



REQUIREMENTS FOR MEMBERSHIP – CHPA Bylaws Excerpts and Board Policy Statement

Article III: CONSUMER HEALTHCARE PRODUCT; REQUIREMENTS; MEMBERSHIP

SEC. 1 Definition.

For the purposes of the Association, a consumer healthcare product is a food, drug, device, or cosmetic, as defined in the federal Food, Drug, and Cosmetic Act; recommended or intended for internal or external use by humans and sold or offered for sale to the general public without a prescription.

SEC. 2 Requirements.

For the purposes of the Association, a consumer healthcare product must be manufactured, packaged, labeled, and advertised, or otherwise promoted in compliance with the provisions of the federal Food, Drug, and Cosmetic Act, the Federal Trade Commission Act, and any other applicable statutes.

SEC. 3 Membership.

All persons, firms, or corporations who or which manufacture, own or control any consumer healthcare product which is sold in the United States for domestic use, is within product class limitations determined by the Board of Directors, and whose business does not consist in substantial part of the retail sale of goods other than consumer healthcare products manufactured or controlled by them, shall be eligible for Active Membership in the Association.

All persons, firms, or corporations who are otherwise interested in the sale, research, or promotion of consumer healthcare products as defined, and as meet the requirements set forth in this Article, shall be eligible for Associate Membership in the Association.

Only (i) Active Members and (ii) Associate Members elected to the Board of Directors (voting Associate Members) shall be entitled to vote. A voting member, through its Official Representative or other authorized officer, may designate its proxy in writing either to another voting member or to the Chair of the Association, or may vote by mail addressed to the Chair of the Association. Each voting member shall have one vote and, when so requested, shall designate the person who shall cast its vote.

SEC. 4 Application for Active Membership.

No applicant shall be considered eligible for Active Membership in the Association unless said applicant is a member of the consumer healthcare products industry in good standing as determined by the Board of Directors. To procure compliance with this requirement, each applicant for membership shall furnish the Association complete labeling for its consumer healthcare products, literature contained in or accompanying product packages, the advertising, and such other pertinent information as may assist the Board of Directors in determining whether the applicant is a member of the industry in good standing.

Article VII: ANNUAL DUES

SEC. 1 Fiscal Year.

The fiscal year of the Association shall be the calendar year.

SEC. 2 a. Active Membership.

For each fiscal year the annual dues for active membership in the Association shall be based on the member's annual net sales during the preceding calendar year of any consumer healthcare product within product class limitations determined by the Board of Directors under ART. III, SEC. 3 which (1) is manufactured or controlled by the member, or its parent or subsidiary corporations, if any, and (2) is sold in the United States for domestic use, according to a schedule of dues approved by the Board of Directors.

For the purpose of determining membership dues, net sales are gross sales less discounts and returns, on all consumer healthcare products within product class limitations determined by the Board of Directors sold by the Active Member or its affiliates, subsidiary corporations or divisions in the United States for domestic use, but a member may exclude sales of products which (1) are primarily toiletries or cosmetics, or, (2) in the case of a manufacturer, are controlled by another Active Member: *Provided*, however, that minimum dues for any Active Member shall be payable as set forth in the most current dues schedule approved by the Board of Directors.

The annual dues of Active Members shall be payable annually in January of each year.

SEC. 2 b. Associate Membership.

The annual dues for associate membership in the Association shall be fixed by the Board of Directors and shall be payable annually in January of each year.

SEC. 3 Pro Rating.

During any year in which a member of either class is elected to membership a *pro rata* payment only shall be required for the unexpired portion of the fiscal year.

SEC. 4 Delinquencies.

Whenever any member shall have failed to pay the established dues within thirty (30) days after notice of the same being due and payable, the Treasurer shall notify such delinquent member in writing that if at the expiration of thirty (30) days, said dues are still unpaid, such delinquency will be reported to the Board of Directors at its next regular session for appropriate action.

STATEMENT OF POLICY ADOPTED BY THE BOARD OF DIRECTORS, NOVEMBER 17, 2011

Consumer healthcare product class limitations for active membership:

Under ART. III, SEC. 3, of the Association's Bylaws, consumer healthcare products qualifying an applicant for active membership are limited to: (a) over-the-counter products regulated by the Food and Drug Administration as drugs and on which a drug claim is made; (b) dietary supplements as defined in the federal Food, Drug and Cosmetic Act as: a product labeled as a dietary supplement intended to supplement the diet that bears or contains a dietary ingredient that is a vitamin, mineral, herb or other botanical, amino acid, a dietary substance to supplement the diet by increasing the total dietary intake, or a concentrate, metabolite, constituent, extract, or combination of any of the prior ingredients; and that is intended for ingestion in tablet, capsule, or liquid form or, if not intended for ingestion in such form, is not represented for use as a sole item of a meal or the diet; and (c) denture cushions, denture reliners, denture repair kits, denture adhesives, denture cleaners, and dental plaque-disclosing agents regulated by the Food and Drug Administration as medical devices and legally sold without a prescription.

Materials to accompany an application for active membership:

To assist the Board of Directors in determining whether an applicant is a member of the consumer healthcare products industry in good standing, as required under ART. III, SEC. 4, of the Association's Bylaws, each applicant for active membership shall furnish the Association with the following pertinent information:

- ♦ Complete labeling for its qualifying consumer healthcare products;
- ♦ Literature contained in or accompanying qualifying consumer healthcare product packages;
- ♦ Advertisements for qualifying consumer healthcare products; and
- ♦ A statement as to whether the company or any of its principals or owners has been convicted of criminal conduct related to the manufacture, ownership or control of a consumer healthcare product.

Qualifying products for active member dues:

For each fiscal year the annual dues for Active Membership in the Association shall be based on the member's annual net sales during the preceding calendar year of any consumer healthcare product as defined in ART. III, SEC. 1, of the association's Bylaws which (1) is manufactured, owned, or controlled by the member, or its parent or subsidiary corporations, if any, (2) is within product class limitations determined by the Board of Directors, and (3) is sold in the United States for domestic use, according to a schedule of dues approved by the Board of Directors. Consumer healthcare products on which dues are to be paid include (1) over-the-counter products regulated by the Food and Drug Administration as drugs and on which a drug claim is made; (2) dietary supplements as defined in the federal Food, Drug and Cosmetic Act; and (3) OTC denture devices (including cushions, reliners, repair kits, adhesives, cleaners, and plaque-disclosing agents regulated by the Food and Drug Administration as medical devices and legally sold without a prescription).