BYLAWS
Pharmaceutical Manufacturers Association of Credit Executives
Adopted April 2001

Article I
Name

This organization shall be known as the Pharmaceutical Manufacturers Association of Credit Executives (“PharMACE” or “Group”); sponsored by NACM Credit Services, Inc., a Kansas Corporation (“Secretary”).

Article II
Purpose

Its purpose shall be to promote and encourage the exchange of information, collect and compile historical credit experience information for distribution to members, and discuss timely subjects of interest to the Pharmaceutical and Health Care Industry; all in accordance with existing state & federal antitrust laws.

No member shall enter into or participate in any agreement, understanding, or plan which has the purpose or effect of refusing to extend credit to any purchaser. The credit terms or other conditions of sale by each member are matters of individual policy to be determined by each member unilaterally on the basis of its own best judgment.

Article III
Membership

Section 1. All inquiries for membership will be directed to the Secretary who will forward a “Membership Packet” to the prospective member. Upon receipt of a completed application, the Secretary will forward all information to the Membership Committee for its review. The Membership Committee will determine whether or not the applicant meets the membership requirements, as set forth in these bylaws, and forward its findings to the Secretary to inform the applicant.

Section 2. Company membership qualifications:

a. Must be a member of the National Association of Credit Management either through Kansas City or another affiliate.

b. Must be a manufacturer of Healthcare products who sells to U.S. based Distributors and/or Retail Pharmacy Chains. Annual sales must be greater than
one hundred million ($100,000,000). This minimum is largely designed with the thought that common scale among the membership will promote robust and meaningful dialog by virtue of having common or similar business issues and practices around such areas as distribution or logistics and computing platforms or systems.

c. Must be willing to provide the Secretary proof of membership qualifications upon request.

d. If the member company is purchased, merges with another entity or no longer meets the membership requirements as stated in these bylaws, the company must reapply for membership and qualify under the current membership requirements.

Section 3. The membership will be limited to 50 members. Once this number is reached, a waiting list will be established. Companies will be admitted from the waiting list on a seniority basis, as openings become available. These limitations to membership are not designed to improperly restrict membership for the credit Group but to recognize that the success of the Group is largely dependent upon having a comfortable meeting setting which facilitates and promotes the open exchange of information among members and invited guests or speakers.

Article IV
Meetings

Section 1. There shall be a minimum of five (5) meetings each year. On any meeting date, if the Secretary determines 50% or more of the members are not committed to attend the meeting, the matter shall be referred to the Executive Committee to determine if the meeting shall be continued as scheduled.

Section 2. Meetings shall be held in pre-selected cities, which will be recommended by the Group for review and selection by the Site Committee. The meeting sites will be decided well in advance in order to give each member sufficient time to make travel plans. Meeting sites and dates may be altered by a majority vote of the membership in attendance at a regularly scheduled meeting. This also includes any additional meetings that may be scheduled.

Section 3. Quorums

a. A quorum for the purpose of convening a meeting shall be those in attendance (provided antitrust counsel and the Secretary are present).

b. To vote on general business at a meeting, there must be at least 50% of the members in good standing present; to become effective, a majority of those members present must vote in favor (Majority Vote). Should the necessary voting quorum not be in attendance at a meeting, the Chairperson may elect to table the business until the next scheduled meeting or request that the Secretary deliver to each member a ballot for voting on a properly approved motion. Said ballot will be accompanied by the minutes of the preceding meeting wherein the matter being voted on was discussed.
c. Voting on bylaw amendments, member appeals of expulsion or other sanctions issued by the Executive Committee for violations of Article V (Good Standing) or other non routine, critical issues as determined by the Executive Committee, requires an affirmative vote of the majority of members in Good Standing to become effective (a Super Majority Vote). Votes requiring a super majority vote will be conducted by written ballot. Such vote may be initiated at any general meeting at the discretion of the Chairperson. Those not in attendance may elect to be represented by another member via proxy. The Secretary will verify each proxy.

Section 4. An experienced Antitrust Attorney, whose firm shall be approved by the membership, will be present during all Group sponsored events.

Section 5. Agendas for each meeting will be the responsibility of the Chairperson and Secretary.

Section 6. A pre-qualified prospective member may be invited to attend only one meeting per year as a guest before making a commitment for Group membership.

