



Date: 15 May 2020

Articles of Association for The Danish Association of the Pharmaceutical Industry (Lif)

§ 1 Name and domicile

The name of the Association is The Danish Association of the Pharmaceutical Industry (Lif).

The domicile of the Association is the municipality of Copenhagen.

§ 2 Purposes

The purposes of the Association are to promote the interests of the pharmaceutical sector in Denmark and internationally, including research and development of medicinal products, production, sales, legal protection and dealing with commercial, political and community issues.

The Association's activities can – alone or in collaboration with others - be executed via other legal entities, including subsidiary companies with limited liability.

§ 3 Membership

Membership may be extended to companies, including subsidiaries.

Companies forming part of groups shall only have a single membership. However, the General Meeting can approve membership for more than one company in a group if the companies are, in the view of the General Meeting, sufficiently independent in research, product development and sales.

It shall be a condition for membership that the company either undertakes research on or develops, produces or markets medicinal products in Denmark.

It shall be a condition for membership that the company markets or is expecting to market medicinal products.

Associated membership can be achieved even though the company does not market or is expected to market medicinal products if the company in Denmark undertakes research within the pharmaceutical area, develops medicinal products or produces medicinal products.

Inclusion of associated members shall be based on a specific assessment in which among others is considered whether the company is based on biotechnological business, research or any scientific business within the pharmaceutical area.



Associated members shall have the same rights and obligations as other members unless otherwise stated in the Articles of Association.

Associated members shall be converted to full membership from the next calendar year after the member has commenced marketing of medicinal products.

A company cannot be a member of the Association if it is part of the public administration or its core business is either acting as a parallel importer or as a wholesaler of medicinal products. In the case of doubt, the view of the General Meeting shall prevail.

A company cannot be a member of the Association if it, or companies in said group, are members of an association or a similarly organised association which undertakes the same or comparable activities as Lif. In special circumstances, the General Meeting may, including for associated members, approve membership of another trade association or association as noted above.

Applications for membership shall prove compliance with conditions for membership. The Association may request further details from the applicant.

The membership of a new member maybe considered at the next General Meeting or following written enquiries amongst all members which elicit no objections from any member.

§ 4 Duties of members

A member shall not undertake activities that conflict with the purposes of the Association.

A member shall submit details of medicinal product turnover to Dansk Lægemediel Information A/S in accordance with the terms and conditions of subscription thereto.

The Association's members shall comply with decisions made by the Ethical Committee for the Pharmaceutical Industry (ENLI).

Members shall be required to comply with currently applicable:

- 1)** International codes that the Danish Association of the Pharmaceutical Industry is required by virtue of its membership of international organisations to implement with respect to members, including:
 - a. EFPIA Code on the Promotion of Prescription-only Medicines to, and Interactions with, Healthcare Professionals, ("EFPIA Code")
 - b. EFPIA Code of Practice on Relationships between the Pharmaceutical Industry and Patient Organisations, ("EFPIA Patient Code") and
 - c. IFPMA Code on Pharmaceutical Marketing Practices;
- 2)** Joint collaboration agreements on the terms and conditions for collaborations between doctors and pharmacists and pharmaceutical companies, up until March 31, 2011.
- 3)** Ethical rules for relations between the pharmaceutical industry and patient groups, etc;
- 4)** Collaboration agreement between the Danish Medical Association and the Danish Association of the Pharmaceutical Industry on clinical trials;



5) Other binding agreements, sets of regulations, etc adopted on the basis of the Articles of Association or which the Danish Association of the Pharmaceutical Industry is required by virtue of its membership of international organisations to implement with respect to members;

6) Regulations and practices employed at any time by the Ethical Committee for the Pharmaceutical Industry.

Lif shall be required to publish on its website an updated list of the agreements, rules, etc., noted in Art. 4.4(5) and publication shall make reference to said Art. 4.4 (5) of the Articles of Association.

Applicable current (Danish) legislation shall always take precedence over the above-identified international codes, agreements, sets of rules, etc., unless the provisions therein are more restrictive than the legislation and the law otherwise allows for derogation.

In the event of discrepancy or in questions of interpretation of the above-identified provisions, the provisions or practices that are most restrictive on members shall take precedence.

The Association maintains a register of medical consultants, advertising personnel and clinical monitors employed by the members of the Association.

