



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 medicines 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 regulations, the term medicines refer to products to which the Medicines Act (1992:859) applies, but not natural remedies, certain medicines 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 the statement by the Board as to whether the application for membership is approved or rejected must be submitted to the association meeting for its decision.

In order to approve the application for admission at least two thirds of the members present at the association meeting must be in agreement about this.

The Association provides membership services through a subsidiary. Members of the Association shall enter into, and maintain, a service agreement with the subsidiary.

Members of the association shall participate in the Pharmaceutical Insurance, or have corresponding insurance for personal injury caused by medicines.

Members of the Association must also be member companies of the Confederation of Swedish Enterprise and comply with its regulations and with separate agreements concluded between the Association and the Confederation of Swedish Enterprise.

§ 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
- supply the authorities and industrial organisations, both national and international, with statements and investigations concerning the pharmaceutical trade
- in addition, 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.

§ 4 SEAT

The seat of the Board of the Association shall be in Stockholm.

§ 5 WITHDRAWAL

Members may withdraw from the Association after submitting a written request to the Board of Directors. The member has withdrawn from the Association at the end of the ninth calendar month starting from the calendar month which falls immediately after the one in which the request for the withdrawal has been 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 regulations 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 that which is regulated under point 5 above, by two members who have submitted a signed, written communication to the Association 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 Association Meeting are in agreement upon this. A proposal that a member shall be expelled must not be submitted to the 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 Association Meeting may pass the resolution that expulsion shall place at a later date decided by the Association Meeting which, however, may not take place later than nine months starting from the day on which the resolution was passed.

If a member disregards the obligations which are incumbent upon him as a member of the Association, but there are not grounds for expulsion, the Board may decide that the membership shall be temporarily suspended or issue him an admonition or warning. Suspension shall be limited to a defined period, at the most six months. During this period, the member is not allowed to make use of the rights of a member of the Association.

Before the Board takes a decision regarding suspension, or issues an admonition or warning, the member against whom criticism has been raised, should be provided with an opportunity to express his opinions on this matter.

§ 7 ECONOMIC EFFECTS OF WITHDRAWAL AND EXPULSION

Members, who withdraw from the Association or are expelled from it, do not have the right to any portion of the assets and profits of the Association. Such members are obliged to pay any fees fixed by the Association in accordance with the regulations 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 members. The number of members shall be decided annually at the Association Ordinary General Meeting. The Board members 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 Association Ordinary General Meeting for the period until the next Association Ordinary General Meeting has been held. At the Association Ordinary General Meeting, the chairman of the Board and the vice-chairman are elected from the members appointed by the meeting.

§ 9 OBLIGATIONS OF THE BOARD

The Board is responsible for the organisation of the Association and the administration of the affairs of the Association. The Board appoints the Director General of the Association and compiles guidelines and directions for the Director General to handle the day-to-day affairs of the Association. An Assistant Director General can be appointed if the Board of Directors finds it appropriate to do so.

The Board decides whether to establish working groups and/or permanent committees and establishes working instructions for them, but working instructions for working groups are only composed if the Board considers it necessary.

In order to prepare for the election of a new Board, an election committee is appointed at the Association Ordinary General Meeting. This shall consist of three members, of which two are appointed by the meeting and one by the Board. The member appointed by the Board shall also be the chairman of the election committee.

The Board is to appoint a representative to attend general meetings of the Confederation of Swedish Enterprise and, where applicable, a member or deputy member of its board of directors and member of its SME committee.

§ 10 BOARD MEETINGS

The chairman of the Board shall ensure that the Board holds at least two ordinary meetings per year. Extra meetings shall be held when the chairman, the Director General or at least three of the members 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 forms a quorum when at least half of its members are present. The Board takes decision with a relative majority. If the number of votes is equal then the chairman has the casting vote.

The chairman or Director General may, for information or discussion of a particular matter, call outsiders to the Board meetings.

At Board meetings, minutes shall be kept and approved by the chairman.

§ 11 SIGNING ON BEHALF OF THE ASSOCIATION

In addition to the Board itself, persons authorized to sign on behalf of the Association are those members of the Board, or its deputies, appointed by the Board for this purpose, but at least two must sign 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, possibly permanent committees and working groups to the extent and within the economic framework that the Board decides.

