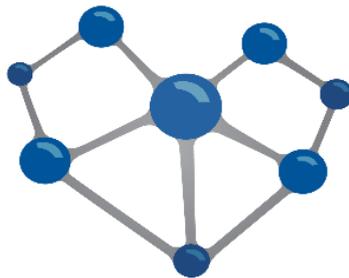


# Pharma Group Bylaws

A Sector Committee of the European  
Chamber of Commerce in Vietnam



**PharmaGroup**   
Innovation. Quality. Health.



*Updated 6 December 2018*

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## DEFINITIONS AND FREQUENTLY USED TERMS

Alternate Representative	the duly appointed official substitute of a Member Representative to represent the interest of the appointing Member to Pharma Group. An Alternate Representative shall only have voting rights when duly authorized to vote on behalf of such Member Representative who is absent from a vote at a meeting of the General Assembly.
Annual Meeting	the meeting held by the General Assembly in the last quarter of the year
Associate Board Member	a Member Representative invited to a Board Meeting who does not have any voting rights.
Base Fee	the baseline annual membership fee owed by Members of Pharma Group, as proposed by the Treasurer and approved by the General Assembly each year for the upcoming year
Board	the Pharma Group executive, formed by Board Members and headed by the Chairperson
Board Meeting	the meeting attended by Board Members and Associate Board Members
Casting Vote	the deciding vote by the Chairperson in a case of an equality of votes on a decision of the Board
Chairperson	the Board Member elected by other Board Members to, among others, preside over all Pharma Group meetings, execute all decision taken by it, direct and oversee the activities of Pharma Group
Chief Representative	a company's pharmaceutical operation general manager in Vietnam, or an executive of equivalent or more senior rank.
Code of Ethics	Pharma Group internal document <i>Pharma Group Code of Ethics</i> (adopted on January 1, 2014 and amended for the last time on 6 December 2018)
Conflict of Interest	a situation in which a Member has an actual, apparent, or reasonably foreseeable, current or future interest or obligation that influences or affects, or may influence or affect, Member's decision on a matter presented to the Board or General Assembly
Director	the appointed person to manage day-to-day operations of Pharma Group
EuroCham EuroCham Member	the European Chamber of Commerce any ordinary corporate member, ordinary individual member, associate corporate member, associate individual member or honorary member of EuroCham, as defined by the EuroCham Statutes, adopted on May 11, 1998 and amended for the last time on March 16, 2017.

EuroCham Secretariat	staff hired directly by EuroCham
Extraordinary Meeting	a meeting held at the discretion of the Board as determined by a majority vote of the Board or at the written request of at least five (5) Members of the General Assembly
Foreign Company	Business whose members or shareholders are foreign investors (i.e. individuals holding a foreign nationality or an organization established under foreign laws and conducting business investment activities in Vietnam) <sup>1</sup>
General Assembly or General Assembly Members	the Member Representatives of all Members of Pharma Group
Government	the Government of the Socialist Republic of Vietnam
IQVIA	a global healthcare analytics, information, services, and technology company
Inter-Company Dialogue	a good faith, genuine discussion, orally or in writing, between Members or between Members and non-members to resolve any disputes or complaints arising from participation in Pharma Group as a Member or from breach of obligations under these Bylaws or the Code of Ethics prior to resorting to official Pharma Group channels of dispute or complaint settlement
Irregular Meeting	the meeting held at the discretion of the Board that may be either purely informal or of a voting nature
Member	a paid-up member company of Pharma Group, in full compliance with the Members' obligations
Member Representative	the duly appointed official representative of a Member to Pharma Group, who must be the company's pharmaceutical operation Chief Representative in Vietnam and shall have voting rights at meetings
PGI Data	data sent by Members to IQVIA so as to create an overview of the net Pharmaceuticals turnover from Vietnam-related business of Members
Pharmaceuticals	research-based, prescription (Rx) and non-prescription (OTC) pharmaceutical products for human patients
Pharma Group or PG	the Foreign Research-based Pharmaceutical Manufacturers Association in Vietnam, a sector committee of EuroCham
Pharma Group Secretariat	the Pharma Group permanent administrative staff headed by the Director
Proxy	an Alternate Representative duly authorized to vote on behalf of a Member Representative who is absent from a vote at a meeting of the General Assembly or a Member Representative duly authorized to vote on behalf of another Member Representative that is absent

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<sup>1</sup> Law on Investment No. 67-2014-QH13 (National Assembly, November 26, 2014), Articles 3.14 and 3.17.

	from a vote at a meeting of the General Assembly.
Regular Meeting	the meeting held quarterly and open to the General Assembly
Related Person	organizations and individuals that have direct or indirect relationships with a company applying to be a Member of Pharma Group
Represented	in respect to the requirement for quorum at meetings of the General Assembly or Board, a Member shall be considered Represented when they are in attendance at the meeting either through their Member Representative, Alternate Representative, or duly appointed Proxy. Participation by means of video- or tele- conference or equivalent is permitted.
Treasurer	Board Member elected by the other Board Members to be in charge of Pharma Group budget and finances
Vice-Chairperson	all Board Members who do not hold the position of Chairperson
Vote	a formal indication of choice between two or more possible options. A Member may vote through their Member Representative or duly appointed Proxy. Voting by means of video- or tele- conference or equivalent is permitted.
WFOE	Wholly Foreign Owned Enterprise, an enterprise established in Vietnam in which 100% of charter capital or interest is owned by a foreign person or entity
Working Group Lead	the working group member chosen by the Board to report on the group's progress to the Board.

