The EC reviewed the comments made by BioFarma to DCVMN’s bylaws. BioFarma’s first point is “Missing to mention the majority required”: SA said that it is already indicated in the statutes in point 20.5 and in the bylaws in 8.7. AA asked to specify the rate there, e.g. majority of 2/3. PT said that simple majority means anything above 50%. SA added that from a legal perspective it is not required to have a specific number, so the simple majority 50% +1 is enough. AA agreed.

Article 4. Retirement from office. BioFarma’s commented on the need of a mechanism for replacing a Board member who wishes to terminate office before the end of the term. SA said that in 3.8 there is a mechanism for vacancies; although it does not refer to early termination, but in any case when there is a vacancy for the Board and it has to be named in the General Assembly (GA). AA asked if it is possible to do it earlier and not to wait for the next GA. SA said that the Board can appoint a temporary member of the Board, while he/she is confirmed in the next GA. AA expressed a concern of what happens if we have split (even) votes in the Board. PT said that point number 3.6 covers AA’s concern.

Article 5.2 BioFarma saw a contradiction between 5.2, in which the Board can delegate the power to authorize disbursements among others to the treasurer; and 5.5 that says that the treasurer is responsible for all financial transactions. SA explained that there is no such contradiction, as art. 5.5 is more specific. SA mentioned art. 5.2 (a) where the power of disbursement may be delegated to the Treasurer or the Secretariat for day to day activities, so he suggested to have this flexibility. SP added that before making sure that the Board wants the Treasurer to be involved all these activities, the load of work needs to be considered, as otherwise it may become a full time job. AA said that is contradictory with 5.5 in which the Treasurer is the responsible for all financial transactions and funds of the Association. PT explained that it is the treasurer overall responsibility/accountability even though the task is performed by another person to which it has been delegated. SA added that it does not conflict with the possibility to delegate certain tasks in relation to transactions like paying salaries and consultants. SP mentioned that it is necessary to review the disbursement/procurement policy, as it is related with this issue.

Comments made on Article 8 were skipped as, in interest of time, AA said that BioFarma was comfortable with legal adviser written answer to their comments, as emailed by secretariat to EC on 27 November 2020.

9.2 BioFarma asked if the countries of the venues for the AGM have to be countries of members. PT said that usually for the AGM we go for a host company in the host country; however, he considers that it is important that a restriction is not imposed so in case we consider a venue, even if there is no member in that country, we should not necessarily skip that possibility. In fact, we had considered to organize one in Singapore hosted by Bio E. SP clarified that the case of Singapore was because BioE has an office in Singapore; however traditionally it has been in the host company’s country for practical issues. LY said that in her opinion we do not need to limit, if we find a good accessible place where there is no member. The best is to keep the sentence as it is and not to include constraints. The EC agreed.

12.2 BioFarma considers that the need to define different positions within the Secretariat besides the CEO. PT said that maybe it was kept like that deliberately in order to give flow, as organizational structure can change as the projects come and go and as the focus of organization may be. SA added that since we are on the process of assigning a CEO, the organization of the Secretariat might change once the CEO is running. As the structure is more specifically defined the Board could adopt a policy for the structure, governance and tasks of the Secretariat separately form the bylaws. SDP said that generally for the organizations the bylaws define the overall and overarching activities of the organization and their intended purpose, and some
guidance on how the leadership is elected. But when it comes to operations, the CEO and the Board will then
decide the tasks for each member of the Secretariat, and it may be too complicated to put it in the bylaws.
The EC members agreed.

15.1(a) states that the resignation of a Board member shall not take effect before a new member has been
appointed by the Board. AA expressed concern because the member who resigns has no freedom until there
is a substitute. SA said that it should be kept in mind that it applies only if the resignation has the effect of
bringing the number of Board members below the minimum Board member i.e. five. If it happens, the board
situation will be in “defect” in which none of the decisions taken by the Board will be valid. To prevent that
he suggested that if the Board is composed by 5 members and one resigns, the substitute would be appointed
before any further resignation takes place, in order to keep validity. The other option is not to have a
minimum number of members of the Board, but this is not recommended, in order to make sure the Board
is not only composed by 1-2 persons. A solution is having a provision in which if reaches the minimum of 5,
the Board shall, as soon as possible, appoint an additional member in order not to hold “hostage” any of the
Board members. The legal adviser will suggest a different wording. PT added that we have a buffer in 15.1
(a) in which only if 3 members resign, it is only the last one to resign, the resignation shall not take place with
immediate effect. In addition, as said above, the Board can temporarily appoint another member in order
not to fall in this “defect” situation. SDP asked if several Board members resign or even the full board
members resign, the Secretariat should call for elections for a new Board: is there a provision in Switzerland
in which an organization, such as ours, cannot be for a single day or period without a fully functioning Board?
SA said that in Switzerland there is an obligation for each legal entity to be organized in accordance to its
statutes and bylaws. In the case of DCVMN in which the Board members are elected by the GA, the GA can
replace the Board member or can elect another Board; but in the meantime the Board would not be able to
function; that is why provision in 15.1(a) is like a safety net. SDP added that in that remote case, the
remaining Board members and the Secretariat would call for a virtual GA to elect the Board members.
SP mentioned that the quorum for decisions is 4, not 5. SA clarified that that is the quorum for meetings and
it is different from the legal composition of the Board. PT suggested adding at the end of 15.1(a) that if it is
not possible to delay the effects of the resignation, then the Board may appoint a temporary Board member
in order to ensure that they do not get below 5. SA said it would work from the legal perspective. The EC
members present agreed.

SA will make the changes discussed on today’s meeting in the Bylaws and will circulate them by the end of
this week.

Nyon, 31st December, 2020

Notes by S. Villasenor, edited by S. Pagliusi

Approved by

______________________________ Location/Date: Cape Town, South Africa, 18/01/2021

Patrick Tippoo, DCVMN Vice President
and chairing this session.