

## **IEIS STATUTE**

### **SECTION I**

#### **GENERAL PROVISIONS**

##### **Name, Head Office and Address of the Association**

**Article 1** Name of the Association: The name of the Association is "Pharmaceutical Manufacturers Association of Turkey"; It is briefly expressed as IEIS.

The head office of the Association is located in Istanbul, NEF 09 B Blok K:10 Sanayi Mah Humeyra Sk. 34415 Kagithane Istanbul. Transfer of the registered office of the association within the boundaries of Istanbul does not require any amendments in Regulation. In so far as, following the address change, the respective offices are notified.

The Association does not have any branches. When necessary, agencies in required regions may be opened with the proposal of the Board and the decision of the General Assembly. The duties and authorities of the agencies are determined with a legislation.

##### **The Purpose of the Association**

**Article 2.** The purpose of the Association is to facilitate solidarity and cooperation between the employers that are active in the work branch category number 4 (four) of petrol, chemicals, rubber, plastic and pharmaceuticals in which it is established, protect their joint interests from an economic, social and cultural aspect, represent the members in terms of common interests and to facilitate all manner of enterprise and activity in order to provide productive work means for supporting the development of the pharmaceutical industry in our country and contributing to the international competitive power.

The Association is active throughout Turkey in order to realize this purpose.

##### **The Branch of Business in Which the Association is Active**

**Article 3** The branch of businesses in which the Association is active is the number 4 (four) petrol, chemistry, rubber and pharmaceuticals business branch specified in the Associations and Collective Labor Contract Law.

**Article 4** The Association carries out all manner of processes, activities and enterprises necessary to realize its purpose to the extent that is allowed by the Associations and Collective Labor Contract Law and the other laws in force.

1. The Association carries out all the work that is necessary to protect the sectoral, economic and social interests of members and represents members in front of any official post or authority.
2. It establishes contact with employer Associations and when necessary performs joint work and cooperations. It negotiates collective labor agreements, framework agreements and protocols on behalf of and in representation of its members. In situations of labor conflicts, the Association applies to the relevant posts and authorities, intermediaries, judicial boards and courts, monitors and completes the process.
3. In matters generated by professional life, legislation, collective labor agreements, customs and tradition and the common interests of its members the Association makes the necessary applications to legal and administrative posts as well as high courts on behalf of its member employers to file cases, intervene in filed cases and take expert control over cases that have been filed against them for such reasons.

- 4.** It conducts work towards protecting public health and improving the quality of life.
- 5.** By producing effective solutions in national pharmaceutical policies, the Association works on developing healthy competition conditions in the pharmaceuticals market.
- 6.** It conducts work towards the development of conservation and investment and increasing real productivity, it arranges for scientific studies to be conducted and publishes their results, provides information to its members and those affiliated with its members to increase their professional training, knowledge and experience and may organize or participate in courses, seminars, conferences and similar meetings for this purpose.
- 7.** The Association expends a variety of efforts to find peaceful means to resolve any conflicts that may arise between its members and works as an intermediary in such situation to attempt and be active in finding a solution as a mediator or through a judge.
- 8.** It is closely involved with the preparation and application of legislation that concerns the branch of work and professional life with which it is connected and works towards conveying its legal, financial, technical and administrative opinions to the relevant posts and authorities.
- 9.** The Association may become a member in national and international organizations which are relevant to its branch of work and purpose and may, on the condition of remaining restricted to legislation, send a representative to the meetings of these organizations.
- 10.** On the condition of staying restricted to legislation and the purpose and work field of its branches of work, the Association may issue publications in such periodical printed press as newspapers, magazines and books or any other types of non periodical publications.
- 11.** The Association notifies its branch of work and members jointly to relevant authorities and posts, judicial, mediation and judgment organs. Applies with their demands and represents members in the presence of such institutions.
- 12.** If necessary the Association may also create Strike and Lockout funds.
- 13.** It makes decisions on Lockouts on behalf of members within the legal boundaries, carries out the Lockout being applied and takes action to remove the Lockout.
- 14.** It notifies its members of the results on legal, financial and technical work being done concerning the common interests of the work branch in which the members are active and conveys its opinions on these subjects. It provides office and consultation services.
- 15.** It may buy, sell, rent or lease out, mortgage and facilitate or remove the mortgage for any properties and real estate that its purpose and branch requires.
- 16.** It may become involved in any type of activity that falls outside of the fields specified above, to the extent that is allowed by the relevant regulations.
- 17.** It may make investments in financial and industrial enterprises on the condition that the total does not exceed 40% of their total existing cash.
- 18.** It may conduct work towards establishing an Organized Industrial Zone.
- 19.** It may establish such facilities as libraries and sports and health facilities for the benefit of members.
- 20.** It may organize and participate in courses, seminars, conferences and similar meetings for the purpose of increasing and spreading information on subjects that concern the pharmaceutical industry

such as labor regulations, employer worker relations, management, productivity, human relations and work assessment as well as work health and safety, the environment, taxes, research-development, licensing, pricing, reimbursement, promotion, pharmacovigilance and nonprescription pharmaceuticals.