## ARTICLE I – NAME AND STATEMENT OF PURPOSE

**Section 1. Name.** The name of the group is the Pharma Group. Pharma Group exists as a sector committee of EuroCham in Vietnam.

**Section 2. Statement of Purpose.**

- (a) Vision. Pharma Group aspires to be the group of companies:
- (1) Patients associate with access to safe, high-quality and innovative pharmaceuticals;
  - (2) Healthcare professionals see as a key provider of education and integrity; and
  - (3) Government's trusted advisor and information provider supporting innovative life sciences sector development.
- (b) Objectives. Pharma Group is organized for the purposes of ensuring that Vietnamese patients have fast and sustainable access to high-quality, safe and innovative medicines whilst fostering a sustainable and integrous healthcare environment in partnership with the Vietnamese Government through:
- (1) Creating a climate that ensures Vietnamese patients to have access to the benefits of modern and advanced health care offered by, among others, foreign research-based pharmaceutical companies;

- (2) Representing the views of Pharma Group in all matters affecting the interests of its Members and/or assist in promoting, amending or opposing legislation affecting the industry;
  - (3) Promoting the development of trade, commerce and investment of research-based foreign manufacturers of Pharmaceuticals for human patients in Vietnam;
  - (4) Providing a forum in which the foreign research-based pharmaceutical business community in Vietnam can identify and discuss common commercial interests affected by legislation in Vietnam; and
  - (5) Engaging in all lawful activities incidental to, or conducive of, the attainment of its vision the foregoing objectives.
- (c) Collaboration. To fulfill its mission, Pharma Group shall work together with the Government and its agents, as well as with Vietnamese and Foreign Companies, organizations, and other stakeholders. Pharma Group shall work in a manner that enables it to fulfill its mission, taking into account the interdependence of the issues raised by its Members and the sector.
- (d) Organizational Stance. Pharma Group shall be strictly non-political. It shall be neither a trading, nor a distribution organization. It is not formed for acquisition or gain. It shall not concern itself in any way with the domestic matters or internal policies of its Members, provided these do not conflict with the Pharma Group Bylaws.

## ARTICLE II – ORGANIZATIONAL BODIES AND ADMINISTRATION

**Section 1. General Assembly.** The General Assembly shall consist of the Member Representatives of all Members of Pharma Group. The General Assembly shall convene at least quarterly at Regular Meetings, and from time-to-time at Irregular Meetings or Extraordinary Meetings, for the purposes of remaining informed about, and participating in, matters relating to Pharma Group.

**Section 2. Pharma Group Board.** The Board shall consist of eight (8) Board Members with full voting rights, chosen by a vote of the General Assembly from among the Member Representatives of the General Assembly. The Board shall elect, from among the Board Members, a Chairperson and a Treasurer for maximum one-year (1) terms, with the possibility of re-election [see Art. V herein]

**Section 3. Associate Board Members.** The Board may at its discretion also invite Associate Board Members from among the Member Representatives or externally. Associate Board Members shall not have voting rights.

**Section 4. Pharma Group Secretariat.** Day-to-day Pharma Group operations shall be managed by a Director, who shall be appointed by the Board. The Board may also appointed new staff. [see Art. VI herein]

## ARTICLE III – MEETINGS

### Section 1. Annual Meeting.

- (a) Timing and Purpose. There shall be one (1) Annual Meeting, held in the last quarter of the year, with timing to be determined by the Board or General Assembly. The General Assembly may, among other things:
  - (1) Approve the budget and membership Base Fee for the following year; and

(2) Elect new Board Members.

(b) Quorum. For the Annual Meeting to be valid, two-thirds (2/3) of Members must be represented in person or by Proxy.

**Section 2. Regular Meetings.**

(a) Timing and Purpose. Regular Meetings shall occur quarterly, with one (1) meeting being held in the last quarter of the year, which shall be designated as the Annual Meeting. Regular Meetings shall be open to all General Assembly Members in order to:

- (1) Approve new Members;
- (2) Hear activity reports from the Board, including updates on the budget and any working groups.
- (3) Discuss and vote on any other matters as may be required; and
- (4) At one (1) meeting, approve the audited financial report.

(b) Quorum. For a Regular Meeting to be valid, a majority of Members must be represented in person or by Proxy.

**Section 3. Irregular Meetings.**

(a) Timing and Purpose. Irregular Meetings shall occur at the discretion of the Board. Irregular Meetings shall be open to all General Assembly Members and may be purely informational or of a voting nature.

(b) Quorum.

- (1) There is no quorum requirement for an Irregular Meeting where no Vote is to be taken.
- (2) For an Irregular Meeting in which any vote is to be taken, a majority of Members must be Represented in person or by Proxy, and Members shall be provided advance notice of a vote at least 48-hours in advance.

**Section 4. Extraordinary Meetings.**

(a) Timing and Purpose. Extraordinary Meetings shall occur at the discretion of the Board, as determined by a majority vote of the Board, or at the written request of at least five (5) Members of the General Assembly. Extraordinary Meetings shall be open to all General Assembly Members for the purpose of conducting any business that may be conducted at a Regular Meeting.

