share knowledge and insights into current business situation in the local Area.▪ Opportunity to network with high level Swedish business community▪ Opportunity to represent the chamber in Area international and local business community.▪ Opportunity to represent chamber against Chinese organizations and business community and participate in business networking events.	<p>Proposal A including the following</p> <p>Bill of authority: (Representation responsibility)</p> <ol style="list-style-type: none">1. Chairperson and GM at national level2. Vice chairperson at local level in consultation with Chairperson3. Any other director upon delegation from chairperson (as legal rep) and approval of Board

REVIEW GM INSTRUCTION PROPOSED CHANGES

SECTION	CURRENT	PROPOSAL A	PROPOSAL B	RECOMMENDATION
General Manager Responsibilities	<p>The General Manager (“GM”) is responsible for the Chamber’s day-to-day activities, in accordance with the Board of Director’s (the “Board”) instructions and guidelines. The GM must therefore ensure that strategies and policies agreed by the Board are effectively implemented.</p> <p>The GM is responsible for making sure that the Chamber pays its taxes, and that accounting is managed in compliance with laws and local accounting principles. The GM is also responsible for Chamber resources and that they are managed in a satisfactory manner.</p> <p>The GM is responsible for continuously preparing and presenting the Board with financial reports; and any other documentation that might be requested.</p> <p>The GM shall, in advance of the start of each new financial year and at the latest in [November] prepare and submit a draft business plan and an annual budget, to the Board. The GM is subordinate to the Board</p>	<p>- None</p>	<p>None</p>	<div><ul style="list-style-type: none">It is proposed to confirm GM as a Voting Board Member.To add to the Bylaws a ethic’s policy.<p>For more information: https://learning.candid.org/resources/knowledge-base/executive-director-on-board</p></div>

REVIEW GM INSTRUCTION PROPOSED CHANGES

SECTION	CURRENT	PROPOSAL A	PROPOSAL B	RECOMMENDATION
Responsibilities of the Board	<p>The following actions needs prior approval by the Board:</p> <ul style="list-style-type: none">– Amendments to the certificate of incorporation or bylaws– adopting the annual budget;– entering into a new office lease if beyond the approved budget;– any investment that amounts to more than CNY 10,000 and not previously approved in the budget– a dissolution or winding up of the Chamber– amendments to the certificate of incorporation or bylaws;	<p>The following actions needs prior approval by the Board:</p> <ul style="list-style-type: none">– amendments to the certificate of incorporation or bylaws;– adopting the annual budget;– entering into a new office lease if beyond the approved budget;– any investment that amounts to more than CNY 50,000 and not previously approved in the budget– setting up any new or closing down any existing business area– changing membership fees or materially changing pricing plans– a dissolution or winding up of the Chamber– amendments to the certificate of incorporation or bylaws;	None	<p>Deleted elements in proposal A are risky. These elements are there for legal reasons, aka to limit the risk of a GM to change or amend articles of association, bylaws</p> <p>4 eyes principle required.</p> <p>Bill of authority: (expenditure)</p> <ol style="list-style-type: none">1. staff manager plus GM signature any expenditure that amounts up to CNY 10,000 per year and not previously approved in the budget2. GM plus Board Chairperson signature any expenditure that amounts up to CNY 50,000 per year and not previously approved in the budget3. Board resolution for any expenditure that amounts over CNY 50,000 per year and not previously approved in the budget