**21.** It conducts work towards helping the Turkish pharmaceutical industry globalize and the country to become one of the important producers of pharmaceuticals.

**22.** It takes the necessary initiative to increase the international competitive edge and may create platforms to coordinate export companies for this purpose.

**23.** It gathers and publishes data about the industry and health statistics.

**24.** It represents the Turkish pharmaceutical industry on international platforms.

**25.** It works towards the sustainability of the Turkish pharmaceutical industry.

**26.** It cooperates with the relevant official and academic institutions as well as non governmental organizations for the support of research and development.

**27.** It works towards maintaining ethical standards at the highest level in the activities of the Turkish pharmaceutical industry.

**28.** It is set into motion in urgent situations that come up in the industry to coordinate the provision of pharmaceuticals to national and international organizations.

**29.** The Association may establish a financial business to realize its purpose.

## **SECTION II**

### **MEMBERSHIP ACCEPTANCE, DEPARTING FROM MEMBERSHIP AND REMOVAL OF MEMBERSHIP**

#### **Membership of the Association**

**Article 5** The employers, who are engaged in sector (4) and who are considered as employers in accordance with Law on Trade Unions and Collective Bargaining Agreement, can become members of the Association. It is mandatory for the employer, who is a real person, to have the legal capacity, to work actually and even though the periods specified in 53<sup>rd</sup> article of Turkish Criminal Law no: 5237 have expired, the employer must not have any convictions for embezzlement, extortion, bribery, robbery, fraud, forgery, breach of faith, fraudulent bankruptcy, collusive tendering, using fraud or trickery in fulfillment of action, absolving asset values arising from misdemeanor and smuggling.

The membership applications of real or legal persons having the qualifying conditions, who applied for membership in accordance with Law on Trade Unions and Collective Bargaining Agreement and other related legislation, shall be accepted in following conditions,

**a.** The activities of the applicant must comply with the objectives of the Association, which are set forth in this Regulation,

**b.** The application must be accepted by the absolute majority of total number of members of Association's Board.

Membership application means pre-acceptance of acting in accordance with the Legislations approved by the Association's Regulation and the General Assemblies.

Membership request of a company shall be deemed accepted if it is not rejected by the Board within 30 days.

Entitlement of Association membership shall be occur in line with Trade Unions and Collective Bargaining Agreement and related legislations.

### **Organizations that Benefit from the Service**

**Article 6** If real or legal entity employers which are active in the pharmaceutical field wish, they may be given "Beneficiary of Service Organization" status. The scope and which aspects are included in this status are determined with a regulation. Organizations that Benefit from the Service are registered in a special ledger. These Organizations may not participate in required organs of the Association and the board and organs that are established according to the code and they may not vote in General Assemblies or be taken into account in the quorum.

### **Departing from Membership**

**Article 7** Every member may depart from membership by means of making a prior notification in accordance with the Associations and Collective Labor Agreement Regulation and relevant legislation. This notification of departure is made simultaneously to the Ministry of Labor and Social Security and the Association.

The departure becomes valid 1 month after notification to the Association. The member is required to pay all service fees that have been/will be accrued until the date on which the departure is valid. If the membership fee is taken in advance the employer that departs from membership may not have the right to demand the refund of this paid fee or the right to file action.

### **Removal from Membership**

**Article 8** The decision to remove a member from the Association is made by the General Assembly, after the report and opinion provided as a result of the investigation by the Board of Discipline has been presented and on the proposal of the Board. Depending on the severity of the situation, the Board may suspend the membership of the member as of the date that the issue is presented to the Board of Discipline to be investigated until a decision is made by the General Assembly concerning removal from membership.

If membership is suspended, while the membership continues, the rights that are assigned with membership cannot be used and the Association services cannot be benefitted from. Decision of removal from membership is notified to the removed member and the Ministry of Labor and Social Security in accordance with the Associations and Collective Labor Agreement Law and relevant regulations.

Removal from Association membership may be applied based on the following situations:

- a.** Actions which are in violation of national and sectoral interests and the purpose and activities of the Association,
- b.** Not carrying out the obligation that are specified in this Code and not complying with the provisions of this Code and the provisions of regulations that are issued based on this Code, the decisions of the General Assembly or Board and the General Assembly principle decisions,
- c.** Delaying payments of membership fees and various debts that need to be paid to the Association, without a reasonable justification, for more than 3 months and not making these payments despite two written warnings,
- d.** Obstructing any procedures, activities and enterprises that the Association must carry out in order to develop and reach its objectives,

e. Be involved in actions that may lead to damaging the general interests of the Association and disrupt its unity and solidarity,

f. Be involved in actions that may damage the honor and reputation of the Association and its members.