(b) Quorum. For an Extraordinary Meeting to be valid, a majority of Members must be represented in person or by Proxy.

**Section 5. Board Meetings.**

(a) Timing and Purpose. Board Meetings shall occur at the discretion of the Board. A Board Meeting may be by means of video- or tele- conference or equivalent.

(b) Quorum. There is no quorum requirement for a Board meeting to be valid.

(c) Decisions. For a decision of the Board to be valid, the majority of voting Members must have voted, with a minimum of five (5) Board Members having voted in favour.

(d) Voting Procedure. At any meeting of the Board, every decision shall, unless

otherwise provided herein, be determined by a majority of the votes cast on the decision.

- (e) Casting Vote. In the case of an equality of votes on a decision, the Chairman has the right but not the obligation to cast the Casting Vote.

#### **Section 6. Representation, Attendance and Voting Powers.**

- (a) Member Representatives and Alternates. Members must submit to EuroCham Secretariat and Pharma Group Secretariat the names of three (3) persons who may represent its interests to Pharma Group: one (1) Member Representative, and up to two (2) Alternate Representatives. *[see Art. VIII §1 herein]*
- (b) Meeting Attendance. Member Representatives or their Alternate Representatives may attend Pharma Group meetings, and only one (1) representative from each Member company may attend any given meeting. Alternative Representatives may only represent Member in lieu of the Member's official Member Representative at meetings a maximum two (2) times per year.
- (c) Voting Power. Only Member Representatives may cast votes at Pharma Group meetings. If a Member Representative cannot attend a General Assembly meeting but wants to vote, his or her voting power must be transferred via Proxy authorization to one Alternate Representative or another Member Representative.

#### **Section 7. Notice Requirements.**

- (a) General Rule. The Board shall inform all Members in writing (including e-mail) of the date, time, and location of all upcoming Regular Meetings, Extraordinary Meetings, and Irregular Meetings of the General Assembly at least one (1) week in advance of such meetings, unless otherwise proscribed herein.
- (b) Annual Meeting. The Board shall inform all Members in writing (including e-mail) of the date, time, and location of the Annual Meeting at least two (2) weeks in advance of the meeting.

#### **Section 8. Internal Meeting Minutes.**

- (a) Responsibility for Minutes.
  - (1) For all Board and General Assembly meetings, minutes shall be recorded by the EuroCham Secretariat or the Pharma Group Secretariat or Pharma Group legal counsel.
  - (2) For other internal Pharma Group meetings, minutes may be recorded by either the EuroCham Secretariat, or the Pharma Group Secretariat or a Member, at the discretion of the Director or Chairperson.
- (b) Effective Date. Generally, the minutes of a given meeting, in particular Board Meetings and General Assembly meetings, shall become effective upon approval of the Board or General Assembly. Other meetings shall only require minutes at the sole discretion of the Director, Working Group Lead, or Chairman as the case may be. Such minutes shall be approved by the body or person requiring such minutes.
- (c) Ability to Comment. Meeting attendees may make comments or dispute the minutes at the meeting, where said minutes are being approved.

- (1) Any valid comments or disputes shall be added to the minutes as notes attributed by the submitting attendee.
- (d) Availability of Minutes. All minutes shall be made available to all members in attendance at the relevant meeting upon request. Meeting minutes shall be available to non-attending members at the sole discretion of the Director or the Chairman, as the case may be.

#### **Section 9. External Meetings and Communications.**

- (a) Meeting Requirements.
  - (1) In order to qualify as an official Pharma Group meeting, any meeting between Pharma Group and a Government official, international intra-governmental organization, or international non-governmental organization, must:
    - A. be approved by the Chairperson, a Vice-Chairperson designated by the Chairperson, or the Director, and
    - B. at least one (1) Board Member and one (1) person from the Pharma Group Secretariat or the Director must be present.
  - (2) In order to qualify as an official Pharma Group meeting, any meeting between Pharma Group and any third-party not designated in Art. III §9(a)(1) herein, must:
    - C. be approved by a Board Member or the Director, and
    - D. at least one (1) person from the Pharma Group Secretariat must be present.

Special Appointees. In certain circumstances, the Board, through a Board resolution, may appoint suitable individuals to act on behalf of Pharma Group.

- (b) Meeting Minutes. Meeting minutes shall be held by the EuroCham Secretariat or the Pharma Group Secretariat or Pharma Group legal counsel.
- (c) External Communications. Any letter, paper, press release external or communicable or other document addressed to any government department, agency, or representative, or other third party on behalf of Pharma Group must have the prior approval of the Chairperson, a Vice-Chairperson, the Working Group Lead, or the Director.

### **ARTICLE IV – GENERAL ASSEMBLY VOTING**

**Section 1. Votes Required to Pass a Measure.** Passage of a measure by the General Assembly requires a two-thirds (2/3) vote in support of such measure.

#### **Section 2. Quorum.**

- (a) General Rule. For votes of the General Assembly to be valid, a majority of Members must be Represented.
- (b) Exceptions. For votes related to the following matters to be valid, two-thirds (2/3) of Members must be Represented:
  - (1) Annual Budget and Member Fees;
  - (2) Election of new Board members;
  - (3) New Member Applications;
  - (4) Changes to the Code of Ethics; and
  - (5) Changes to Bylaws.

