

THE COMPANIES ACT 2006

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COMPANY LIMITED BY GUARANTEE

and

NOT HAVING A SHARE CAPITAL

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ARTICLES OF ASSOCIATION

OF

THE ASSOCIATION OF THE BRITISH PHARMACEUTICAL INDUSTRY

(the "Company")

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1 INTERPRETATION

1.1 In these Articles:

"2006 Act" means the Companies Act 2006;

"Articles" means these Articles of Association;

"Board" means the board of Directors (also known as ~~the~~ ABPI Board");

"Chief Executive Officer" means the chief executive officer appointed pursuant to Article 18.1;

"Communication" means any notice, document or other communication required to be given by the Company pursuant to these Articles or the 2006 Act."

"Directors" means the directors of the Company appointed pursuant to the 2006 Act;

"Executive" means the chief executive officer appointed pursuant to Article 18.1 and the Secretary appointed pursuant to Article 19.1;

"Members" means the person or persons whose names are for the time being entered on the Register of Members and prior to such registration, means the persons who subscribed to the Company's Memorandum of Association on incorporation ~~Members~~ and "Membership" shall include Full Members, Affiliate Members and Honorary Members and shall be construed accordingly;

“ordinary resolution” has the meaning given in section 282 of the 2006 Act;

“special resolution” has the meaning given in section 283 of the 2006 Act;

“Full Member” means the person(s) who have paid the Subscription due pursuant to Articles 11.3-11.10 and “Full Members” and “Full Membership” shall be construed accordingly;

“Secretary” means the company secretary appointed pursuant to Article 19.1;

“Subscription” means the amount of subscription payable by Full Members and Affiliate Members payable in accordance with Article 11.1 and determined in accordance with Article 11.2 in the case of Affiliate Members and Articles 11.3-11.10 in the case of Full Members;

“United Kingdom” means Great Britain and Northern Ireland;

“Affiliate Member”, “Continuing Board Member”, “Honorary Member”, “Merging Companies”, “New Board Member”, “New Company”, “President”, “Set Level”, “Smaller Companies’ Subscription”, “Smaller Companies’ Threshold”, “Specified Level”, “Transition Period”, and “see /TT2nc

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3.1.1 to purchase, lease, exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain and alter buildings or structures which the Company may think necessary for the promotion of its objects; ny r3 (ope)4 (r)3(ngs)-1n and esectitn f 1( h t)- (he)

them) deliberately, recklessly or in disregard of whether it was a breach of trust or breach of duty or not;

- 3.1.9 to take any gift of property, whether subject to any trust or not, for any one or more of the objects of the Company;
- 3.1.10 to adopt any mark, device, letters and to register the same if appropriate;
- 3.1.11 to borrow or raise money for the purposes of the Company on such terms and on such security as may be thought fit subject to such consents as may be required by law, and to issue any debentures or debenture stock whether perpetual, irredeemable, or otherwise;
- 3.1.12 to establish promote support form or aid in the establishment promotion, formation, and support of any charitable or benevolent associations or institutions, and to subscribe or guarantee money for charitable or benevolent purposes in any way connected with or calculated to further the objects of the Company;
- 3.1.13 to print and/or publish any guidance, articles, newspapers, periodicals, journals, books, circulars, leaflets, or other written materials that the Company may think desirable for the purposes of the objects;
- 3.1.14

- 4.1.1 reasonable and proper remuneration to any member, employee or officer of the Company for any service rendered to the Company;
- 4.1.2 interest at a rate not exceeding commercial banking rates in existence at the time on money lent or reasonable and proper rent for premises demised or let to the Company;
- 4.1.3 any reasonable out-of-pocket expenses to persons employed by the Company;
- 4.1.4 payment of fees remuneration or other benefit in money or money's worth to any partnership company or other organisation of which a Member or Director may also be an employee (provided such employee is not entitled to share in the profits of such partnership, company or other organisation or in the case of a company, a shareholder holding not more than 1/100th part of the issued capital of that company); and
- 4.1.5 any premium in respect of any such indemnity insurance as is permitted by Article 3.1.8.

## 5 WINDING UP

- 5.1 If, upon winding up or dissolution of the Company, there remains, after satisfaction of all its debts and liabilities any property whatsoever, the following shall apply:
  - 5.1.1 in the case of books, papers and other documents not possessing pecuniary or intrinsic value, the same shall be destroyed but, in any other cases, their value shall be realised and the net proceeds applied as funds under Article 5.1.2 below; and
  - 5.1.2 in the case of funds, the same shall be paid to or distributed among the Full Members and Affiliate Members in proportion to the Subscription paid in the previous calendar year.

## 6 LIABILITY OF MEMBERS

- 6.1 The liability of each Member is limited to £10, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up whilst a Member or within one year after ceasing to be a Member for:
  - 6.1.1 payment of the Company's debts and liabilities contracted whilst a Member;
  - 6.1.2 payment of the costs, charges and expenses of winding up; and
  - 6.1.3 adjustment of the rights of the contributories among themselves.