### **Situations that End Membership**

**Article 9** The Association membership and duties of employers or those who have lost their employer status, end as of the date that they lose this title. In the event of members in employer Associations with the title of legal entity representative employer losing this title afterwards, the membership of the legal entity in the Association shall not be dropped; however the duties that the employer representative has undertaken in the Association organs with this title will end without the requirement of any further procedures.

## **SECTION III**

### **THE RIGHTS AND OBLIGATIONS OF MEMBERS**

#### **The Rights of Members**

**Article 10** Members may benefit from all of the rights that have been provided to them by the legislation in force, the Code and any regulations and guides that have been/will be issued based on this Code.

#### **The Obligations of the Members**

##### **Article 11**

#### **A. General Obligations**

Members accept and undertake to,

a. Avoid any statements or actions that are in violation of the Association's objectives or that are of a nature that will prevent the Association's development,

b. Comply with the Association's objectives and principles; regulations, guides and provisions that have and will be issued in accordance with the Code and not act in violation of any decisions made by the authorized board and organs.

#### **B. The Obligation to give Information to the Association**

The members are obligated to give all necessary information and all information which is not of a commercial secret nature that is deemed beneficial in the creation of research and statistics required by sectoral needs and interests, requested by the Association within the specified period. The information that is gathered from members may not be used outside of the intended purpose. The information is gathered by the assigned special service of the Association or higher organization of which it is a member. The information is kept confidential and entrusted to the responsibility of the General Secretary. Even if the private information and figures belonging to the business of the member engage duties of the Association or its superior organization they shall not be shown or disclosed to any employer or representative. Any Association member who acts in violation of this prohibition or encourages such action will be sent to the Board of Discipline by the Board. The rights to compensation of the members who sustains damages are reserved.

#### **C. Financial Liabilities**

The members are liable to pay the membership fee to the Association on time and in due form set forth in the Regulation. The member, who does not make payments on time, is sent a notice in writing. If the fee is not paid despite of the notice or if the member cannot give a reasonable excuse to the Board, the membership of the member may be suspended with the decision of the Board, until the member pays the fees depending upon the severity of the situation. For the membership fee, which has not been paid by the member on time, a default interest is accrued at the rate of legal rate of interest determined by T.R. Central Bank.

If the member provides an excuse to the Board regarding the nonpayment of the fee, the Board decides whether it is a reasonable excuse, and if it is reasonable, the membership fee of the member can be postponed until the date stipulated by the member.

A member, who has not pay the membership fee for more than 3 months without any reason acceptable by the Board, is sent to the Discipline Board by the Board.

## **SECTION IV**

### **ORGANS AND ORGANIZATION**

#### **The Association Organs**

**Article 12** The organs of the Association are as follows:

##### **A) Required Organs**

- a. General Assembly,
- b. Board,
- c. Auditing Board
- d. Board of Discipline

##### **B) Other Organs**

- a. The Scientific Board
- b. Promotional Principles Supervisory Board
- c. The Higher Consultation Board

#### **Membership Conditions for the Required Organs**

**Article 13** Only real individuals are selected to the organs by the General Assembly It is required that the real individuals who have been selected for Association organs, who have an active operation license, be actively operating and even if the periods specified in the Turkish Criminal Code no 5237 article 53 have expired, are not sentenced in the crimes of embezzlement, corruption, bribery, fraud, deceit, misuse of trust, fraudulent bankruptcy, conspiring to rig a tender, conspiring to rig the execution of an act, laundering property gained by illegal means and smuggling. In the event that individuals who are selected for organs outside of the General Assembly are sentenced with one of the crimes that are specified above, their duties will automatically end.

#### **End of Organ Membership**

**Article 14** Membership in organs shall end in the following situations:

- a. By decision of the General Assembly,

- b. Conclusion of the election period,
- c. Departure of the member on their own accord,
- d. Death of the member,
- e. The departure or dismissal from Association membership of the legal entity being represented by the member and the member
- f. The severing of relations between the member and the legal entity which they are representing in the Association.
- g. The member being sentenced with one of the crimes that have been specified in article 6 of the Associations and Collective Labor Agreements Law.

### **The Assignment of Back up Members**

**Article 15** When the term of a member in one of the required organs outside of the General Assembly has ended, another member with the next highest amount of votes for that organ in the General Assembly Election record shall be assigned in their place to finish out their term. In the event that the votes are tied in the General Assembly the member which has the highest amount of net sales in the previous year will be called to duty.

## **I. GENERAL ASSEMBLY**

### **The Formation of the General Assembly**

**Article 16** The Association General Assembly is comprised of members. Association member real individuals and legal entities or their authorized representatives attend the General Assembly. Every representative has the right to a vote in the General Assembly. In the event of represented attendance, the authorization documentation of the representatives must be organized to show that they have the authority to represent and bind the company in the presence of the Association and must be signed by the individual or individuals who have been authorized to represent and bind the member.