**Section 3. Remote Voting.** In certain cases, the Chairperson may select to conduct voting by means of written submissions (including e-mail). In such cases, the same quorum and voting requirements described in §§1-2 of this Article apply, and only those Members providing written submission would qualify as Represented for purposes of satisfying quorum requirements. Members shall be provided at least twenty-four (24) hours to vote.

**Section 4. Proxy Voting.** Any Member may authorize one of its Alternate Representatives or any other Member Representative to vote on its behalf at any meeting of General Assembly. Notice of Proxy authorization must be received in writing by the Pharma Group Secretariat and the designated Alternate Representative no later than twenty-four (24) hours prior to the time and date of the meeting at which such Proxy is to vote, unless otherwise agreed to by the Director or Chairperson.

## ARTICLE V – PHARMA GROUP BOARD

**Section 1. Election of Board Members.** The Board for the upcoming year shall be elected at the Annual Meeting, and shall begin its term immediately following the announcement of the election results or at any other time determined by General Assembly. Completed applications must be received by the Chairperson and the Director at least forty-eight (48) hours prior to the Annual Meeting.

**Section 2. Seat Types and Selection.**

- (a) Seats and Voting Rights. The Board shall be comprised of Member Representatives with full voting rights on the Board, and may include Associate Board Members. Associate Members shall not have voting rights on the Board and shall be invited at the discretion of the Board.
- (b) Selection of Board Members. Board Members shall be chosen by a vote of the General Assembly consistent with the provisions of this Article.
- (c) Selection of Associate Board Members. Associate Board Members shall be determined at the discretion of the Board Members.

**Section 3. Replacement.** If a Member appoints a new Member Representative, any seat held by the former representative shall not be transferred to the new representative. Instead, the vacated seat shall be filled in accordance with §4(c) of this Article.

**Section 4. Staggered Board.**

- (a) Classes. There shall be two (2) classes of Board Members, Class 1 and Class 2.
- (b) General Rule. In general, both Class 1 and Class 2 Members shall serve two-year (2) terms. The classes being elected in alternating years. Member Representatives elected to the Board shall be placed in the class that is up for election in that year.
- (c) Initial classes. Board Members elected in the first year in which these Bylaws are in effect (i.e. 2014) shall be assigned to Class 1 or Class 2 depending on the total votes cast for them:
  - (1) The Member Representatives elected to the Board with the four (4) highest vote totals shall be assigned to Class 1 and shall serve a two-year (2) term.
  - (2) The remaining Member Representatives elected to the Board shall be assigned to Class 2, and shall serve an initial one-year (1) term.

- (3) In any case in which Member Representatives receive an equal number of votes and there are too many Member Representatives in either or both of Class 1 and Class 2, such Member Representatives shall be subject to a run-off election to determine the order among them. Where a run-off election also results in Member Representatives receiving an equal number of votes, if necessary, such Member Representatives receiving an equal number of votes shall continue to be subject to additional run-off elections until no Member Representatives have received an equal number of votes. For the avoidance of doubt, run-off elections shall only determine the order of Member Representatives within a group receiving an equal number of votes.
- (d) Replacement of Board Members. In the event that a Board Member leaves or is removed from office prior to completing his or her term, the vacant seat shall be filled by the candidate with the highest vote total from the most recent General Assembly election who was not elected to the Board. The replacement Board Member shall serve the remainder of the year and the seat shall come due for re-election at the next Annual Meeting.
- (1) In the event that multiple potential replacements received the same vote total in the previous election, the Chairperson shall first consult with the candidates to determine whether there is a solution that would be agreeable to all of them. Following that, the Chairperson shall select one (1) of the candidates in consultation with the rest of the Board. Alternatively, at the Chairperson's discretion, the Board may organize a new vote or continue operating with the vacant Board seat(s) until the next Annual Meeting.
- (2) If a Board seat comes due for re-election in a year in which the other class is to be re-elected, then the Member Representatives with the highest vote totals shall be placed into the class typically elected in that year until all seats are filled. The seat(s) from the off-cycle class shall be filled by the candidate(s) with the next highest vote total(s) until all seats are filled.
- [§4(d) of this Article applies to all vacant seats, including those with more than a year remaining in their term. Classes shall remain as consistent as possible from year to year with the four (4) seats of Class 1 elected together and the remaining seats of Class 2 elected together as often as possible.]*
- (e) Roster of Board Members. The EuroCham Secretariat and the Pharma Group Secretariat shall be responsible for maintaining a roster indicating each Board Member's seat and class, and the beginning and end of each Board Member's term.

#### **Section 5. Board Roles.**

- (a) Board Roles. The Board shall have one (1) Chairperson and one (1) Treasurer, and all other Board Members shall hold the position of Vice-Chairpersons.
- (b) Chairperson.
- (1) Election. The Chairperson shall be elected by a majority vote of the Board from among the Board Members. Each voting Board Member shall cast one (1) vote for one (1) candidate per round of voting. The first candidate to achieve the support of a majority of the voting Members shall be the Chairperson for the upcoming year.
- (2) Duties. The Chairperson shall, among other things:

- A. Preside over all meetings of Pharma Group and execute all decisions taken by it;
- B. Direct and oversee the activities of Pharma Group;
- C. Act as the first point of contact for the chairperson of EuroCham; and
- D. The Chairperson shall have the right but not the obligation to have the Casting Vote when necessary [see Art. III §5(e) herein].

