

QBPC Membership and Observer Guidelines

(Approved by the Steering Council February 13, 2006)

The QBPC is an organization comprised of internationally well-known trademark and brand owners that have banded together to fight counterfeiting, trade secret theft and patent infringement in China. The strength of the QBPC not only comes from its broad and growing membership base, but also from each individual company's position as an international market leader in its industry sector.

The purpose of these guidelines is: 1) to specify criteria for membership in QBPC and admission procedures for candidate members; and 2) to prescribe the conditions for permitting non-members to attend QBPC meetings as member representatives or observers.

I. Membership Criteria

To qualify for membership, candidate companies must satisfy three criteria:

1. Members must be brand owners of well-known consumer or industrial products.
2. Members must design, produce or manufacture products that are marketed internationally.
3. Members must be facing existing or potential intellectual property protection problems in China.

II. Membership Application Review Process

1. The applicant must complete the QBPC membership application form and send the form to the Secretariat.
2. The Secretariat will certify the potential member's application data and forward the data and application materials to the Steering Council for review.
3. The Steering Council will have one week to consider and vote on the application.
4. Rejection or acceptance of the application will be decided by majority vote of the Steering Council.
5. If a Steering Council member requires more information in order to cast a vote, he may direct further research on the applicant, request to meet with the applicant, or request additional documentation such as

- Copies of trademark certificates
- Report of operations within and outside of China
- Other relevant documents and reports

6. The application review process will not normally exceed three weeks.

III. Membership Change Process

1. Companies who wish to change their membership status must submit a membership upgrade/downgrade form to the Secretariat.
2. Members who intend to withdraw from the QBPC must submit written notice to the Secretariat.

IV. Membership Fee Rules

All members must submit their payment for QBPC membership dues within three months from receipt of the membership payment invoice.

1. If a member fails to pay its membership fee within three months, the member will receive a reminder from the QBPC.
2. If payment is not received within 30 days from the member receipt of the reminder, a second notice will be sent and the outstanding fees will be brought to the attention of the Membership Services Committee and the QBPC Chair and Vice Chairs.
3. If the member fails to pay its membership fee after receiving the second notice and by the sixth month anniversary of receiving the original invoice, the company's membership will be brought to the attention of the Steering Council. The Steering Council will review the member's situation and make a decision as to terminating the company's membership.

V. Guidelines for Non-Member Participation in QBPC

In general, only Members are entitled to full participation in QBPC activities, but non-Members may attend meetings as Representatives of Members or invited Observers according to the following criteria.

A. Representatives

Service Companies

1. Service companies are commercial entities which provide out-sourced services to brand owners, such as legal representation, investigations, consulting, etc., but do not meet the criteria specified in section I above.
2. Member companies who choose to do so may designate a Service Company to represent them in QBPC. In such a case a Service Company employee may regularly attend QBPC meetings and events as the accredited Representative of a Member. The Member must formally notify the Secretariat in writing that it has selected a Service Company to act as its

Representative, and the Service Company must submit a “Business Solicitation Policy” form provided by the Secretariat not later than the first meeting or event attended on behalf of the Member.

3. Service Companies who are not designated Representatives may be invited to attend one General Meeting a year as an Observer by a Member who agrees to act as sponsor. In this case the Member must submit notification to the Secretariat in advance.

4. Service Companies are not to use this provision in any way to lobby or conduct marketing activities at QBPC events.

B. Observers

Anti-Counterfeiting / IPR Organizations

Because the QBPC seeks to cooperate with other local and international anti-counterfeiting organizations and associations, representatives of these organizations may attend General Meetings as Observers at the invitation of a Steering Council Member. Normally a Steering Council Member will act as sponsor for the visitor.

Embassy, Government and Chamber Representatives

Embassy, government and chamber representatives are given the status of Observer and may attend General Meetings at the invitation of a QBPC Member, who will normally serve as sponsor for the visitor.

Prospective QBPC Members

Prospective QBPC members are encouraged to attend Committee, IWG and General Meetings (but not Steering Council meetings) as Observers, not to exceed once a year. Normally a Member from the same industry group will act as sponsor for the prospective member.

Other Interested Individuals, Organizations and Media

Individuals or representatives of organizations with an interest in counterfeiting or IPR issues (such as students, law enforcement officers, NGOs, and public companies not eligible for membership) and media representatives who wish to attend QBPC membership meetings may be given Observer status under the following conditions:

1. Individual must clearly state the purpose of his participation.
2. Be sponsored by a QBPC member who notifies the Secretariat of intended attendance.

3. Obtain Membership Service Committee approval.
4. Agree to respect QBPC confidentiality policy.