Members shall only employ medical consultants, advertising personnel and clinical monitors who meet the conditions for inclusion in the Association's register.

§ 5 Resignation and exclusion

Six months' written notice shall be given of resignation from the Association with effect from year-end.

Membership of the Association shall cease if a member ceases to exist as an independent legal person or enters into receivership, bankruptcy or liquidation.

A member may be excluded from the Association if the conditions for membership shall no longer have been satisfied or if the member shall have been in breach of his obligations in accordance with the Articles of Association.

The decision to exclude shall be taken by the General Meeting. The resolution for exclusion shall be proposed by the Board or a quarter of the members with a right to vote.

The decision shall be reached by a simple majority at a General Meeting at which at least two thirds of voting members of the Association shall be represented.

The member concerned shall have the right to account for his points of view at the General Meeting.

Membership fees shall be payable until the date of exclusion.

Associated members may participate in the General Meeting with the right to speak, but without the right to vote and without the right to make proposals. Associated members shall not be included in the counting of quorum.



§ 6 Application fees and membership fees

New members shall pay an application fee, the amount of which shall be determined by the Annual General Meeting.

A basic membership fee shall be payable annually and a turnover-based membership fee calculated as a percentage of the member's AIP turnover in Denmark during the preceding calendar year. These will be mentioned in the following collectively as "membership fees". Membership fees shall be set in accordance with the budget meeting rules in Art. 8.

Membership fees shall be payable on 1st February.

Special membership fees should apply for companies that have not been members of the Association within the previous five years.

For the first twenty-four months (two years), this is calculated as 25% of the fixed basic rate the first year and 50% of the fixed basic rate the following year.

From and including the twenty-fifth month, the membership fees shall be payable. The other provisions of these Articles of Association shall apply to such members.

Associated members shall from registration and henceforth pay a membership fee to be calculated according to the following scale:

From 1 up to and including 25 employees: 10% of the basic membership fee.
From 26 up to and including 75 employees: 25% of the basic membership fee.
From 76 employees and more: 100% of the basic membership fee.

Associated members' number of employees (calculated as whole-year fulltime employees) shall be calculated yearly by the end of the year and shall be reported by the member to Lif on 15th January at the latest.

When associated members are converted to full membership from the next calendar year, after the member has commenced marketing of medicinal products, a full membership fee shall be paid according to this provision's other rules in the paragraphs 2 to 6 and 9 to 10. The rules in the first paragraph about the application fee and the rules in paragraphs 5 to 6 about reduced membership fee shall not be applicable.

If a member joins the Association during the course of a calendar year, a proportional membership fee shall be payable for the period from the date of approval of membership until the end of the financial year.

Membership fees shall be calculated and collected by the Secretariat. Interest shall be charged on overdue membership fees. Fees may be charged for reminders.

§ 7 General Meeting

Annual General Meetings shall be held before the end of March. Extraordinary General Meetings shall be called at the decision of the Board. The Board shall call an Extraordinary General Meeting if a quarter of members entitled to vote so



request. The request shall state the matters to be addressed by the General Meeting.

At least 14 days' notice shall be given when calling General Meetings. The notice shall include the agenda of the General Meeting.

Proposals for resolutions to be considered by the Annual General Meeting shall be submitted to the Board by 15th February.

The Annual General Meeting shall consider the following:

- a. Report by the Chairman for the past year.
- b. Approval of the annual financial statements.
- c. Election of the Board.
- d. Appointment of auditor.
- e. Consideration of any proposed resolutions received.
- f. Any other business.

The General Meeting shall be the ultimate authority of the Association.

The General Meeting shall have a quorum when at least half the members are present.

At the General Meeting, each member shall have one vote. Proxies may be cast for one or more members.

Voting shall be held in writing if a member so requests.

The General Meeting shall decide by simple majority unless otherwise laid down in the Articles of Association.

The General Meeting shall appoint a Chairman who shall decide in all matters of dispute.

Minutes shall be taken of the proceedings of the General Meeting. The minutes shall be signed by the Chairman.

Associated members may participate in the General Meetings with the right to speak, but without the right to vote and without the right to make proposals. Associated members shall not be included in the counting of quorum.

§ 8 Budget meetings

The Board shall hold an annual budget meeting by 15th December to set a budget and membership fees (budget meeting).