## 7 MEMBERSHIP

### Members of the Company

- 7.1 The Company shall be incorporated with an initial Member and such Membership is to



- 7.6 Affiliate Members shall enjoy such rights and privileges and be under such obligations as the Board shall from time to time determine, in its absolute discretion.
- 7.7 Affiliate Members shall have no right to speak or to vote at general meetings of the Company but





at the meeting in order to state its case and answer any allegation or allegations made against it;

- 9.1.7 if all or part of that Member's Subscription and/or all or part of any levy and/or charge under Article 11.10 remains unpaid three calendar months after the date upon which it fell due. Such termination shall not become effective unless the said Member in the opinion of the Board, has been given reasonable

- 11.5.1 shall decide a formula for calculating the Subscription payable by Full Members which provides for two tiers of Subscription
  - 11.5.1.1 a specified percentage of turnover for the declared turnover up to a set level (the "Set Level") and
  - 11.5.1.2 a further percentage of turnover for that turnover beyond this Set Level.
- 11.5.2 shall decide the percentages and the Set Level referred to in Article 11.5.1

11.9.2.2 the difference between (i) the amount payable under the then current rules by the New Company for that year, and (ii) the amount that would have been payable, on the basis of their declared turn over in respect of the year immediately preceding the year of acquisition or merger, by all the Full Members involved had the acquisition not taken place (provided this sum exceeds zero) multiplied by the percentage set out below for each respective calendar year of the Transitional Period:

Year of the Transitional Period	Percentage
Year 2	80%
Year 3	60%
Year 4	40%
Year 5	20%

11.9.3 from and inclusive of the sixth calendar year after the Transitional Period, the New Company shall pay the Subscription payable pursuant to Articles 11.3-11.10.

11.10 In addition, each Full Member shall pay any levy or charge (whether specific or resulting from a system of charges) determined by the Board subject to approval at a general meeting by a simple majority of those present and voting.

11.11 Where the Board duly passes a resolution to expel a Member in accordance with Article 9.1.6, the expelled Member shall remain liable to pay the Subscription due in that calendar year.

## 12 BOARD

12.1 The Company shall be incorporated with an initial Director. Upon the written resignation of the initial Director appointed on incorporation, the existing board of management of the unincorporated association known as the Association of the British Pharmaceutical Industry shall be appointed as members of the Board at 00.01am on the 1<sup>st</sup> day of January 2016.

12.2 The Board shall consist of the following:

12.2.1 no more than 10 persons representing Full Members whose Subscription payable exceeds an amount specified by the Board and agreed by the Full Membership from time to time (Specified Level) and whose annual Subscription payable is at least £400,001, similarly elected only by those Full Members whose Subscription exceeds the Specified Level whose annual Subscription is also at least £400,001, and to whom Article 12.2.4 does not apply;

12.2.2 no fewer than three persons representing Full Members whose Subscription payable exceeds an amount specified by the Board and agreed by the Full Membership from time to time ("Specified Level") and whose annual Subscription payable is no more than £400,000, similarly elected only by those Full Members whose Subscription exceeds the Specified Level and whose annual Subscription is also no more than £400,000;



discretion. In the event of persons receiving an equal number of votes, those to be elected shall be decided by lot.

12.6 In the event of any vacancy among the elected members, an election may, at the absolute discretion of the Board, be held to fill that vacancy for the remainder of that period for which the person whose place is to be filled was elected. An election is held to fill more than one vacancy among the members elected under Article 12.2.1, and where the remaining periods for the vacant positions are of differing lengths, those persons receiving the most votes will be allocated the seat(s) with the longest period remaining until their expiry. In the event of persons receiving an equal number of votes, those to be allocated the seat(s) with the longest period remaining until their expiry shall be decided by lot.

12.7 Where, within a period of two calendar months prior to the invitation in any year to nominate candidates for election as members of the Board ("New Board Members") serve in place of those members of the Board whose period of service expires at the conclusion of the next annual general meeting;

12.7.1 any casual vacancy has occurred amongst the elected members of the Board whose period of service continues beyond the annual general meeting ("Continuing Board Members"); or

12.7.2 a vacancy will occur because one of the Continuing Board Members of the Board has been elected as President of the Company for the forthcoming year;

the Board may, in its absolute discretion, hold the election to fill the casual vacancy required by Article 12.6 jointly with the election of the New Board Members. In the event of a joint election, the persons elected under each of 12.2.3 above who receive the greatest number of votes in that grouping shall serve as New Board Members for a period of two years in accordance with Article 12.4 above, and any other persons elected shall fill a casual vacancy and serve for the remainder of the period for which the person whose place is or will be vacant was elected; and of persons receiving an equal number of votes those to be elected or to serve as the New Board Members shall be decided by lot.

12.8 Unless and until the Board determines otherwise, the Board shall include not more than five co-opted members, each of whom shall be appointed by the Board for such period as the Board may determine in its absolute discretion but shall retire from office on the day of the next annual general meeting, or at any time if the Board so decides in its absolute discretion. Unless otherwise determined by the Board, any retiring co-opted member shall only be eligible for further re-election if they have first put themselves forward as a candidate to fill any vacancy on the Board and been unsuccessful.