Section 7. Each company shall designate an individual who shall be authorized to attend meetings of the Group from their credit/financial department. In the event the regular representative cannot attend the meeting, the company may send a substitute from its credit/financial department. Any attending representative must be familiar with U.S. antitrust laws, PharMACE Bylaws and Group procedures. Any individual outside of the credit/financial department needs to be qualified by the Executive Committee via telephone or letter. The Executive Committee is authorized to pass upon such substitute.

Article V
Good Standing

Section 1. Any member company shall be deemed in "Good Standing" if that member:
   a. Attends a minimum of three (3) meetings during any calendar year.
   b. Submits trade experience on a timely and accurate basis for at least 75% of the clearances during each calendar year. Additionally, those members not reporting experience shall not receive the data for the month, unless it is a month with a meeting they attend.
   c. Maintains confidentiality of information obtained at Group meetings or trade clearances. Such information can only be shared with individuals directly involved in the member's credit function.
   d. Does not make or issue any slanderous or libelous statements in meeting discussions or elsewhere, which would involve the Group, NACM Credit Services, Inc., or the National Association of Credit Management.
e. Pays Group fees or pro-rated meeting expenses within sixty days after due date.
f. Meets all membership requirements as stated in Article III.
g. Does not violate any section contained in Article XI, entitled "Ethics".

Section 2. Upon one or more alleged violations of Section 1. of this article, the Secretary shall send a notice of the charged violation to the defaulting member by certified mail, return receipt requested. The member will have thirty days from the date the letter of default was mailed to provide in writing, their explanation of the facts or request a hearing before the Executive Committee. The matter shall then be referred to the Executive Committee by the Secretary. The Executive Committee shall either conduct a hearing, if requested or deemed desirable, or decide the matter on the documents submitted. The committee shall either expel the member for a period of not less than one year, suspend the member for a term certain, grant exemption for cause, or take other appropriate action. In the event that the member is dissatisfied with the action of the Executive Committee, it may request a full hearing before the entire membership, which by a quorum vote as defined in Article III Section 3c, shall either affirm the action of the Executive Committee or take such other action as it deems appropriate in the circumstances.

Section 3. In the event a member of the Executive Committee meets to consider an alleged violation of Section 1 of this Article V by a member of the Executive Committee, that member must recuse himself and the Chairperson shall name a substitute to the Executive Committee for the sole purpose of acting on such alleged violation. The person selected by the Chairperson shall be a past chairperson or a current chair of a committee.

Article VI
Officers

The officers of the Group shall be a Chairperson and a Vice Chairperson. The Vice Chairperson will be elected by the Group members annually.

Article VII
Nomination and Election of Officers

Section 1. The Executive Committee shall nominate officers at the next to last meeting of each year. For three weeks following that meeting, members may nominate additional members for office. The Executive Committee shall notify the membership of all nominations at least two weeks prior to the last meeting of the year.

Sections 2. At the last meeting of each year the membership, by majority vote, will elect a new Vice Chairperson. The previous Vice Chairperson will become the Chairperson January 1. In the event of a vacancy of a Chairperson, the Vice Chairperson shall take over the duties of the Chairperson. In the event of a vacancy in the Vice Chairperson, a majority of the membership shall elect a successor to complete their term. In the event there is a vacancy in the Immediate Past Chair position the remaining active Past Chairpersons will be offered the
position. If more than one Past Chairperson is interested in the position, a Majority of the membership shall elect the Past Chair. In the event that no Past Chair is interested in the position, or if no Past Chair is actively participating in the Group, the voting right on the Executive Committee designated for the Immediate Past Chairperson will be passed onto the Chair of the Membership & Compliance Committee.

**Article VIII**

**Duties**

Section 1. The Chairperson shall uphold the bylaws. The Chairperson shall preside at all business and discussion meetings and shall appoint Committee Chairpersons as needed to further the purpose of the Group.

Section 2. The Vice Chairperson shall exercise all the power and authority, and shall perform all duties, in the Chairperson's absence, disability, or refusal to act and will take on the role as Treasurer. The Vice Chairperson will present a Treasury Report to the group at each meeting and shall work with the Secretary and shall periodically audit the Treasurer's Fund.

Section 3. The Secretary shall be a staff representative of NACM Credit Services, Inc. The Secretary or authorized representative will arrange for all meetings, attend all Group meetings and/or functions and prepare minutes of these meetings. The Secretary shall also prepare a Treasurers Report, maintain attendance and membership records, submit and collect invoices and service charges to members, and perform all other duties as covered in the Bylaws or reasonably requested by the Executive Committee.