(3) Vice-Chairpersons. With the approval of the majority of the Board, a Vice-Chairperson may be appointed to exercise all the powers, and perform all the duties, of the Chairperson in the case of the Chairperson's absence, including providing the Casting Vote in Board decisions.

(c) Treasurer.

(1) Election. The Treasurer shall be elected by a majority vote of voting Board Members from among the voting Board Members. Each voting Board Member shall cast one (1) vote for one (1) candidate per round of voting. The first candidate to achieve the support of a majority of the voting Board Members shall be the Treasurer for the upcoming year.

(2) Duties. The Treasurer shall, among other things:

- A. Prepare the annual budget and ensure that Pharma Group, to the greatest extent possible, remains within budget;
- B. Invoice Members for membership fees and, if necessary, issue reminders about outstanding dues; and
- C. Propose the category ranges, the annual Base Fee and any other financial changes as may be required, to the Board for review prior to the Annual General Assembly or Extraordinary Meeting.

#### **Section 6. Board Powers.**

(a) The Board shall act in the interests of Pharma Group and administer Pharma Group's accounts and represent Pharma Group at meetings with Government departments or other related organizations.

(b) The Board may establish any committees or working groups, or sub-committees or sub-working groups, as deemed necessary by a majority vote of the Board, and delegate duties or powers as needed.

(1) Working groups shall be supported by four (4) Members or more, and have a Working Group Lead, chosen within the working group by the Board. The Working Group Lead shall be responsible for reporting on the group's progress to the Board.

#### **Section 7. Removal of Board Members.**

(a) A Board Member may be removed from the Board by a unanimous vote of the other voting Board Members. The vote shall occur during a Board Meeting.

(b) In the case that a Board Member's status is evaluated for removal due to a Conflict of Interest, their voting rights, and the voting rights of their company, on the Board, in relation to any decisions regarding removal of the conflicting Board Member, shall be invalid.

## ARTICLE VI – PHARMA GROUP SECRETARIAT

### Section 1. Director.

- (a) Appointment. The Director shall be appointed by a majority vote of the voting Members of the Board and oversight of the Director will be the responsibility of the Chairperson.
- (b) Duties. The Director shall manage the day-to-day operations and general affairs of Pharma Group in accordance with the vision, objectives, policies, and regulations of Pharma Group Bylaws.
- (c) Oversight of Staff. The Director shall oversee Pharma Group Secretariat and be assisted by the EuroCham Secretariat and the Pharma Group Secretariat.
- (d) Responsibility to the Board. The Director shall be under the supervision and control of the Board, and shall report directly to the Board.

**Section 2. New Staff.** After receiving approval from two-thirds (2/3) of Members, the Board may appoint new staff to assist the Director in the administration of Pharma Group.

## ARTICLE VII – MEMBER QUALIFICATIONS AND APPLICATION

**Section 1. Qualifications for Membership.** To be eligible as a Member of Pharma Group, a company must meet all of the following criteria:

- (a) Must be a Foreign Company. A Member must be a Foreign Company. If the Member has a parent company, the parent company must also be a Foreign Company. *[N.B. Separate legal entities belonging to the same multinational company shall be deemed to constitute a single company. A Member or applicant for membership must provide a copy of its business license (e.g. representative office license or investment license)].*
- (b) Must conduct original research. A Member must be doing significant original research, by either:
  - (1) Spending at least 10% of its consolidated, worldwide pharmaceutical turnover on pharmaceutical R&D and with a minimum yearly global R&D spend of US\$50 million; or
  - (2) Being a WFOE with an approved business license to warehouse and transport pharmaceutical products in Vietnam, and representing at least one (1) international pharmaceutical company meeting the requirements of (1) above.

*[N.B. A Member or applicant for membership relying on the criteria described in (b)(1) of this section must submit to the Chairperson its annual report from the previous fiscal year or a report certified by an external auditor detailing the same information. A Member or applicant for membership relying on the criteria described in (b)(2) of this section must submit to the Pharma Group Secretariat a list of the principal companies it represents so that Pharma Group can determine whether it meets the requirements of §(b)(2), with at least one of the Chief Representative of these companies confirming in writing their business relation. For the applicability of this note to current Members, see Art. VIII §5 herein.]*

- (c) Must be a EuroCham Member. [N.B. Applicants must submit a copy of its EuroCham membership.]
- (d) Must be committed to the Code of Ethics. [N.B. Applicants must submit a signed and stamped copy of the Code of Ethics.]