The Assistant Director General will assume the duties of the Director General in the event the Director General is not able 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 in force at that 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 scrutinize the administration of the Board and the accounts of the Association, an authorized public accountant and a deputy for this person shall be appointed annually at the Association Ordinary General Meeting for the period until when the next Association Ordinary General Meeting has been held. The accountant shall submit an audit report for each financial year in which release from liability for the Board of Directors and the Director General is recommended or opposed.

§ 15 FEES

It is the duty of every member to pay the Association annual fee, which amount is decided at the Association Ordinary General Meeting.

The annual fee shall be paid by 30 June in the year for which the annual fee concerns.

Members must also pay fees to the Confederation of Swedish Enterprise in accordance with its regulations.

§ 16 ASSOCIATION ORDINARY GENERAL MEETING

The Association Ordinary General Meeting shall be held annually in Stockholm during May or June.

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

- 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 ordinary Board member 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) Checking that notice convening the general meeting has taken place in accordance with the regulations.
- 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 members of the Board and the Director General.
- 10) Matter of whether, and if so, how much remuneration is to be paid to the members of the Board.
- 11) Decision about the number of Board members.
- 12) Election of members of the Board for the period until when the next Association Ordinary General Meeting has been held.
- 13) Election of two of those appointed at the meeting as members of the Board to be chairman and vice-chairman of the Board respectively for the period until when the next Association Ordinary General Meeting has been held.
- 14) Election of accountant and his deputy.
- 15) Election of two persons to be members of the election committee and notification of the member of the election committee who has been 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 convening the meeting and which, according to these regulations, 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 EXTRA ASSOCIATION GENERAL MEETING

An Extra Association General Meeting shall be held when the Board considers it necessary.

It is the duty of the Board to call the members to the Extra Association General Meeting as soon as this is demanded by at least one fifth of the all the members of the Association and they state the matter or matters which they wish be put before the Association meeting.

§ 18 NOTICE CONVENING THE ASSOCIATION GENERAL MEETING

In the notice convening the Association Ordinary General Meeting, particular emphasis is to be placed on the matters which, pursuant to § 16, paragraph three, point 17, are to be submitted to the Association General Meeting.

The notice convening the Extra Association General Meeting shall list the matter or matters which are to be submitted to the Association General Meeting.

The Extra Association General Meeting may not take decisions on matters other than those listed in the notice convening the meeting.

Notice convening the Association General Meeting shall be sent by registered letter by the General Post Office.

The prescribed measures for notice convening the meeting shall be taken at the latest two weeks before the Association Ordinary General Meeting and at least one week before an extra Association General Meeting.

The proposal for the election committee is sent out simultaneously with the notice convening the Ordinary General Meeting.

§ 19 RIGHT TO VOTE AT THE ASSOCIATION GENERAL MEETING

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

§ 20 DECISIONS AT THE ASSOCIATION GENERAL MEETING

Decisions at the Association General Meeting are made after voting by open ballot, provided that at least one fifth of the members present at the Association General Meeting do not request voting by secret ballot.

Decisions at the Association General Meeting are made on the basis of an ordinary majority unless stipulated otherwise in these regulations.

Modification of, or addition to, these regulations requires decisions from two Association General Meetings, of which the one which was held last must not be held earlier than three months after the first Association General Meeting. Decisions on the latter subject require that, at both Association General Meetings, at least two thirds of the members present at the Association General Meeting are agreed upon them.

Dissolution of the Association requires decisions at two Association General Meeting, of which the one which was held last must not be held earlier than three months after the first Association General Meeting. Decisions made on the latter subject require that, at both the Association General Meetings, at least three quarters of the members present at the Association General Meeting are agreed upon them.

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

§ 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 divulged to outsiders by members, members' representatives or officials or employees other than in the manner resolved by the Board.

This obligation applies even when a member has withdrawn from the Association or the tasks of the officials or employees in the Association have ceased.

§ 23 DISPUTE

Dispute between, on the one hand, the Board or member of the Board and, on the other, a member, or between members themselves with regard to the validity, interpretation or application of these regulations and all other legal matters relating to, or emerging from this, shall be decided by arbitrators in accordance with the Arbitration Act which is in force at the time of the dispute. In the arbitration procedure the provisions concerning voting and legal costs in the Code of Procedure shall apply.

The arbitration procedure shall take place in Stockholm.

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