Final binding decisions shall be made at the budget meeting on the activities of the Association, budgets and membership fees for the following calendar year. Decisions shall be made on the basis of recommendations made by the Board. Should there be the need for subsequent corrections or amendments to activities, budgets and fees, the Board may raise the matter at a members' meeting.

At least fourteen days' written notice of a budget meeting shall be given and the



agenda shall be included in the notice of meeting.

Proposals to be considered at the budget meeting shall be submitted to the Board by 15th November at the latest. The Board shall decide whether the budget meeting has the powers to decide on such proposals. If it is deemed not to, the proposal shall be considered at the next General Meeting.

The Board may decide that other significant issues than budgetary matters should be considered at the budget meeting in accordance with the rules of Art. 9.

Budget meetings shall have a quorum when at least half the members are present.

At a budget meeting, each member shall have one vote. Proxies may be cast for one or more members.

Voting shall be held in writing if a member so requests.

The budget meeting shall decide by simple majority unless otherwise laid down in the Articles of Association.

The budget meeting shall appoint a Chairman who shall decide in all matters.

Minutes shall be taken of the proceedings of the budget meeting. The minutes shall be signed by the Chairman.

Associated members may participate in the Budget Meeting with the right to speak, but without the right to vote and without the right to make proposals. Associated members shall not be included in the counting of quorum.

§ 9 Members' meetings

The Board may hold members' meetings.

A members' meeting may make binding decisions on significant issues not covered by Art. 8 and members may incur financial obligations as a result.

At least fourteen days' written notice of a members' meeting shall be given. However, shorter notice may be given of members' meetings if the circumstances so dictate. Insofar as possible, the agenda shall be included in the notice of meeting.

Members' meetings shall have a quorum when at least half the members are present.

At a members' meeting, each member shall have one vote. Proxies may be cast for one or more members.

Voting shall be held in writing if a member so requests.

The members' meeting shall decide by simple majority unless otherwise laid down in the Articles of Association.



The members' meeting shall appoint a Chairman who shall decide in all matters.

Minutes shall be taken of the proceedings of the members' meeting. The minutes shall be signed by the Chairman.

Associated members may participate in the members' meeting with the right to speak, but without the right to vote. Associated members shall not be included in the counting of quorum.

§ 10 Board

Composition and election.

The Association shall be directed by a Board of eight members and two reserves.

Five members of the Board and the two reserves shall be elected by the General Meeting.

Each member of the Association may at most be represented by a single member of the Board. Members shall be on Group management boards or be responsible for those parts of the company's activities in Denmark that come under the aegis of the Association's purposes.

Three Board members shall be appointed by members with production facilities in Denmark and with more than one thousand employees in Denmark (hereinafter Manufacturers in Denmark). The number of Board members representing Manufacturers in Denmark may not, however, exceed the number of companies that are Manufacturers in Denmark on the date of the General Meeting. If there shall be fewer than three Manufacturers in Denmark at that time, the surplus seats shall be allocated by election at the General Meeting.

The Board shall be appointed for two years. One of the three members representing the Manufacturers in Denmark shall be elected in even years and three of the other members shall be elected. Two of the members representing the Manufacturers in Denmark shall be appointed in uneven years and two of the other members shall be elected. Board members may be re-elected.

Reserves shall be elected every year.

Proposed candidates for the Board shall be listed in the Notice of General Meeting.

The Board may put up more candidates than there are places available.

The members of the Association may propose candidates to the Board. This shall require the support of at least five members of the Association. The names of candidates and their supporters shall be submitted to the Board at least eight days before the General Meeting. The Board shall immediately notify members of the proposal.

Election for the Board shall be decided by simple majority. Voting shall be in writing. At the voting paper, the number of candidate names must be specified that correspond to the number of Board candidates that shall be elected.



In the event of a hung vote, there shall be a re-election between the candidates that have achieved the same number of votes. Re-election shall only apply to these candidates and the seat(s) on the Board that have not been allocated at a previous election process. The rules of the Articles of Association shall apply to this election process, and the same electoral method shall be used as that laid down for the previous election process. In the event of a hung vote after the re-election, drawing lots shall be used to decide between these candidates.