## **Section 2. Membership Application and Approval.**

- (a) Application Form. Any company applying for membership must complete and sign the Pharma Group application form and Code of Ethics, and must submit its latest annual report or financial information certified by an independent auditor, and all the documents specified in the §1 of this Article. Membership applications must be addressed to the Chairperson.
- (b) Conflict Disclosure. Any company applying to be a Member must disclose their interest in any matter in which the company, or Related Person<sup>2</sup>, has any actual, apparent, or reasonably foreseeable, current or future interest or obligation that influences or affects, or may influence or affect, Member's decision on any matter presented to the Board or General Assembly. For the avoidance of doubt, this includes membership in any other regional or national organization or association in the Pharmaceuticals sector.
  - (1) Failure to make disclosure may result in suspension or termination of Member, or denial of application.
- (c) Application Review. The Chairperson, in coordination with the Director, Pharma Group Secretariat, EuroCham Secretariat, and Pharma Group legal advisor(s) shall review the eligibility of the application based on the criteria described in §1 of this Article. The Chairperson shall submit eligible applications for a vote at the next General Assembly meeting. Ineligible application shall be notified by the Pharma Group Secretariat.
- (d) Approval by the General Assembly. New Members may be elected at any Regular Meeting by a two-thirds (2/3) vote of the Members of the General Assembly, provided that a quorum is present.
- (e) Notification of Decision. Applicants for membership shall be informed in writing about the decision of Pharma Group by the Director within two (2) weeks of the General Assembly vote. A membership approved by the General Assembly shall be effective from the date of the General Assembly approval.

## **Section 3. Change in the Structure of a Member.**

- (a) Change of Name. In the event of a change of name, a Member shall notify the Pharma Group Secretariat as soon as possible. The notification shall include an official proof of the change of name. The Member, through its Chief Representative shall re-execute the Code of Ethics (i.e., sign and stamps under the

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<sup>2</sup> Comprised of organizations and individuals that have direct or indirect relationships with such enterprise. With regard to a subsidiary company, "Related Person" means the parent company, a manager of the parent company or any person who has the power to appoint such managers. With regard to parent company, "Related Person" means any subsidiary company; (a) a person or a group of persons being able to control the decision-making process and operations of enterprise through the management bodies of enterprise; (b) a manager of an enterprise; (c) husband, wife, father, adoptive father, mother, adoptive mother, child, adopted child or sibling of any manager of the enterprise, or of any Member holding capital contribution or controlling shares; (d) an individual who is authorized to act as representative of a person stipulated; (e) an enterprise in which a person stipulated herein holds shares to the level that they are able to control the decision making process of the management bodies of enterprise.

new company's name).

- (b) Change of Ownership. In the event of a change of ownership (e.g., merger or acquisition), a Member shall notify the Pharma Group Secretariat and submit to the Pharma Group Secretariat all relevant document(s) as soon as possible. A change of ownership shall require a new application and approval by the General Assembly as described in this Article. For the avoidance of doubts, the Member shall pay its membership fees in accordance with the fee structure for new Members, as described in the Article VIII, Section 2 hereafter; however the Board shall have the discretion to either waive such obligation, or make the General Assembly vote on such question. For the avoidance of doubts, this Article shall not apply to the acquisition of a subsidiary company, unless such acquisition had the effect of lowering the Member's consolidated, worldwide pharmaceutical turnover on pharmaceutical R&D under 10% or its yearly global R&D spend under US\$50 million, as required in this Article.

## ARTICLE VIII – MEMBER RIGHTS AND RESPONSIBILITIES

### Section 1. Member Representatives, Alternates.

- (a) Appointment.
- (1) Member Representative. Each Member shall appoint a Member Representative who must be the company's Chief Representative in Vietnam.
  - (2) Alternate Representative. Each Member may appoint up to two (2) Alternate Representatives. Alternative Representatives may attend General Assembly meetings in place of the Member Representative who has duly authorized them, but shall not attend Board meetings. Alternate Representative shall only be permitted to vote when duly authorized to vote on behalf of such Member Representative who is absent from a vote at a meeting of the General Assembly.
- (b) Replacement. A Member may appoint a new Member Representative at any time, but the new representative would not assume any committee, working group, or Board seat vacated by the previous representative.

### Section 2. Membership Fee.

- (a) Annual Membership Fee.
- (1) Members shall pay an annual membership fee.
  - (2) The membership fee shall be the Base Fee multiplied by 1x, 2x, or 3x ("the multiplier"), depending on the membership fee category into which that company is sorted, as explained in (b) of this section.
  - (3) The Base Fee and categories ranges for the upcoming year shall be calculated based on the budget for the upcoming year and presented by the Treasurer to the General Assembly at the Annual Meeting.
- (b) Categories of Membership Fees. Members shall be sorted into three (3) categories based on the data on their total turnover from Vietnam-related business from the previous year. The companies that have qualified to be Members by meeting the criteria of Art. VII §1(b)(2) herein, shall pay three times (3x) the Base Fee. The Treasurer shall propose the fee categories divided into ranges based on the previous year's total net turnover from Vietnam-related business for the upcoming year at the Annual General Meeting, or at any other time as designated by the

Board or General Assembly. The previous year's total pharmaceutical net turnover from Vietnam-related business shall be determined by the annual turnover/annual aggregate amounts from over-the-counters, prescriptions, and vaccines either provided by IQVIA (i.e., the PGI Data) or directly by the Chief Representative. The category into which each Member is sorted shall determine the multiplier applied to that company's base fee, as described below:

