

Model Articles of association for joint venture companies on the expression of the organization

With board of directors and board of supervisors

Article_ There shall be a shareholder meeting in the company; the shareholders meeting acts as the authority of the company and execute the following rights:

- (1) to work out the management and prosecution of the company, decide the investment plan
- (2) to elect and change the directors and supervisors who are not the representatives of the employees, and decide the payment of them;
- (3) to deliberate and ratify the report of the board of directors;
- (4) to deliberate and ratify the report of supervisors or the board of supervisors;
- (5) to deliberate and ratify the annual blueprint of financial budget and final account of revenue expenditure;
- (6) to deliberate and ratify the profit distribution plan and the loss remedy plan;
- (7) to work out the plan of increasing or decreasing the registered capital of the company
- (8) to work out the plan of issuing bonds
- (9) to work out the plan of company merger, setting up subsidiary company, changing of business model, and the dissolution and liquidation of the company
- (10) to amend the articles of association of the company

If any decisions made by the shareholders concerning the above items are recorded in written form and the decision has reached consensus, there is no need for arranging shareholder meeting to make the decision. But all the shareholders should sign on the written decision.

Article_ The first shareholders' meeting shall be convened and presided over by the shareholder who made the largest percentage of capital contributions;

Article_ The shareholders' meetings shall be convened by the board of directors and presided by the chairman of the board. On occasions that the chairman cannot or does not exercise his/her responsibility, the vice chairman shall conduct it; if the vice chairman cannot or does not exercise his/her responsibility, a board member may arrange the meeting by more than half of the directors' recommendation

If the board of directors cannot or does not exercise its responsibly, the board of supervisors or the supervisor in a company without board of supervisor may conduct it. If the board of supervisors or the supervisor cannot or does not exercise their responsibility, the shareholders who own more than 10 percent of the decision power may arrange a shareholder meeting.

Article_ The Company sets up the board of directors with __ board members (13 to 30). A board member is appointed by shareholders with a term of __years(less than 3 years). A board member may be re-appointed. On occasions that no timely election is held after the end of the term of a board member or a board member resigns the office during the term, the original board member should, according to the Act, the Memorandum and the Articles exercise his/her responsibility before the inauguration of the elected board member.

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Article_ The board of director should be responsible for shareholders and execute the following rights:

- (1) to report to shareholders;
- (2) to implement the resolution of the shareholders;
- (3) to work out the management and prosecution of the company, decide the investment plan;
- (4) to make the annual blueprint of financial budget and final account of revenue expenditure;
- (5) to make the profit distribution plan and the loss remedy plan;
- (6) to make the of increasing or decreasing the registered capital of the company and the plan of issuing bonds
- (7) to make the plan of company merger, setting up subsidiary company, changing of business model, and the dissolution and liquidation of the company;
- (8) to decide the management organization of the company
- (9) to decide the appointment and termination and the payment of the CEO; to decide the appointment and termination and payment of the deputy manager and the financial principal based on the opinions of the CEO
- (10) to make the basic rules and regulations of the company

Article_ The board meeting is organized and presided by the chairman of the board; on occasions that the chairman cannot or does not exercise his/her responsibility, the vice chairman shall conduct it; if the vice chairman cannot or does not exercise his/her responsibility, a board member may arrange the meeting by more than half of the directors' recommendation.

Article_ A resolution shall be valid as if it had been passed with the support of more than half of the board members; meeting minutes should be kept and all the present board members should sign on the record.

The voting of the resolution of the board is conducted according to the "one man one vote" principle.

Article_ There are __ (one or two) supervisors appointed by the shareholders in the company. The supervisors shall hold office from their appointment for a term of 3 years and can be re-elected.

On occasions that no timely election is held after the end of the term of a supervisor or a supervisor resigns the office during the term, the original supervisor should, according to the Act, the Memorandum and the Articles exercise his/her responsibility before the inauguration of the elected supervisor.

Board members and senior managers cannot be supervisors concurrently.

Article_ Supervisor of the company executes the following rights:

- (1) To inspect the finance of the company;
- (2) To supervise the management work of board members and senior managers, and execute the right of suggestion to dismiss the board member or senior manager if they violate the law, administrative regulations or the articles of association;
- (3) To ask the board members or senior managers to correct their way of management if their

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current work does harm to the interest of the company;

- (4) To propose to the shareholders;
- (5) To sue the board members or senior managers;

With Shareholder meeting and Executive director or supervisor

Article_ There shall be a shareholder meeting in the company; the shareholders meeting acts as the authority of the company and execute the following rights:

- (1) to work out the management and prosecution of the company, decide the investment plan
- (2) to elect and change the directors and supervisors who are not the representatives of the employees, and decide the payment of them;
- (3) to deliberate and ratify the report of the board of directors;
- (4) to deliberate and ratify the report of supervisors or the board of supervisors;
- (5) to deliberate and ratify the annual blueprint of financial budget and final account of revenue expenditure;
- (6) to deliberate and ratify the profit distribution plan and the loss remedy plan;
- (7) to work out the plan of increasing or decreasing the registered capital of the company
- (8) to work out the plan of issuing bonds
- (9) to work out the plan of company merger, setting up subsidiary company, changing of business model, and the dissolution and liquidation of the company
- (10) to amend the articles of association of the company

If any decisions made by the shareholders concerning the above items are recorded in written form and the decision has reached consensus, there is no need for arranging shareholder meeting to make the decision. But all the shareholders should sign on the written decision.

