

IRPMA Article

CHAPTER 1. GENERAL PROVISIONS

Article 1 The name of the Association shall be the Republic of China International Research-Based Pharmaceutical Manufacturers Association.

Article 2 The Association is a social non-profit organization organized under the law.

Article 3 The purposes of the Association are to promote the development of research-based pharmaceuticals, enhance the ethical standards of the pharmaceutical industry and strengthen its contribution to the advancement of public health.

Article 4 The Association shall be organized as a nation-wide organization.

Article 5 The Association shall maintain its office in a place where the competent authority is located, and may set up branch office(s) upon obtaining the approval of the competent authority.

Article 6 The activities of the Association shall be as follows:

1. To investigate and compile statistical and other information about the research-based pharmaceutical industry at home and abroad;
2. To develop research-based pharmaceuticals, and conduct research on the marketing of said pharmaceuticals;
3. To coordinate and promote technology cooperation of research-based pharmaceuticals;
4. To assist the government in establishing and implementing economic and regulatory policy regarding the manufacture of research-based pharmaceuticals, so as to enhance the ethical standards of the pharmaceutical industry;
5. To join other international organizations with similar goals to those of the Association;
6. To affiliate or co-operate with medical organizations having similar goals to those of the Association, or with other organizations involved in pharmaceutical scientific research;
7. To perform any other activities incidental and conducive to the goals of the Association.

CHAPTER 2. MEMBERSHIP

Article 7 Members of the Association are divided into the following types:

1. Individual Members: Any person who endorses the purposes of the Association, and is aged twenty (20) or older and **predominantly engaged in the business of research,**

manufacturing, marketing, distribution, market research and clinical research of innovative (or research-based) pharmaceuticals may apply for membership in the Association and shall become an individual member of the Association upon the approval by the Board of Directors.

2. Corporate Members: Any company or organization which endorses the purposes of the Association, and is **predominantly engaged in the business of research, manufacturing, marketing and distribution of innovative (or research-based) pharmaceuticals may qualify** for membership in the Association and shall become a corporate member of the Association upon the approval by the Board of Directors. **The number of representative(s) from each corporate member is determined based on the ranking of annual dues paid.**
Here are the eight rankings:
Rank 1 - one representative;
Rank 2 - two representatives;
Rank 3 - three representatives;
Rank 4 - four representatives;
Rank 5 - five representatives;
Rank 6 - five representatives;
Rank 7 - five representatives;
Rank 8 - five representatives;
The maximum number of representatives is five.
3. Honorary Members: Any person who is determined by the Board of Directors as having made a special contribution to the industry or having retired after at least ten (10) years of active service in the industry may become an honorary member of the Association; provided that the duration of such membership shall not exceed the current term of the Board of Directors.
4. Associate Members: Any person or organization that endorses the purposes of the Association, makes contribution to the Association and is aged twenty (20) or older may, at the decision of the Board of Directors become an associate member of the Association. The membership of an associate member is honorary, and the duration of such membership shall not exceed the current term of the Board of Directors.

Article 8 The Association may, upon the approval of the Board of Directors, issue warnings or declare suspension of rights to any member (including a representative of a member) who violates any applicable laws and regulations, or who fails to act in compliance with resolutions of the Meeting of the General Assembly. The Association may, upon the approval of the General Assembly, dismiss a member from the Association if the member's violation or

non-compliance is gravely detrimental to the rights and interests of the Association.

Article 9

1. All applicants for membership shall fill out an application form and shall lodge the same with the Association. The Board of Directors shall have the sole discretion to accept or reject any application by a majority of votes of those present.
2. The Board of Directors shall keep a Register of Members of the Association and shall enter therein the following particulars:
 - the name and address of each member; and
 - the name of the person appointed by a corporate member to attend and vote at the meetings of the Association on its behalf.

Article 10 A member may withdraw his/her membership by submitting a written notice to the Association stating the reason for the withdrawal and effective date thereof.