### **Time of Meeting and the Call to Meet**

**Article 17** The Ordinary General Assembly meets once every three years within the first four months of the year at the calling of the Board. An Extraordinary General Assembly shall meet in situations deemed necessary by the Board or the Auditing Board or to discuss the issues that have been predetermined within sixty days of a written request to meet submitted by at least one fifth of the General Assembly members. In the event that there is less than six months to the scheduled Ordinary General Assembly meeting as of the date of this request, a General Assembly will not be held but the issues which are the subject of the request will be included in the Ordinary General Assembly agenda.

The activity and accounts report for the term between the two meetings, the certified accountant report and the proposed budget for the future term will be sent to the General Assembly participants at least fifteen days before the General Assembly.

### **Meeting and Sufficient Number for Decisions**

**Article 18** The sufficient number for General Assembly meetings is the absolute majority of the total number of members. If the necessary majority is unable to be achieved in the first meeting the second meeting is scheduled no later than fifteen days later. The total of participants in this meeting can be no less than one third of the total number of members. However, in the event of code amendment and termination of the Association the General Assembly must meet with two thirds of the total members.

The sufficient number for a General Assembly meeting is the absolute majority of the total number of members. However this number may not be less than one fourth of the complete number of members. In the event of code amendment, termination, merger, participation, being a founder of a higher organization or international organization, membership in a higher organization or international organization or dropping membership, the sufficient number of members to execute a decision is the complete majority of the members or delegates.

Non members are not taken into account in the quorum and cannot vote.

## **The Procedure for Conducting Meetings**

### **Article 19**

If quorum has been established this is recorded and the Chairman and/or the Secretary General opens the meeting. The General Assembly elects an Executive Board, consisting of a chairman, a deputy chairman and two clerks to direct the General Assembly meeting and to organize the necessary records. The General Assembly decisions and meeting minutes are signed by the Executive Board and submitted to the Board to maintain. General Assembly decisions are notified in writing to all of the Association members within one month.

## **The General Assembly Tasks and Authorities**

**Article 20** The General Assembly is the highest organ of the Association and uses all of the authorities given by law and which are not given by the Code to the other organs. The General Assembly only discusses the issues that are set forth in the agenda. However issues that 1/10 of the members in attendance wish to discuss are required to be allowed on the meeting agenda.

The main tasks and authorities of the General Assembly are as follows:

- 1) To select the members of the Board, Auditing Board and Board of Disciplines,
- 2) To amend the Code
- 3) To inspect the Association accounts and to discuss the Board and Board of Discipline reports as well as the certified accountant reports, make decisions on them and to release the Board and Board of Discipline,
- 4) To discuss the budget prepared by the Association Board and accept/bind by decision in submitted form or with amendments,
- 5) To give the Board authority to purchase or sell necessary properties for the Association,
- 6) To give general instructions to the Board for the main objectives and goals of the Association to be fulfilled,
- 7) To facilitate strike and lock out funds for members and determine the terms for their use,
- 8) To discuss the issues that are presented to the General Assembly by the Board and bind them with a decision,
- 9) To form committees concerning the issues on the agenda when necessary and select their members,
- 10) To make decisions on the Association participating in or departing from higher organizations/confederations, the opening of, merger of or closing of representatives/branches,



- 11) To make decisions on the Association merging or participating in another Association on the condition that it is of the same type,
- 12) To make decisions on the Association becoming the founder of or a member of an international organization or withdrawing from existing memberships,
- 13) To decide on the termination of the Association,
- 14) To carry out the other processes that are specified as their duty in the Legislation and this Code and to decide on other issues that are not clearly assigned to another organ,
- 15) To assign authority to the Board on issues that have been deemed in violation of laws by relevant authorities or courts and are requested to be amended, on the condition that have been submitted to the General Assembly and will not have an impact on the past,
- 16) To determine the fees, compensations, allocations and travel allowances as well as social benefits that will be provided to the Board, the Auditing Board and Board of Discipline,
- 17) To permit the formation of a financial operation to carry out the objectives of the Association.

## **Decisions**

**Article 21** The decisions in the General Assembly are made with open votes and the absolute majority vote of the members attending the meeting on the condition that the provisions of article 22 in this Code concerning elections are reserved. However the General Assembly may also make decisions by concealed votes.

## **Elections**

**Article 22** In the election of Association organs the provisions of the Associations and Collective Labor Agreements Law are applied. The elections for permanent and reserve members for organs are held separately. In elections that are conducted for permanent members, the candidates who receive the most votes are elected as permanent members and in the elections for reserve members the candidates with the most votes become reserve members.

## **II. THE BOARD**

### **The Formation of the Board**

**Article 23** The Board is elected in accordance with the principles and procedures that are specified in the Associations and Collective Labor Agreements Law for a period of three years and is comprised of nine (9) members. The same number of reserve members as there are permanent members is elected for the Board.