- (1) Category I: 3x Base Fee. The manufacturing companies sorted by the Treasurer into Category I, as described above shall pay three times (3x) the Base Fee.
  - (2) Category II: 2x Base Fee. The manufacturing companies sorted by the Treasurer into Category II, as described above, shall pay two times (2x) the Base Fee.
  - (3) Category III: No Multiplier. The companies not qualifying for inclusion in Category I or Category II shall pay the base fee without any multiplier.
- (c) Increase of Membership Fee.
- (1) The Treasurer shall submit a budget for the upcoming year each November, or at any other time as designated by the Board or General Assembly;
  - (2) The budget shall be approved by the General Assembly by majority vote;
  - (3) Depending on the budget requirements, the Treasurer may propose to increase the membership fee and the ranges for the fees categories; and
  - (4) If a Base Fee increase is approved by the General Assembly, membership fees will increase proportionally, i.e., by the same ratio, for all Members.
- (d) Payment of Membership Fee.
- (1) The Pharma Group Treasurer shall issue membership fee invoices to Members in January, or at any other time as designated by the Board or General Assembly;
  - (2) Members must pay their required fees within sixty (60) days after receipt of the invoice;
  - (3) The membership fee shall be paid into an account that is opened or made available by EuroCham for Pharma Group.
- (e) Failure to Pay the Membership Fees. In the event that a Member fails to pay its membership fee within the sixty days mentioned above, the Treasurer shall send an official letter to the Member Representative. From the receipt of the official letter until the membership fee has been paid, the Member's voting power shall be suspended.
- (f) Fee Structure for New Members.
- (1) Any new Member shall be responsible for paying a prorated membership fee based on the number of quarters remaining in the year, including the quarter it joined Pharma Group. Any new Member shall be responsible for paying a prorated additional fee based on the number of quarters remaining in the year, including the quarter it joined Pharma Group
  - (2) Any new Member shall be placed immediately into a category, consistent with the procedure above, but this shall not impact the categorization of any other Member for that year.
- (g) Pledge. Members can be invited to pledge funding to individual project(s). Such

pledges shall be approved by the Board [*see Art. VIII §5 herein*] and shall be in full compliance with the PG pledge principles.

**Section 3. Member Rights.** Members shall have the right,

- (a) Through their Member or Alternate Representatives, to participate in the deliberations and meetings of Pharma Group;
- (b) Through their Member Representatives, to vote at General Assembly meetings (may also be done on the Member's behalf by a duly appointed Proxy);
- (c) Through their Member Representatives, to be eligible for any elective or appointed position in Pharma Group; and
- (d) Through their Member Representatives, to participate in committees or working groups, or sub-committees or sub-working groups.

**Section 4. Member Duties.** Members must:

- (a) Be acquainted with and abide by the EuroCham statutes, and PG Code of Ethics and Bylaws;
- (b) Fully and accurately respond to information requests from the Board, unless complying with such requests conflicts with a Member's internal rules;
- (c) Pay the annual membership fee within sixty (60) days following receipt of the fee invoice;
- (d) Attend General Assembly meetings;
- (e) Before being able to attend meetings, submit a roster of three (3) permitted representatives [*see §1 of this Article*] to the Director and the EuroCham Secretariat;
- (f) Keep confidential all information shared during General Assembly and Board meetings, all materials and communication in relation to and/or shared within Pharma Group, including but not limited to, exchanged emails, relevant documents, draft of legal documents and slides. For clarity, this does not preclude Members from sharing information disclosed to the General Assembly or Board among Members of Pharma Group. This duty of confidentiality shall apply to any Member of Pharma Group whether past or present and their employees; and shall remain in effect indefinitely, unless otherwise specified by law;
- (g) Not disclose to any party information about a Member without that Member's express consent; and
- (h) Provide timely disclosure to the Board of any potential Conflict of Interest which arises and may conflict with Member's existing obligations, or any Conflict of Interest not disclosed at the time of application which has become apparent to Member since application. Failure to make disclosure of reasonably apparent potential Conflict of Interest may result in disposition, suspension, or termination of Member as stipulated in §8 of this Article.

**Section 5. Suspension of Membership.**

- (a) General Conditions of Suspension. The General Assembly, by a majority vote, may suspend a Member if:
- (1) The Member fails, for two (2) consecutive years, to meet the requirements detailed in Art. VII §1 herein;
  - (2) The Member fails to submit its latest annual report or financial information certified by an independent auditor to the Treasurer upon Treasurer's request.;
  - (3) The Member fails to pay its membership fee within sixty (60) days of receipt of the fee invoice;
  - (4) The Member fails to submit a signed statement of compliance with Pharma Group Code of Ethics and Bylaws; or
  - (5) The Member's Member Representative has been absent from four (4) consecutive Regular Meetings, regardless of whether its Alternate Representative has been present.
- (b) Emergency Suspension. The Board may suspend a Member or Member Representative if it determines, by a majority vote, that the action(s) of that company, its affiliates, or its representative are so detrimental to Pharma Group or EuroCham that it must take emergency action to protect the association from risk.
- (c) Implications of Suspension.
- (1) A suspended member may not send representatives to meetings, cast votes, or take part in any organized activities of Pharma Group.
  - (2) A suspended representative may not attend meetings, cast votes, or take part in any organized activities of Pharma Group.
- (d) Reinstatement. A suspended member shall be reinstated upon a majority vote of the General Assembly in favor of reinstatement.