Article 11 No fees and dues shall be refunded to members who have withdrawn or been expelled from the Association.

Article 12

1. Members (including individual members and representatives of corporate members) shall have the right to vote, elect, and to be elected and recalled. Each members or its representatives shall be entitled to one vote only. Honorary Members and Associate Members shall not be entitled to vote, elect, or to be elected or recalled.
2. **Only the individual members himself/ herself are entitled to participate in the various functional sub-committees of the Association.**

Article 13 All members shall abide by these Articles of Association, comply with the resolutions of the Association, and pay membership dues.

CHAPTER 3. ORGANIZATION AND FUNCTION

Article 14 The highest power body of the Association shall be the General Assembly. The Board of Directors shall be the executive body and shall exercise the functions of the General Assembly when the latter is not in session. The Board of Supervisors shall be the supervisory body of the Association.

Article 15 The functions of the General Assembly are as follows:

1. Establish and amend the Articles of Association;
2. Elect or recall Directors and Supervisors;

3. Determine the amount of membership fees and annual dues payable by each member and the terms of payment of the same;
4. Determine annual business plans, reports of operations and budgets and review year end financial statements and reports;
5. Make determinations on the expulsion of a member or any member's representative;
6. Determine the disposal of property;
7. Determine the dissolution of the Association; and
8. Determine other important matters relevant to the rights and obligations of the members.

Article 16 The Association shall install thirteen (13) Directors and three (3) Supervisors to be elected from/among the members. The Directors shall form the Board of Directors and the Supervisors shall form the Board of Supervisors. Upon the election of the Directors and Supervisors, four (4) alternate Directors and one (1) alternate Supervisor shall also be elected to sequentially fill in and serve out the remaining term of any vacancies which may become available if any of the regular Directors or Supervisors vacates their positions. The elected positions of the Directors, the Supervisors, the Alternate Directors and the Alternate Supervisors shall be determined on the basis of the number of votes received in an election. In case of a tie, the person elected shall be determined by the drawing of lots.

Article 17 The functions of the Board of Directors are as follows:

1. Determine matters relating to the calling of the General Assembly and generally represent the Association in dealing with third parties in accordance with these Articles of Association and resolutions of the General Assembly;
2. Review membership qualifications;
3. Elect or recall the President and Standing Directors and propose to the General Assembly the recall of a Director;
4. Determine the resignation of Directors, Standing Directors and the President;
5. Hire and dismiss employees;
6. Prepare annual business plans, reports of operations and budgets, and year end financial statements and reports; and
7. Handle other matters as required.

Article 18 Three (3) Standing Directors shall be elected by the Directors from/among the Directors and one (1) President shall be elected from/among the Standing Directors by the Directors. The term for each shall be two (2) years.

The President shall be in charge of the business and affairs of the Association and shall have

the authority to represent the Association in dealing with third parties and shall preside over the General Assembly and Directors' meetings.

The President shall supervise the affairs of the Association and attend any and all necessary meetings. If the President cannot carry out his/her duties for any reason, a Standing Director shall be designated by him to act on his/her behalf. In the absence of such designation, one of the standing Directors shall be elected from/among the Standing Directors to act on his/her behalf.

One (1) Standing Supervisor shall be elected by the Supervisors from/among the Supervisors and serve as the Chairman of Board of Supervisors.

Article 19 The functions of the Board of Supervisors are as follows:

1. Supervise the Board of Directors in performing its duties;
2. Examine the year end financial statements and reports and then submit to the General Assembly for acceptance;
3. Elect or recall Standing Supervisors;
4. Determine the resignation of Supervisors; and
5. Execute other duties as may be required by law.

Article 20 A Supervisor shall not concurrently hold the position of Director and a Director shall not concurrently hold the position of Supervisor.

Article 21 Directors and Supervisors shall serve for a term of two (2) years and shall be eligible for re-election. The President shall be entitled to one (1) re-election only. The term for Directors and Supervisors shall start from the day on which the first Director's Meeting is held.