### **Tasks and Authorities**

**Article 24** Main duties and authorities of the Board are as follows:

- 1) To direct the Association in compliance with legislation and the Code,
- 2) To represent the Association in the presence of official and private authorities concerning administrative, financial, legal and work branch related issues,
- 3) To give power of attorney for a case on behalf of the Association and members, to settle, release, withdraw from and accept actions,

- 4)** To make labor agreements and framework agreements, when necessary and within the framework of legislation to decide on lockouts and facilitate their being carried out, to select and give authority to representatives and employees to make collective labor agreements or framework agreements,
- 5)** To give authority to individuals who are and are not members of the Association when necessary to follow up on certain issues,
- 6)** To establish the Association organization and determine the fees, allocations and travel allowances within the budget which is determined by the Board and decide on issues concerning the personnel like promotions, assignments and termination of employment,
- 7)** To make decisions on the establishment of as many departments and directorates that are necessary under the General Secretary on the proposal of the General Secretary in order to conduct the activities and enterprises needed to realize the objectives of the Association,
- 8)** To ensure that the Association revenues are collected and the necessary expenditures within the budget framework are made,
- 9)** To make sure that the ledgers and records that are required to be kept by legislation are maintained in an organized manner in compliance with procedure,
- 10)** To decide on Ordinary and Extraordinary General Assemblies and prepare the agenda,
- 11)** To prepare the work report and budget and submit it to the General Assembly,
- 12)** To check the budget income and expenditures and make transfers between the budget chapters when necessary,
- 13)** To carry out the authorities that are give to the Board in the other articles of the Code,
- 14)** When necessary to form an executive committee comprised of the Board Chairman and Deputy Chairman and a sufficient number of individuals selected from among Association members and nonmembers to assist in the work and change the members when deemed necessary,
- 15)** To determine the problems in the field of work and create solutions for these problems,
- 16)** To develop opinions, requests and suggestions concerning laws, decrees, codes, communiqués, improvement plans, etc. that are relevant to the field of work and convey these to the concerning authorities,
- 17)** To conduct or have studies on the Association's field of work conducted and organize such activities as exhibits, courses, panel discussions, seminars and conferences,
- 18)** To make the necessary decisions and take precautions for the realization of Association objectives and activities that are specified in this Code and to protect the sectoral interests of the members; and to monitor whether or not the members are complying with the decisions that have been made by the authorized organs of the Association,
- 19)** To make regulations and guides on issues that are deemed necessary, put them into application and amend them,
- 20)** When deemed necessary, to create new boards like consultation committees or study groups to assist in the administration of the Association, select the members of these committees or groups and change or dissolve them,

- 21) To select representatives or members for all committees in which the Association needs to be represented and for national and international contacts,
- 22) To select delegates to participate in the Confederation General Assembly,
- 23) To decide on membership applications to the Association,
- 24) To submit proposals concerning the removal of members to the General Assembly,
- 25) To decide on the rental of properties and all manner of necessary tools and equipment that are necessary in fulfilling objectives and the purchase and sale of properties within the authority that has been assigned by the General Assembly,
- 26) To decide on periodical and non periodical publication activities in line with objectives, determine their form and ending their publication,
- 27) To decide on a change of address within the provincial boundaries,
- 28) To decide on the new title and continuation of membership in situations where members have changed their title or merged with another company or on the application of transfer or or transferee companies when a transfer has been made,
- 29) If deemed necessary, to decide on the audit of the Association accounts by an independent auditor on the recommendation of the Auditing Board,
- 30) To decide to suspend the membership of the employer depending upon the severity of the condition,
- 31) To approve the recording, sales and cancellation of fixtures,
- 32) To make the necessary amendments within the authority issued by the General Assembly on issues which have been deemed in violation of laws by relevant authorities or courts and are requested to be amended, on the condition that they have been submitted to the General Assembly and will not have an impact on the past,
- 33) To make sure that the financial audits concerning the Association's income and expenses are conducted at least once every two years by a certified accountant within the Associations and Collective Labor Law and relevant legislation provisions,
- 34) To broadcast the activity, external audit and the Auditing Board reports and the General Assembly decisions in the Association website,
- 35) To establish and manage a financial operation within the framework of the decision made by the General Assembly.

## **Meeting and Decision**

### **Article 25**

In its first session the Board will elect a Chairman and Deputy Chairman from among its members. When necessary a second deputy chairman may be elected. If due to departure of members the number of Board members falls below the complete number of members, even with the reserves being called into their positions, the General Assembly will be called to meet by the existing Board and the Auditing Board members within one month.

If all of the Association Board members, along with reserve members, should leave their positions for any reason or resign, during the period that goes by in which Assembly will meet and form the

required organs, the General Secretary will manage the Association in the framework of decisions made by the former Board and the approved budget.

The Board meets at least once a month on the summons of the Association Chairman or the Deputy Chairman when the Chairman is not present. At each meeting, the Board decides on the time and date of the next meeting. Thus even if no invitation is issued for the next meeting all members are made aware of the schedule. The membership status of any member who fails to attend five meetings in a row without an excuse or fails to attend a total of ten meetings within a year automatically loses this status.

