

Statutes of The Swedish Association of the Pharmaceutical Industry

Adopted 12 of September 2022

§ 1 Name

The name of the Association is Läkemedelsindustriföreningen, The Swedish Association of the Pharmaceutical Industry.

§ 2 Members

The Association is an Association of pharmaceutical companies operating in Sweden whose activities include the supply of medicines or which aim to make a medicine available on the market and which directly or indirectly conducts research or other scientifically oriented activities in the pharmaceutical field.

In these statutes, "medicinal products for human use" as defined in the Medicinal Products Act (2015:318) does not, however, mean homeopathics, traditional herbal medicinal products, natural remedies generic medicines or parallel imported medicines.

§ 3 Purpose and activities

The Association shall promote the members' trade interests by working for good conditions for companies that provide medicines on the Swedish market, for an innovation-friendly Life Science environment and for a high-quality healthcare.

In particular, the Association shall:

- actively contribute to issues of importance to the pharmaceutical industry in contacts with national and regional authorities and other actors
- promote partnerships with healthcare, academia, professional and patient representatives
- promote members' exchange of skills and experience
- promote the development and maintenance of ethical principles in the field of pharmaceuticals
- otherwise conduct business on matters of concern to the members.

The Association's activities shall always be conducted in accordance with applicable competition law.

The Association's activities do not include collective agreement issues.

The Association provides service to its members through a service company wholly owned by the Association.

The Association is a member of the Confederation of Swedish Enterprise.

§ 4 Registered office

The registered office of the Association shall be in Stockholm.

§ 5 Obligations for members

Members of the Association must:

- enter into and maintain a service agreement with the service company
- participate in the Swedish Pharmaceutical Insurance or have corresponding insurance for personal injury caused by pharmaceuticals in Sweden.
- also be member companies in the Confederation of Swedish Enterprise (Svenskt Näringsliv) and comply with its statutes and with separate agreements made between the Association and the Confederation of Swedish Enterprise).
- comply with established regulations and agreements.

§ 6 Fees

Each member is obliged to pay:

- a membership fee to the Association the amount of which shall be established at the Annual General Meeting of the Association
- a service fee determined by the service company
- fees to the Confederation of Swedish Enterprise in accordance with its statutes.

Membership and service fees must be paid by 30 June in the year to which the fees relate.

§ 7 Application for membership

Applications for membership in the Association must be made in writing.

The Board of Directors shall give the Board's opinion on whether the application shall be approved or disapproved and thereafter the application shall be submitted to the Annual General Meeting for final decision.

In order for membership to be granted, at least two-thirds of the members present at the Annual General Meeting must approve the application

§ 8 Termination of membership

A request for termination of the membership in the Association must be made in writing and shall be addressed to the Board of Directors.

The member requesting termination shall be deemed to have terminated membership with the Association upon the expiry of the ninth calendar month calculated commencing on the calendar month immediately following the month in which the request for termination was received by the Board.

§ 9 Expulsion and disciplinary measures

A member may be expelled from the Association:

if he ceases with activities as described in § 2 above;

if he has grossly, or repeatedly, broken the Association's statutes or decisions or otherwise counteracted the objectives of the Association;

if he does not discharge his financial obligations to the Association or its subsidiaries;

if he is otherwise guilty of serious disloyalty to the Association;

if the Board proposes expulsion of a member because the Board considers that continued membership may cause damage to the Association.

A proposal that a member be expelled from the Association may be made by the Board or, with exception to the provisions set forth in point 5 above, by two Board Directors who have submitted a signed, written communication to the Annual General Meeting.

Approval of a proposal that a member be expelled from the Association requires that at least two thirds of the members present at the Annual General Meeting agree thereto. A proposal that a member shall be expelled must not be submitted to the Annual General Meeting before the member, whose expulsion is proposed, has had the opportunity to express an opinion on the proposal and been provided with reasonable time for this purpose.

The main rule is that resolutions concerning expulsion of members from the Association take effect immediately

Where a member disregards the obligations required as a member of the Association, but there are no grounds for expulsion, the Board may decide that the membership shall be temporarily suspended or issue an admonition or warning. Suspension shall be limited to a defined period and not more than six months. During this period, the member shall not be entitled to exercise rights as a member of the Association.

Before the Board takes a decision regarding the issuance of an admonition or warning, the member against whom criticism has been directed, must be provided with an opportunity to express his opinion on the matter.