**Article IX**

**Committees**

The Chairperson shall approve all committee chairs. The term of office for committee members will coincide with the Chairperson's term of office, unless determined differently by the Chairperson.

Standing Committees:

Executive Committee: The Executive Committee is made up of the Chairperson, Vice Chairperson and the Immediate Past Chairperson. Each of these members shall have one vote. The Chairperson shall Chair the Executive Committee. The Chairperson of the Membership & Compliance Committee shall sit on his committee in an ex-officio capacity and shall have no vote unless circumstances outlined in Article VII Section 2 take place. The Secretary shall also sit on this committee in an ex-officio capacity and shall have no vote. The committee shall meet as necessary to conduct the Groups' business. The Executive Committee may enter into agreements, including those creating financial obligations, provided such agreements pertain to ordinary activities of the Group (e.g. speakers, hotels, service agreement with Secretary, etc) and are unanimously approved by the committee. Absent such unanimity, matters will be
brought to the general membership for a vote.

Membership & Compliance Committee: This Committee shall be made up of up to three members. The responsibilities of the committee are to recruit new members, to review prospective members' applications (assuring they meet criteria set forth in the bylaws), to monitor members' performance (assuring they are in compliance of the Group bylaws), and to initiate reporting best practices within our organization in cooperation with NACM Credit Services. The committee will also periodically review, analyze and evaluate current reporting practices as well as recommend/implement best in class reporting policies and procedures to the groups' Executive Committee.

Ad Hoc Committees: Additional committees may be formed from time-to-time as deemed necessary and appropriate by the Executive Committee.

Committee Chairpersons' may select members for their respective committees. The Secretary will be a non-voting member of all ad-hoc committees. Any individual expense by any committee in excess of $200 requires Executive Committee approval.

Article X
Dues and Service Charges

Section 1. Charges for services shall be computed on an equitable basis as established by the Board of Directors of NACM Credit Services, Inc. and reviewed by the Executive Committee. Those fees above NACM Credit Services, Inc. annual charges for services, will be established by the Executive Committee and shall be held in a Treasurer's Fund maintained by the Secretary. The Treasurer's Fund and disbursements there from will be subject to periodic audits by the Group's Treasurer or his/her designate. The fees in the Treasurer's Fund shall be used for the Group's fixed meeting costs including expenses incurred by the Secretary and Attorney (such as air fare, lodging, meals, taxi fare, car rental, parking etc.), expenses for meeting room set-up and or room rental charges, breaks and the agreed upon expenses and charges for guest speakers or programs. The above fees will be billed as membership dues by the Secretary on each member's anniversary date. Dues and assessments will be non-refundable in the event the member withdraws or is expelled, pursuant to Article V.

Section 2. Variable costs for meetings such as dinner or optional activity will be divided equally among those in attendance and billed accordingly. Additionally, a guest fee of $75.00 will be assessed a member for each additional attendee. This fee is to cover the expense of breaks, lunches and other fixed costs associated with the meeting.

Section 3. In the event of a cancellation of a regularly scheduled meeting, any expenses incurred by the Secretary shall be paid out of the Treasurer's Fund.

Section 4. The Executive Committee has the authority to approve any additional expenses that are not covered in Section 1-3, but must promptly report such extraordinary items to the membership.
Article XI
Ethics

Section 1. All information emanating from members must be considered strictly confidential and under no circumstances shall information obtained be divulged to the subject account or used to the detriment of any member.

Section 2. Any violation of this article will be subject to investigation and actions taken in accordance to Article V, Section 2. Any information given to public authorities in pursuance of a legal requirement shall NOT be construed a violation of the above article.

Section 3. No member shall be listed for discussion at any meeting or account clearance.

Section 4. There shall be no agreement, express or implied, respecting what action members shall take as a result of credit information discussed in meetings. No one except the individual member shall determine to whom, on what terms, or to what extent they shall or shall not conduct business. All members must individually make their own decision as to future business dealings with any account.

Article XII
Amendments

All amendments to these bylaws shall be proposed in writing to the Chairperson and Secretary. The Secretary shall notify in writing all PharMACE members of such proposed amendments at least thirty days prior to the next general meeting; at which time such amendment shall be considered. An amendment to be adopted requires approval of the Groups’ antitrust counsel and a Super Majority Vote via written ballot.