The Board meetings are directed by the Chairman or the Deputy Chairman in their absence. Minutes of the meetings are kept by the General Secretary, signed by the members and properly maintained.

The Board members may not participate or vote in decisions that are related directly or indirectly to them, individuals connected to them or the members that they represent. Every member of the Board has the right to one vote. Members who do not participate in the meetings may not send a representative and may not delegate a member to vote for them. The meeting quorum is the absolute majority of the whole number of members. Decisions are made in the Board with absolute majority. The decisions are entered into the Board decision ledger and signed by the participants in the meeting. Those who oppose the decision must submit their reason for opposition in writing.

### **III. THE AUDITING BOARD**

#### **The Formation of the Auditing Board**

**Article 26** The Auditing Board comprises of three (3) members elected for three years by the General Assembly in accordance with the principles and methods anticipated in Trade Unions and Collective Bargaining Agreement. Substitute members, as many as the number of permanent members, are also elected for the Auditing Board.

#### **Tasks and Authorities**

**Article 27** The main tasks and authorities of the Auditing Board:

- a) The Auditing Board audits whether the Board activities are conducted in accordance with the Associations and Collective Labor Agreements Law, the Code, Regulation and General Assembly decisions.
- b) It monitors whether or not the Association's ledgers, processes, accounts and expenditures made are done based on the decisions and vouchers, audits the other activities of the Board and requests explanations when necessary.
- c) It prepares a report at the end of the term which notifies the results of the financial and administrative audit and submits it to the General Assembly.
- d) It makes the research and investigations which it will convey to the General Assembly and Board and notifies the results in a report.
- e) When it deems necessary it makes a request to the General Assembly to call a meeting.
- f) It makes a proposal to the Board on the auditing of the Association accounts by a certified accountant. This audit being performed shall not remove the obligations of the Auditing Board.

#### **Meeting Procedure and Decisions**

## **Article 28**

Permanent members elect a president among themselves in the initial meeting. If the president is not present, one of the members moderate the assembly.

Apart from conditions and cases that it finds necessary, the Supervisory Board gathers in Association's Center at least once in every three months and audits the Association financially and administratively within the frame of the Law on Trade Unions and Collective Bargaining Agreement.

The results of the audit are determined with a report and the report is signed by each auditor. A copy of the report, which will be drafted as two copies, is kept in the file related to the Auditing Board, and the other copy is given to the Board. Ordinary General Assembly file is submitted to the Executive Committee together with the Auditing board file and general report of the Auditing Board.

The Board gathers with total member number and the decisions are taken by majority of votes.

## **IV. BOARD OF DISCIPLINE**

### **The Formation of the Board of Discipline**

**Article 29** The Board of Discipline comprises of three (3) members elected for three years by the General Assembly in accordance with the principles and methods anticipated in Law on Trade Unions and Collective Bargaining Agreement. Substitute members, as many as the number of permanent members, are also elected for the Board of Discipline.

### **Tasks and Authorities**

#### **Article 30**

The Board conducts investigations on members that are requested by the General Assembly, Board and the Auditing Board based on a claim that they have acted in violation of the Association Code, purpose and principles; gathers their views and recommendations in a report, issues all disciplinary action other than removal from membership and reports the results to the Board.

The penalties that could be issued by the Board of Discipline are as follows:

- a) Drawing attention
- b) Warning
- c) Reprimand

The Board of Discipline may also decide on the following actions to be taken in line with the views of the Promotional Principles Supervisory Board, on issues concerning promotion principles:

Putting an end to the repeated use of the Materials or activities and recalling the Materials. In situations that require termination of membership the board creates a file about the member entrusts it to the Board with their opinion included to be submitted to the discretion of the General Assembly. The proposal concerning termination of membership is prepared by the Board.

### **Meeting Procedure and Decisions**

**Article 28** The permanent members elect a chairman from among themselves in the first meeting. In the excused absence of the Chairman one of the members will act as Chairman to this board. The Board of Discipline meets to discuss the issues that will be forwarded by the General Assembly, the Board and the Promotional Principles Board. Within the week after the submittal is made the Board of Discipline will start to investigate the issue and make a decision on it as soon as possible. The

meetings of the Board are held in private. The Board meets with the whole number of members. Decisions are made by hidden and majority votes.

The members of the Board of Discipline may not participate or vote in decisions that are related directly or indirectly to them, individuals connected to them or the members that they represent. In the event that the required quorum is not able to be reached, only exclusive to that meeting, a reserve member who got the most votes in the previous General Assembly will be called to serve. Other than the removal from membership, the Board of Discipline issues the penalties that are specified in Article 30 of the Code and notifies its decision along with its justification to the Board within a week at the latest to the Board. Notification of the decision is made to those concerned by the Board.