§ 10 Economic effects of termination and expulsion

Members who terminate their membership in the Association or are expelled, are not entitled to any share of the assets and profits of the Association. Such members shall, in accordance with the statutes, pay any annual fees fixed by the Association and any service fee determined by the service company up to the time when membership ceases.

§ 11 Election of the Board

The Board of the Association shall consist of at least eight and at the most 14 directors. The number of directors shall be decided annually at the Annual General Meeting of the Association.

The Board directors should be appointed in such a way that they reflect the Association's membership composition.

The Board of the Association shall be elected annually at the Annual General Meeting of the Association for the period until the next Annual General Meeting of the Association has been

held. A Board member who no longer is employed by a member company, is not entitled to participate in the work of the Board from the date of the change or later date decided by the Board.

At the Annual General Meeting of the Association, the chairman of the Board and the vice-chairman are elected from the directors appointed by the meeting. If the chairman and the vice-chairman resign during their terms of office, the Board may inter se elect the chairman for the period until the next Annual General Meeting

A board member may not be elected chairman or vice-chairman more than five times in a row unless there are special circumstances.

§ 12 Duties of the Board

The Board is responsible for organization of the Association and the administration of the affairs of the Association.

In particular, the Board is obliged to:

- adopt rules and procedures for its work on an annual basis,
- appoint and dismiss directors general for the Association and adopt guidelines and instructions for the Director-General's management of the Association's day to day affairs. Where the Board finds it appropriate, it may also appoint an Assistant Director-General,
- to establish the Association's long-term strategy through decisions on the direction of the Association,
- establish guidelines for the asset management of the Association, and continuously follow the asset management of the Association,
- monitor that the Director-General conducts operations in accordance with the statutes of the Association and the long-term strategy; and
- give opinions to the Annual General Meetings regarding applications for membership in the Association.

The chairman of the Board acts as a representative at Annual General Meetings of the Confederation of Swedish Enterprise and, when applicable, is a director or alternate director on its Board.

§ 13 Board meetings

The Chairman of the Board shall ensure that meetings are held when necessary. An extraordinary meeting shall be held where the Chairman, the Director-General or at least three of the Members so request. Notice of Board meetings shall, if possible, be sent out at least one week before the meeting is held and contain information about the matters to be dealt with.

The Board is quorate when at least half of its directors are present. Each director on the Board has one vote. As the Board's decision applies the alternative that has collected the most votes. In the event of an equal vote, the chairman has the casting vote. When addressing matters related to any individual director of the board, such director may not participate.

The chairman or Director-General may, for information or discussion of a particular matter, summon third parties to the Board meetings.

Minutes shall be kept of Board meetings. A director who has participated in the determination of the matter is deemed to have supported it in the decision recorded in the minutes, provided the director has not had recorded any objection. The minutes shall be attested by the chairman and one director elected at the meeting.

§ 14 Election committee

In order to prepare for the election of a new Board, an Election Committee is appointed at the Annual General Meeting of the Association.

The Election Committee shall consist of three directors, of which two are appointed by the Annual General Meeting and one by the Board.

The director appointed by the Board shall also be the chairman of the Election Committee and shall be elected for one year at a time and not more than for two consecutive years.

§ 15 Signing on behalf of the Association

In addition to the Board, signing on behalf of the Association may be carried out by two directors of the Board signing jointly. However, the Board may authorize another person to sign on behalf of the Association.

§ 16 Director-General

The Director-General shall manage the day-to-day operations in accordance with the Board's guidelines and instructions.

Where an Assistant Director-General is appointed, the Assistant Director-General will assume the duties of the Director-General in the event the Director-General is unable to perform the duties.

The Director-General and the Assistant Director-General have the powers and the duties assigned them in accordance with the Swedish Companies Act applicable from time to time.

§ 17 Financial year and annual report

The Association's financial year consists of the calendar year. For each financial year the Board and Director-General shall submit an annual report before the end of April. This consists of the profit and loss statement, the balance sheet and the administration report

§ 18 Audit

In order to review the administration of the Board and the accounts of the Association, an auditor and a deputy auditor shall be appointed annually at the Annual General Meeting of the Association for the period until the next Annual General Meeting of the Association. Both shall be authorised public accountants.

Each financial year, the auditor shall submit an audit report in which a discharge from liability for the Board and the Director-General is recommended or opposed.

§ 19 Annual General Meeting of the Association

The Annual General Meeting of the Association shall be held annually in Stockholm in May or June. The Board of Directors may decide that the ordinary Annual General Meeting may be conducted partly digitally. If there are special reasons, the Board of Directors may decide that the ordinary Annual General Meeting shall be conducted only digitally.