If a member of the Board appointed by the Manufacturers in Denmark resigns, the seat on the Board shall go to the reserve appointed by the company in the Manufacturers in Denmark that appointed the outgoing Board member. If a member of the Board appointed by the members elected by the Association's members resigns, the seat on the Board shall go to the reserve with the majority of votes. If there are no reserves, the Board shall itself co-opt another.

The co-opted member shall be appointed for the term of the retiring member.

Associated members shall not be eligible for the Board and cannot recommend candidates for the Board. Associated members shall not have the right to vote at Board elections.

Duties of the Board:

The Association shall be directed by the Board.

The Board shall take up its duties for one year at a time with a Chairman and one or two deputies.

The Board shall lay down its own standing orders and shall maintain a minute book.

Each Board member shall have one vote and the Board shall decide by simple majority. The Board shall have a quorum when five members are present.

The Chairman shall have the casting vote in the event of a hung vote.

§ 11 Committees

The Board may appoint a committee to undertake duties determined by the Board. The Board shall decide as to the composition of the committee. The committee shall cease when so decided by the Board.

If the Board sets up a committee to look after issues of special interest for Manufacturers in Denmark, such as a committee to deal with technology and production matters, biotechnology, environmental, intellectual property and labour market, etc., issues, all manufacturers in Denmark shall be entitled to be represented on the committee.

Associated members may participate in all committees on equal terms with other members.



§ 12 International organisations

The Association shall represent Denmark at EFPIA (European Federation of Pharmaceutical Industries and Associations) and IFPMA (International Federation of Pharmaceutical Manufacturers and Associations).

The Board shall appoint the Danish representatives to EFPIA and IFPMA managing bodies and committees. Representatives shall mainly be associated with manufacturers in Denmark.

At EFPIA General Meetings, the Association shall be represented by the Chairman or a deputy appointed by the Board.

§ 13 Secretariat

The Board shall appoint a CEO who shall be responsible for managing the secretariat.

§ 14 Signatory

The Association shall be bound in respect of third parties by the signatures of the Chairman and a Deputy Chairman or by the signatures of the CEO and the Chairman or a Deputy Chairman.

§ 15 Liability and capital funds

The Association shall be solely liable for its obligations.

Members have no right to a share of the Association's capital funds. Capital funds held by the Association can alone be used for the Association's purposes. Delivery of business services for members shall take place on market conditions.

§ 16 Accounts

The Associations' financial year shall be the calendar year.

§ 17 Amendments to Articles of Association and termination of the Association

Resolutions for amending the Association's Articles of Association shall be adopted by a General Meeting at which at least three quarters of votes shall have been represented and at least two thirds of the votes present shall have been cast in favour of the resolution. If three quarters of the votes shall not have been represented at the General Meeting but two thirds of the votes present shall have been cast in favour of the resolution, the Board shall call an Extraordinary General Meeting as soon as possible at which the resolution can be adopted irrespective of the number of votes represented when two thirds of the votes cast are in favour of the resolution.



The provisions of Art. 10 on Board representation for Manufacturers in Denmark, Art. 11 on committee representation for Manufacturers in Denmark, Art. 12 on relations of Manufacturers in Denmark with EFPIA and IFPMA and Art. 17, para. II, may be amended by the General Meeting in accordance with the rules of Art. 17, para. I on adoption of amendments, unless this shall have been unanimously voted down by all Manufacturers in Denmark that are members of the Association.

A decision to terminate the Association may be made by the General Meeting in accordance with the same rules as those laid down in Art. 17, para. I for amendments to the Article of Association. At termination the net funds held by the Association shall be used in correspondence with the purposes of the Association. The General Meeting decides this after recommendation from the Board. No decision can be made on wholly or partly distribution of the net funds to the members.

Associated members may participate in General Meetings which make decisions subject to these provisions with the right to speak, but without the right to vote and without the right to make proposals. Associated members shall not be included in the counting of quorum/number of participants at the General Meetings.

This Article shall enter into force on adoption by the General Meeting.

Adopted by the General Meeting on 14th March 2006.

Revised at the General Meeting on March 28, 2007, at the General Meeting on March 26, 2008, at the General Meeting on March 31, 2009, at the General Meeting on March 29, 2011, at the General Meeting on March 29, 2016, at the General Meeting on March 23, 2018 and the Budget Meeting on 13 December 2018 and at the General Meeting on 15 May 2020.