## **V. OTHER ORGANS**

### **The Scientific Board, the Promotional Principles Supervisory Board , Advisory Committee and Representative Board**

**Article 32** When deemed necessary by the Board, a Scientific Board, a Promotional Principles Board and a Advisory Board may be formed in order to assist in the realization of the matter specified in the Association purpose and principles which comprise the second article of the code.

#### **a. Scientific Board**

The Scientific Board is comprised of the Association Board Chairman, Deputy Chairman, Board of Discipline Chairman, Association General Secretary and a maximum of five members selected by the Association Board. A maximum of eleven of these members will have an academic formation and preferably be from a university or similar institutions. The views of the Scientific Board are presented to the Board. The term of the Scientific Board starts on the date of formation by the Board and continues until the next General Assembly date. The agenda, work organization and secretariat of the Scientific Board is prepared and enforced by the Association General Secretary.

The Scientific Board Chairman is selected from among members with an academic formation. An attendance fee may be given to the Scientific Board Members by the Board.

#### **b. The Promotional Principles Supervisory Board**

The Promotional Principles Supervisory Board; is comprised of the General Secretary and/or their Assistant, at least two teaching staff members from a Pharmaceutical, Medical or related faculty or departed/retired from such a faculty and at least 6 individual representing the pharmaceutical industry for a total of 11 members. Once the board is formed new members may be added to the Board by the Board and new assignments may be made for vacated positions. The General Secretary and/or their Assistant may entrust this position to General Secretary personnel. Members of the Board select a chairman from among themselves in the first meeting. The term of the Board starts on the date of formation by the Board and continues until the next General Assembly date. The views and opinions of the Promotional Principles Board are presented to the Board of Discipline to be decided on. The agenda, work organization and secretariat of the Promotional Principles Board is prepared and enforced by the Association General Secretary.

An attendance fee may be given to the Promotional Principles Board Members that are selected from outside the industry by the Board.

The Promotional Principles Board members may not participate or vote in decisions that are related directly or indirectly to them, individuals connected to them or the members that they represent. The principles and procedures of the Promotional Principles Board are determined by regulation.

#### **c. The Consultation Board**

The Consultation Board which is formed by the Board is the consultant organ of the Association. The number of members is determined based on need by the Board. The Board members are selected from among member employers who do not have representatives in the required organs and only one member from each employer may be selected to serve on the Board. Once the board is formed new members may be added to the Board and new assignments may be made for vacated positions by the Board.

The Board is formed by the Board when needed and its term of service starts on the date of formation by the Board and continues until the next General Assembly date. The Board does not meet amongst themselves and does not make decisions. The Board participates in Board meetings on the invitation of the Board. The Board members do not have a vote in the Board. They only participate in the Board of Director meetings for observation.

#### **d. Representative Board:**

The Board is established if required by the Board and comprises the General Managers of the member companies, which are not represented in mandatory organizations. One member employer can only have one representative in the Board.

The Board gathers under the chairmanship of the General Secretary of the Association. In these meetings, consultative briefings, discussions and evaluations are made in subjects that fall under the field of activity of the Association.

## **VI. THE GENERAL SECRETARIAT**

### **Founding**

**Article 33** The General Secretariat is comprised of a General Secretary and when necessary two Assistant General Secretaries and the departments and directorates that work under these individuals. The General Secretary and Assistants are assigned by the Board from among individuals who have degrees in higher education, who are experienced, have the competence to represent and are knowledgeable. The appointment of the General Secretary and assistants, determination of their fees and promotions when necessary are made by the Board within the relevant regulations and budget of the Association. The General Secretary is the highest ranking official of the Association and is responsible towards the Board. It executes the Association activities within the framework of legislation, the Code, Regulations and the decisions made by the organs and represents the Association pursuant to the authorities assigned by the Board.

**Article 34** The General Secretary devotes all of its time and work to the Association. The tasks and authorities of the General Secretary are as follows:

1. To supervise the Association office, manage all correspondence, gather news, archives, relevant articles and statistics and give information on these to the Board,
2. To ensure the organized execution of procedures and written correspondence,
3. To supervise the maintaining of Association accounts in accordance with procedure,
4. To execute the Association organ decisions,
5. To monitor and supervise the Association activities and provide information on this to the Board,
6. To determine the issues that need to be discussed and call for an extraordinary meeting on the request of the Board Chairman or Deputy Chairman,

7. To ensure the timely collection of membership fees and other various incomes, explore other new sources of income for the Association and the most efficient use of earned incomes,

8. To keep a ledger exclusive to the decisions of the General Assembly and Board,

9. To carry out the tasks and authorities that have been assigned by other provisions of this code and related regulations,

The tasks and authorities of the General Secretary Assistants are to assist the General Secretary in the tasks and authorities that are specified above.