#### **Section 6. Termination of Membership.**

- (a) Request for Resignation. The Chairperson, based on a majority vote of the Board, may invite by written notice a Member to resign its membership in Pharma Group.
- (b) Reasons for Termination. A Member shall be terminated from Pharma Group if:
- (1) It is dissolved or ceases to carry on business in Vietnam;
  - (2) The General Assembly, by a two-thirds (2/3) vote, determines that it should be removed; or
  - (3) Member has been suspended for one (1) calendar year and a reinstatement vote [*see Art. VIII §5(f) herein*] has not been scheduled.
- (c) Termination without Prejudice. Terminated members may re-apply for membership after one (1) calendar year.

#### **Section 7. Withdrawal of Membership.**

- (a) Withdrawal Procedure. A Member may withdraw its membership from Pharma Group at any time by sending a written resignation to the Chairperson and the Pharma Group Secretariat.
- (b) Effective Date. Termination of Membership shall be effective from the date stated in the notice, and may not have any retroactive effect. If there is no date stated in the notice, membership shall end on the date that such notice is received by the Chairperson and the Pharma Group Secretariat.

- (c) Non-Refundable Fees. No portion of a Member's membership fees shall be refundable.

**Section 8. Disposition, Suspension, or Termination of Member due to Conflict of Interest.**

Disposition, Suspension, or Termination of a Member as a result of a Conflict of Interest shall be carried out in accordance with the following procedures:

- (a) if a potential Conflict of Interest arises during the course of a Members' tenure, the matter is to be brought to the Board for consideration as soon after disclosure as reasonably possible. The Board may:
  - (1) note the Conflict of Interest in their records and request the Member to provide updates regarding the Conflict of Interest at designated intervals;
  - (2) select to engage suspension or termination procedures in §§5-6 of this Article;
  - (3) revoke Member's rights immediately; or
  - (4) take any reasonable action to resolve the Conflict of Interest.
- (b) Members shall be suspended or terminated due to a Conflict of Interest only by a majority vote of the Board.
  - (1) Suspension or termination of Member will equally affect Member's rights as a Board Member.
  - (2) In the case that a Member is evaluated for a Conflict of Interest, their voting rights, and the voting rights of their company, in relation to any decisions regarding suspension or termination of said Member, shall be invalid.
- (c) Members disposed, suspended, or terminated as a result of a Conflict of Interest shall have the right to make a written appeal presented to the General Assembly at the next valid General Assembly Meeting. The appeal shall be decided by a vote in accordance with article IV.

## ARTICLE IX – GENERAL PROVISIONS

**Section 1. Operating Year.** The operating year shall be January 1 to December 31.

**Section 2. Governing Law.** In the case of a conflict of interpretation between provisions in these Bylaws and the EuroCham statutes and/or the EuroCham sector committee rules and regulations, the prevailing interpretation shall be based on the highest listed source, as follows:

- (1) EuroCham statutes;
- (2) EuroCham sector committee rules and regulations;
- (3) Pharma Group Bylaws.

**Section 3. Definitions and Qualifications.** Definitions of all terms in the Definitions and Frequently Used Terms section of these Bylaws shall apply to all capitalized terms as printed, and any capitalized terms with changes to tense, plurality, type, or form, and abbreviations of those terms, throughout the text of these Bylaws. Article and section headings and titles are merely organizational and not binding or enforceable.

**Section 4. Internal Dispute Resolution and Inter-Company Dialogue**

- (a) The first step of resolving any complaint between Pharma Group Members or between a Pharma Group Member and non-Pharma Group members (excluding the health authorities, HCP, professional organizations, patients or patient groups)

should be through Inter-Company Dialogue.

- (b) Pharma Group recommends that Inter-Company Dialogue is done at the level of country representative and may take the form of written or verbal communication and shall be considered as non-official. In order to ensure this interpretation, any communication should be clearly labelled as Inter-Company Dialogue (either in the title of the email or letter or clearly stated in any verbal communications).
- (c) If the Inter-Company Dialogue is not successful, a formal complaint should be filed with the PG Secretariat or, where the complaint relates to a breach of the Code of Ethics, follow the Code of Ethics dispute resolution process as defined in the Code of Ethics . However, before such procedure is engaged, Pharma Group shall confirm whether genuine efforts to resolve the dispute through the Inter-Company Dialogue has been undertaken.
- (d) Every effort should be made to resolve disputes through the Inter-Company Dialogue before escalating and involving the Pharma Group Bylaws or the Code of Ethics procedures.

**Section 5. Review of the By-Laws.**

- (a) These Bylaws must be reviewed at least every five years. The Board, Pharma Group legal advisor(s) or a subcommittee appointed by the Board, must perform a full review of these Bylaws and, if necessary, propose amendments to the Pharma Group’s Regular Meeting. The Regular Meeting will then confirm or reject the new revision of the Bylaws in accordance with the voting procedures and protocols detailed in Article IV.
- (b) At any time, the Board, based on input from any Member, a change in applicable law, or on its own accord, may decide to initiate a revision to these Bylaws. Under such circumstances, the Board, Pharma Group legal advisor(s) or a subcommittee appointed by the Board, must perform a review of the relevant provisions in these Bylaws, and, if necessary, propose amendments during any of the Regular Meeting. The Regular Meeting will then confirm or reject the new revision of the Bylaws in accordance with the voting procedures and protocols detailed in Article IV.

These Bylaws were updated on **December 6, 2018** by the General Assembly of Pharma Group.

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Chairman of Pharma Group