Article 22 Directors and Supervisors shall hold their positions on a gratuitous basis.

Article 23 In any of the following situations, a Director or Supervisor shall be promptly removed from office:

1. Disqualified to be a member or member's representative;
2. Resignation for any reason which has been accepted by the Board of Directors or Board of Supervisors;
3. Having been recalled or removed; or
4. Having been sanctioned by suspension of membership rights for more than one half (1/2) of his/her tenure.

Article 24 The Association shall have one (1) Secretary General, who, under the direction of the President, would handle the affairs of the Association. The Secretary General and his/her

working staff members will be nominated by the President and approved by the Board of Directors, and any removal of such persons shall be subject to the approval of the Board of Directors. The appointment of the Secretary General and the working staff members shall be reported to the competent authority for record keeping purposes. The removal of the Secretary General shall be subject to the approval of the competent authority.

Article 25 Neither Supervisors nor Directors of the Association shall concurrently serve as employees of the Association.

Article 26 The Association may establish offices, committees, and ad hoc committees, the organizational rules of which shall be formulated by the Board of Directors and approved by the competent authority. Amendments to the organizational rules shall follow the same process.

CHAPTER 4. MEETINGS

Article 27 General Assembly meetings are divided into two categories: regular meetings and extraordinary meetings. Both kinds of meetings shall be called by the President by giving a written notice to each member at least fifteen (15) days in advance, provided that, in the event of any emergency, a notice for calling a special meeting may be given to each member only one (1) day in advance. Regular meetings shall held once every year. Extraordinary meetings shall be held when deemed necessary by the Board of Directors or upon an application made by more than one-fifth (1/5) of the members or upon the written request of the Board of Supervisors. The notice under the preceding paragraph shall specify the kind of meetings to be called, the time and place of the meeting, and the agenda for the meeting.

Article 28 In the event that a member cannot attend a General Assembly meeting, he/she may appoint another member **or member's representative** to attend the meeting by proxy. Each member **or member's representative** is entitled to act as proxy for only one (1) other member.

Article 29 Resolutions adopted by the General Assembly require a simple majority vote of the members **and members' representatives** present and the number of members **and members' representatives** present must exceed one half (1/2) of the total membership. Resolutions concerning any matters listed below require the approval of at least two-thirds (2/3) votes of the members present and those members present must exceed one half (1/2) of the total membership:

1. Formulation and amendment of the Articles of Association;
2. Expulsion of members;
3. Recall of Directors and Supervisors;
4. Disposal of property;
5. Dissolution of the Association; and
6. Other important matters relevant to the rights and obligations of the members.

Article 30 Both Directors' meetings and Supervisors' meetings shall be convened at least once every six (6) months. Special meetings, whether of Directors or Supervisors, shall be convened when deemed necessary. A written notice shall be given at least seven (7) days in advance of any meeting other than a special meeting for which the notice shall be given at least one (1) day in advance; in addition, a report shall be filed with the competent authority for record keeping purposes. The adoption of resolutions at these meetings requires the approval of the simple majority of votes of those present and all meetings must be attended by more than one half (1/2) of the Directors or Supervisors. Both the notice and the report under the preceding paragraph shall specify the kind of meetings to be called, the time and the place of the meeting, and the agenda for the meeting.

Article 31 Neither Directors nor Supervisors may appoint another person to attend a Directors' or Supervisors' meeting by proxy. Directors and Supervisors who are absent without good cause from two (2) consecutive meetings of the Directors or Supervisors shall be deemed to have resigned. The vacancies which become available shall be filled sequentially by the alternate Directors or Supervisors pursuant to the votes they have received in the election.

CHAPTER 5. EXPENSES AND ACCOUNTING

Article 32 The Association shall have the funding sources described below:

1. Entrance Fees:

No individual shall become an individual member of the Association unless and until he or she has paid NT\$ 100,000 in entrance fees to the Association, and no company or organization shall become a corporate member of the Association unless and until it has paid NT\$ 100,000 in entrance fees to the Association.