The following matters shall be considered at the Annual General Meeting of the Association:

1. The Chairman of the Board opens the Meeting.
If he is prevented from attending, the vice-chairman or, if he is not present either, by the director present who has served most years on the Board.
2. Preparation of the list of voters and a list of others present.
3. Election of chairman of the meeting.
4. Election of secretary and keeper of the minutes.
5. Election of two persons who, in addition to the chairman of the meeting, will verify the minutes.
6. Determination of whether notice convening the general meeting has taken place in accordance with the statutes.
7. Presentation of the administration report and the audit report.
8. Matter of adopting the balance sheet and the decision to be made as a result of profit or loss according to the balance sheet.
9. Matter of discharge of liability of the directors and the Director-General.
10. Matter of whether, and if so, how much remuneration is to be paid to the directors of the Board.
11. Decision about the number of Board directors.
12. Election of directors of the Board.
13. Election of two of those appointed at the meeting as directors of the Board to be chairman and vice-chairman of the Board respectively.
14. Election of accountant and accountant deputy.
15. Election of two persons to be directors of the election committee and notification of the director of the election committee nominated by the Board.
16. Decision about the amount of the annual fee.
17. Other matters.

Matters which have not been listed in the notice to attend the meeting and which, according to these statutes, are not to be dealt with immediately at the meeting, may not be taken up for decision if all the members are not represented at the meeting and consent that the matter is decided upon immediately.

§ 20 Extraordinary meeting of the Association

Extraordinary General Meetings of the Association shall be held when the Board deems so necessary.

The Board of Directors shall also convene an Extraordinary General Meeting if the Association's auditors or at least one-fifth of all members of the Association request in writing that such a General Meeting be convened to deal with a specified matter.

§ 21 Notice to attend general annual meetings of the Association

The notice shall contain information of the time and place of the Annual General Meeting.

In notices to attend Annual General Meetings of the Association, particular emphasis is to be placed on the matters which, pursuant to § 16, paragraph three, point 17, are to be presented at the meeting of the Association. The proposal for the election committee is sent out simultaneously with the notice convening the Annual General Meeting.

Notices to attend the Extraordinary General Meetings of the Association shall list the matter or matters which are to be submitted at the meeting of the Association.

Extraordinary General Meetings of the Association may not take decisions on matters other than those listed in the notice to attend the meeting.

Notice of general meeting must be in writing. A written notice also includes electronic notices. Notice shall be addressed to the Member's CEO or by a member-appointed contact person.

The prescribed measures for notices to attend meetings must be taken not less than two weeks before Annual General Meetings of the Association and not less than one week before Extraordinary General Meetings of the Association.

§ 22 Right to vote at general meetings of the Association

Every member of the Association has one vote at general meetings. Members may be represented by an authorized representative.

§ 23 Decisions at the annual general meeting of the Association

Decisions at Annual General Meetings are adopted after voting by open ballot, provided that at least one fifth of the members present at the Annual General Meetings do not request voting by secret ballot

As the resolution of the meeting, the opinion supported by more than half of the total number of votes cast applies unless otherwise stated in these statutes.

Modification of, or addition to, these statutes requires decisions from two General Meetings. The second General Meeting may not be held earlier than three months after the first General Meeting. These decisions require that at both general meetings at least two thirds of the members present at the General Meeting agreed thereto.

Amendments of the statutes must be approved by the Confederation of Swedish Enterprise.

Dissolution of the Association requires decisions from two General Meetings of the Association. The second General Meeting of the Association may not be held earlier than three months after

the first General Meeting. These decisions require that at both General Meetings at least two thirds of the members present at the General Meeting agreed thereto.

§ 24 Distribution of profit in dissolution of the Association

In the event of dissolution of the Association, any profit remaining after payment of the Association's debts shall be distributed to those who were currently members of the Association when the decision was taken to dissolve the Association. This distribution shall be made in proportion to the members' share of the service charge paid to the service company during the preceding financial year.

§ 25 Confidentiality

The internal affairs and proceedings of the Association are confidential and must not be disclosed to any third party by members or members' representatives. This undertaking applies even when a member has withdrawn from the Association.

§ 26 Dispute

Disputes between the Board or a director of the Board and a member, or between members concerning the validity, interpretation or application of these statutes, and all other legal matters relating to, or arising therefrom, shall be decided by arbitrators in accordance with the Arbitration Act (1999:116). The provisions concerning voting and legal costs pursuant to the Swedish Code of Civil Procedure shall apply to the arbitration.

The arbitration shall take place in Stockholm