## **SECTION V**

### **FINANCIAL PROVISIONS**

#### **The Incomes of the Association**

##### **Article 35**

The Incomes of the Association:

1) Membership Fees

2) Incomes that are earned from activities that may be carried out in accordance with the Code and Law,

3) Donations

4) Property incomes and fines to be collected in accordance with the Code and supplemental Regulations, other incomes such as late fees and incomes that are generated by the transfer, assignment and sale of properties,

5) The incomes that are earned by investments made in the framework of legislation.

#### **Membership Fees**

##### **Article 36**

a) The annual amount of membership fees to be paid by the members to the Association is determined with the approval of the budget by the General Assembly.

##### **Article 37**

All manner of collections to be made for the Association,

a) Will have an order number, be sealed with the Association seal, will have a stub and a receipt signed by the collector will be given in exchange,

b) All cash incomes will be deposited in a bank or banks that are deemed suitable by the Board.

#### **Expenditures**

**Article 38** The Association expenditures are to be made by the General Secretary within the budget principles which are approved by the General Assembly or the authority given by the Board. All manner of expenditures are to be documented. Whether it is in the creation or application of the collective labor agreement, the representative, mediator and intermediary fees concerning conflicts that may emerge and other similar expenses repaid by the Association member concerned with the issue.



## **Representation of the Association**

**Article 39** The Association is represented by the Board.

The Chairman of the Board and in their absence or conditions that they delegate, one of the Chairman representatives undertakes the representation. The Chairman of the Board is also the Association Chairman. The General Secretary is assigned with the task of carrying out the activity program and the budget program within the framework of the Board decisions and represents the Association within this scope.

## **Binding of the Association**

**Article 40** The signatures that are specified on the signature circulars prepared within the framework of principles by the Board bind the Association. The individual signature authorities of the General Secretary and assistants are specified separately on these circulars.

## **The Internal and External Audit of the Association**

**Article 41** The internal audit of the Association is done by the Auditing Board and the external audit is done by certified accountants. A copy of the monthly financial statements and the final account report of the term at the end of each calendar year are sent to the Auditing Board chairman and members.

All records and documents that are ordered by Law and the Code to be kept are held ready for inspection by the Auditing Board whenever they wish. The financial audits concerning the income and expenses of the Association are done once every two years at the latest by certified accountants with the authority in accordance with the Independent Accountants Financial Consultant and Certified Accountant Law no. 3568 dated 1/6/1989.

## **Association Ledgers and Records**

**Article 42** The Association holds the written ledgers and records in accordance with the Associations and Collective Labor Agreements Law and other relevant regulation provisions which are listed below,

- 1) The member record and member termination lists,
- 2) The General Assembly, Board, Auditing Board and Board of Discipline decision ledgers and debit ledgers,
- 3) The incoming and outgoing document record ledger of incoming and outgoing correspondence recorded by date and sequence number,
- 4) The incoming and outgoing document files in which the original incoming documents and copies of the outgoing documents are filed,
- 5) The membership fee records, daily wages and inventory records and general ledgers,
- 6) The records and ledgers concerning income, their receipts and the files that are designated for these to be kept in,
- 7) All appliances and materials classified as fixtures according to the Tax Procedure Law no. 213 dated 4/1/1961 are recorded in the fixtures ledger.

## **Sale of Permanent Fixtures**

**Article 43** The sale of permanent fixtures is done by decision of the Board and by a three person committee to be determined by the General Secretary by means of bargaining or if deemed necessary by obtaining the offers of at least two bidders and agreeing on a price.

## SECTION VI

### FINAL PROVISIONS

**Article 44** In case of revocation, dissolution and liquidation, the related provisions of the Law on Trade Unions and Collective Bargaining Agreement shall apply regarding the assets of the Association.

**Article 45** For the matters, which are not included in provisions of this Regulation, the provisions of Law on Trade Unions and Collective Bargaining Agreement, Law of Associations, Civil Code and other provisions of related legislation shall apply.

The Founders of the Association Article 46 The founders of the Association are the employers listed below.

| <b>Name</b> | <b>Last Name</b> | <b>Profession</b> | <b>Address</b>                           |
|-------------|------------------|-------------------|--|
| Mükerrem    | Berksoy          | Pharmacist        | Kocamansur Sok.No.55/4 Şişli-İst.        |
| Melih       | Eczacıbaşı       | Pharmacist        | Halaskargazi Cad. 297/1 Şişli-İst.       |
| Nahit       | Alpar            | Accountant        | Topağacı Ihlamur Pasajı No.1 Şişli-İst.  |
| Alfred      | Nahum            | Businessman       | Ayaspaşa,Akar Apt. No.1 Taksim-İst.      |
| Nezih       | Ulagay           | Pharmacist        | Cevdet Paşa Cad.Kortel Korusu Bebek-İst. |
| Hulki       | Gökнар           | Pharmacist        | Abide-i Hürriyet Cad.No.226 Şişli-İst.   |
| Cengiz      | Kap              | Businessman       | Küçükbebek Dereboyu Sok.No.16/1 İst.     |