2. Annual Dues:

Individual members shall pay annual dues of NT\$ **84,000**. Based on the annual sales of the previous year according to IMS Taiwan, the corporate **annual** dues are as below:

Annual Sales

| | | |
|----------|---|----------------|
| Level 1 | Under NT\$ 100 million | NT\$ 84,000 |
| Level 2 | NT\$ 100 (inclusive) to 200 million | NT\$ 168,000 |
| Level 3 | NT\$ 200 (inclusive) to 300 million | NT\$ 280,000 |
| Level 4 | NT\$ 300 (inclusive) to 400 million | NT\$ 392,000 |
| Level 5 | NT\$ 400 (inclusive) to 500 million | NT\$ 504,000 |
| Level 6 | NT\$ 500 (inclusive) to 600 million | NT\$ 616,000 |
| Level 7 | NT\$ 600 (inclusive) to 700 million | NT\$ 728,000 |
| Level 8 | NT\$ 700 (inclusive) to 3,000 million | NT\$ 840,000 |
| Level 9 | NT\$ 3,000 (inclusive) to 5,000 million | NT\$ 1,000,000 |
| Level 10 | Over NT\$ 5,000 million (inclusive) | NT\$ 1,200,000 |

3. Business revenues;

4. Members' donations;

5. Revenues from services rendered;

6. Fund and the interest accrued thereon;

7. Other types of income.

Article 33 The fiscal year of the Association is based on the calendar year and begins on January 1st and ends on December 31st of each year.

Article 34 Within two (2) months of the start of each fiscal year, the Board of Directors shall prepare an Operating Plan, a Budget of Receipts and Payments, and a Payroll of Employees, and then submit them to the General Assembly for acceptance or to the joint meeting of Directors and Supervisors for approval if the General Assembly is not held as scheduled. The above documents shall also be submitted to the competent authority for approval before the start of each fiscal year. Within two (2) months of the close of each fiscal year, the Board of Directors shall prepare a Report of Operations, a Closing Report of Receipts and Payments, a Cash Flow Statement, a Balance Sheet, a Property Inventory List, and a Statement of Receipts and Payments of the Fund, and then submit them to the Board of Supervisors for review before they are referred to the General Assembly for acceptance through the Board of Directors. When the statements and reports are submitted to the General Assembly, a copy of the review report from the Board of Supervisors shall also be enclosed. The above statements and reports shall be submitted to the competent authority for approval by the end of March of each year as soon as they are duly accepted by the General Assembly or before they are accepted if the General Assembly is not held as scheduled.

Article 35 If the Association is dissolved, the residual property shall be given to the agencies or organizations as designated by the competent authority.

CHAPTER 6. ADDENDUM

Article 36 Matters not provided herein shall be governed by the applicable laws and regulations.

Article 37 The by-laws of the Association shall be established by the Board of Directors.

Article 38 These Articles of Association shall become effective upon being adopted by the General Assembly and approved by the competent authority. Amendments to the Articles of Association shall be governed by the same procedures.

Article 39 These Articles of Association are adopted by the following terms of General Assembly with Meeting dates noted; and duly approved by the Ministry of the Interior with the following reference numbers.

Third-term, Second General Assembly, October 28, 1997; Ministry of the Interior Ref. No. Tai (86) Nei-Sheh-Tze 8635640, November 29, 1997.

Fifth-term, Second General Assembly, October 12, 2001.

Seventh-term, First General Assembly, December 10, 2004; Ministry of the Interior Ref. No. Tai (94) Nei-Sheh-Tze 0940041047, November 3, 2005.

Tenth-term, Second General Assembly, July 18, 2011; Ministry of the Interior Ref. No. Tai (100)

Nei-Sheh-Tze 1000166874, August 19, 2011.

Eleventh-term, Second General Assembly, November 20, 2013; Ministry of the Interior Ref. No.

Tai (103) Nei-Tuan-Tze 1030075614, February 17, 2014.