Article_ The first shareholders' meeting shall be convened and presided over by the shareholder who made the largest percentage of capital contributions;

Article_ The shareholders' meetings shall be convened and presided by the executive director. If the executive director cannot or does not exercise his/her responsibly, the board of supervisors or the supervisor in a company without board of supervisor may conduct it. If the board of supervisors or the supervisor cannot or does not exercise their responsibility, the shareholders who own more that 10 percent of the decision power may arrange a shareholder meeting.

There shall be no board of directors but an executive director with a term of __ (less than 3 years) years. An executive director may be re-appointed. On occasions that no timely election is held after the end of the term of the executive director or the executive director resigns the office during the term, the original executive director should, according to the Act, the Memorandum and the Articles exercise his/her responsibility before the inauguration of the elected executive director.

Article_ The executive director should be responsible for shareholders and execute the following rights:

- (1) to report to shareholders;

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- (2) to implement the resolution of the shareholders;
- (3) to work out the management and prosecution of the company, decide the investment plan;
- (4) to make the annual blueprint of financial budget and final account of revenue expenditure;
- (5) to make the profit distribution plan and the loss remedy plan;
- (6) to make the of increasing or decreasing the registered capital of the company and the plan of issuing bonds
- (7) to make the plan of company merger, setting up subsidiary company, changing of business model, and the dissolution and liquidation of the company;
- (8) to decide the management organization of the company
- (9) to decide the appointment and termination and the payment of the CEO; to decide the appointment and termination and payment of the deputy manager and the financial principal based on the opinions of the CEO
- (10) to make the basic rules and regulations of the company

Article_ There are __(one or two) supervisors appointed by the shareholders in the company. The supervisors shall hold office from their appointment for a term of 3 years and can be re-elected.

On occasions that no timely election is held after the end of the term of a supervisor or a supervisor resigns the office during the term, the original supervisor should, according to the Act, the Memorandum and the Articles exercise his/her responsibility before the inauguration of the elected supervisor.

Board members and senior managers cannot be supervisors concurrently.

Article_ Supervisor of the company executes the following rights:

- (1) To inspect the finance of the company;
- (2) To supervise the management work of board members and senior managers, and execute the right of suggestion to dismiss the board member or senior manager if they violate the law, administrative regulations or the articles of association;
- (3) To ask the board members or senior managers to correct their way of management if their current work does harm to the interest of the company;
- (4) To propose to the shareholders;
- (5) To sue the board members or senior managers;

With board of supervisors

The company sets up the board of supervisors with a membership of (no less than 3), among which there are (no less than 1/3 of the total members) representatives of the employee. The supervisors are appointed by shareholders while the representatives of the employees are elected by staff representative conference or staff conference or other form of election by the staff. The office term of the supervisor is 3 years and a supervisor may be re-elected.

On occasions that no timely election is held after the end of the term of a supervisor or a supervisor resigns the office during the term, the original supervisor should, according to the Act, the Memorandum and the Articles exercise his/her responsibility before the inauguration of the elected supervisor.

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There is one chairman elected by all the members of the board of supervisors with more than half of votes. The chairman organizes and presides the meeting of the board; on occasions that the chairman cannot or does not exercise his/her responsibility, a supervisor may arrange the meeting by more than half of the directors' recommendation.

Board members and senior managers cannot be supervisors concurrently.

Article_ Board of Supervisors of the company executes the following rights:

- (6) To inspect the finance of the company;
- (7) To supervise the management work of board members and senior managers, and execute the right of suggestion to dismiss the board member or senior manager if they violate the law, administrative regulations or the articles of association;
- (8) To ask the board members or senior managers to correct their way of management if their current work does harm to the interest of the company;
- (9) To propose to the shareholders;
- (10) To sue the board members or senior managers;

Article_ The frequency of the meeting of the board of supervisors should be more than once per year. Supervisors may propose to organize interim meetings.

A resolution shall be valid as if it had been passed with the support of more than half of the supervisors; meeting minutes should be kept and all the present supervisors should sign on the record. The voting of the resolution of the board is conducted according to the "one man one vote" principle.

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