



The Statutes of the Swedish Association of the Pharmaceutical Industry

[Läkemedelsindustriföreningen]

§ 1 NAME

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

§ 2 ADMISSION

The Association consists of an organisation of pharmaceutical companies active in Sweden. The condition for a company to become a member of the Association is that the company itself, or the company it represents, conducts business which includes manufacture of pharmaceuticals and which, in conjunction with this, carries out research or other scientific work in the pharmaceutical field. Companies which only conduct research or other scientific activity in the pharmaceutical field may, however, be granted admission if there are special reasons.

In these statutes, the term pharmaceuticals refer to products to which the Medical Products Act (2015:315) applies, but not natural remedies, certain pharmaceuticals for external use or homeopathic preparations.

Application for admission as a member of the association must be made in writing. The application for admission together with a statement of the Board's opinion whether to approve or reject membership must be submitted to the general meeting for final decision.

In order to approve the application for admission at least two thirds of the members present at the general meeting must agree thereto.

The Association provides membership services through a subsidiary owned by the Association.

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 (*Svenskt Näringsliv*).

§ 3 OBJECT

The object of the Association is to protect and promote the trade interests of its members. In order to achieve this object, the association shall:

- promote the development of ethical principles in the pharmaceutical field
- provide domestic and international authorities and other associations with opinions and investigations concerning the pharmaceutical industry
- otherwise, initiate and conduct active work on issues which are important to the members.

The work of the association does not include collective agreement issues and must not aim at such competition-restricting measures as are referred to in the fair-trade legislation in force.

The Association is a member of the Confederation of Swedish Enterprise (*Svenskt Näringsliv*).

§ 4 REGISTERED OFFICE

The registered office of the Association shall be in Stockholm.

§ 5 TERMINATION OF MEMBERSHIP

Members may terminate their membership with the Association through written request 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.

§ 6 EXPULSION AND DISCIPLINARY MEASURES

A member may be expelled from the association:

1. if he ceases with activities as described in § 2 above;
2. if he has grossly, or repeatedly, broken the Association's statutes or decisions or otherwise counteracted the objectives of the association;
3. if he does not discharge his financial obligations to the Association or its subsidiaries;
4. if he is otherwise guilty of serious disloyalty to the Association;
5. 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 directors who have submitted a signed, written communication to the 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 general meeting agree thereto. A proposal that a member shall be expelled must not be submitted to the 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. However, if there are special circumstances, the general meeting may pass the resolution that expulsion shall take place at a later date decided by the general meeting which, however, may not be later than nine months from the date on which the resolution was passed.

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.

§ 7 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.

§ 8 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 manner that they represent a balanced distribution representing the members of the Association.

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. 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.

§ 9 DUTIES OF THE BOARD

The Board is responsible for organisation 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 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,
- to determine, where necessary, whether to establish working groups and networks. Working instructions are to be established only to the extent the Board finds appropriate,
- establish guidelines for the asset management of the Association,
- continuously follow the asset management of the Association,
- monitor that the director general conducts operations in accordance with the statutes of the Association and long-term strategy; and
- give opinions to general meetings regarding applications for membership in the Association.

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 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.

The chairman of the Board acts as a representative at general meetings of the Confederation of Swedish Enterprise (Svenskt Näringsliv) and, when applicable, is a director or alternate director on its board.

§ 10 BOARD MEETINGS

The chairman of the Board shall ensure that the Board holds at least four ordinary meetings per year. Extraordinary meetings shall be held when the chairman, the Director General or at least three of the directors so wish. Notice to attend the Board meetings shall be sent out if possible at least one week before the meeting is to be held and contain information concerning the matters that are to be taken up for consideration.

The Board is quorate when at least half of its directors are present. Each director on the Board has one vote. The Board takes decision subject to a relative majority. If the number of votes is equal, 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.

§ 11 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.

§ 12 DIRECTOR GENERAL

In order to process the daily affairs of the Association, the Director General shall organize and run a secretariat and establish networks of experts and working groups to the extent and within the economic framework that the Board decides.

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.

§ 13 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.

§ 14 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.

§ 15 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.

§ 16 ANNUAL GENERAL MEETING OF THE ASSOCIATION

The Annual General Meeting of the Association shall be held annually in Stockholm in May or June.

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

1. Opening of the meeting, which is done by the chairman of the Board or, 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 for the period until when the next Annual General Meeting of the Association has been held.

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 for the period until when the next Annual General Meeting of the Association has been held.
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.

§ 17 EXTRAORDINARY GENERAL MEETING OF THE ASSOCIATION

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

It is the duty of the Board to give notice to attend Extraordinary General Meetings of the Association to members as soon as demanded by the Association's auditors or by at least one fifth of the all the members of the Association and they state the matter or matters which they wish to be addressed at the meeting.

§ 18 NOTICE TO ATTEND GENERAL MEETINGS OF THE ASSOCIATION

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.

Notices to attend general meetings of the Association shall be given in writing. Written notice shall also be deemed to include messages sent by email. Notices shall be addressed to the Member's CEO.

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.

§ 19 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.

§ 20 DECISIONS AT THE GENERAL MEETING OF THE ASSOCIATION

Decisions at general meetings are adopted after voting by open ballot, provided that at least one fifth of the members present at the general meetings do not request voting by secret ballot.

Decisions at general meetings are adopted subject to an ordinary majority unless stipulated otherwise 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 (Svenskt Näringsliv).

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.

§ 21 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.

§ 22 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.

§ 23 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

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The English translation of the statutes are published for information purposes. Only the Swedish version of the statutes are authentic.