12.9 The Board shall adopt such measures from time to time to ensure that there shall at all times be effective representation (including on matters of diversity) on the Board across the breadth of the Membership and that all necessary skills and experience are available.

12.10 The qualification for a member of the Board other than a co-opted member shall be that they are (i) resident in the United Kingdom and (ii) unless the Board in its absolute discretion permits otherwise, the UK General Manager or equivalent of a Full Member

which is not currently suspended from membership for any reason

13.4 The Board shall, on behalf of the Members, appoint or authorise the appointment of the Executives together with such other staff as it considers appropriate and may determine their duties and conditions of service.

13.5 The Board shall cause a record to be made:

13.5.1 of all the appointments of officers made by the Board;

13.5.2 of the names of the members of the Board present at each meeting of the Board and any subcommittee thereof; and

13.5.3 of all resolutions, proceedings, and business at all meetings of the Company, the Board and of any Board subcommittee and any minutes of any meetings, if purporting to be signed by the chair of such meeting shall be sufficient evidence without any further proof of the facts therein stated.

#### 14 PROCEEDINGS OF THE BOARD

14.1 The Board may meet together for the despatch of business, adjourn, and otherwise regulate its meetings, as it thinks fit. A member of the Board may, and the Secretary on the requisition of a member of the Board shall, at any time summon a meeting of the Board.

14.2 Questions put to the Board shall be decided by a majority of votes. Where a question is put to the Board, Full Members represented on the Board shall be entitled to have their views expressed by the casting of a single vote. Therefore, if the Full Member represented by the President is also represented by an elected member of the Board, only one of those Board members would be entitled to vote. The only exception to this is where another vote is necessary in order to determine a result, in which case the President may cast a final, breaking vote. Although the Chief Executive Officer does not have a vote, the Board is expected to consider, and give appropriate weight to, the thoughts of any Chief Executive Officer appointed by the Board whenever a question is put to the Board.

14.3 Any member of the Board may call a meeting of the Board by giving notice of the meeting to the Board or by authorising the Secretary to give such notice. Notice of any meeting of the Board must indicate:

14.3.1 its proposed date and time;

14.3.2 where it is to take place; and

14.3.3 if it is anticipated that members of the Board participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

14.4 Notice of a meeting of the Board must be given to each member of the Board, but need not be in writing.

14.5 Notice of a meeting of the Board need not be given to members of the Board who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is



given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

- 14.6 It shall not be necessary to give notice of a Board meeting to any Board member for the time being absent from the United Kingdom unless such Board member has given the Company notice of address abroad.
- 14.7 At a meeting of the Board, unless a quorum participates, no proposal may be voted on, except a proposal to call another meeting. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed shall be, and in any case, shall never be less than five, or where there is only one Director in office pursuant to Article 12.1, that initial Director.
- 14.8 The President shall chair all meetings of the Board at which he is present, but in the absence of the President the Board shall elect another person to chair that meeting. Unless they too are absent from the meeting, this would usually be the Vice President.
- 14.9 All acts bona fide done by any meeting of the Board or of any committee, or by any person acting as a member of the Board or any committee shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such member, or that any such member was disqualified, be as valid as if every such person had been duly appointed or had duly continued in office.
- 14.10 The Board shall hold at least four meetings in every calendar year at intervals of not more than four calendar months between each.
- 14.11 A resolution in writing signed by all the members for the time being of the Board or of any committee of the Board who are entitled to receive notice of a meeting of the Board or of such committee shall be as valid and effectual as if it had been passed at a meeting of the Board or of such committee duly convened and held. (d)-4 (m)-2 (m).gdisT (f)3 (1s)-1 ( ) of the Board is as if they communicated with them in writing. (t)-2 (he)4 (r)3(f)3 (28.)-9 0 Td ( )T

15.1.3 to such an extent;

15.1.4 in relation to such matters or territories; and

15.1.5 on such terms and conditions;

as they think fit.

15.2

17.2 Unless the Board decides otherwise, all committees shall go out of office at the





## 23 WRITTEN RESOLUTIONS

- 23.1 A resolution in writing agreed by a simple majority (or in the case of a special resolution as defined in the 2006 Act by a majority of not less than 75%) of the total voting rights of all the Full Members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:
- 23.1.1 a copy of the proposed resolution has been sent to every eligible Member;
  - 23.1.2 a simple majority (or in the case of a special resolution a majority of not less than 75%) of the total voting rights of all the Full Members has signified its agreement to the resolution; and
  - 23.1.3 it is contained in an authenticated document which has been received at the registered office within the period of 28 days beginning ~~on~~ the circulation date.
- 23.2 A resolution in writing may comprise several copies to which one or more Full Members have signified their agreement.

## 24 ACCOUNTS

- 24.1 The Company shall cause accounting records to be kept in accordance with the 2006 Act. Such records shall be kept at the registered office or, subject to the provisions of the 2006 Act, at such other place or places as the Board thinks fit and shall always be open to the inspection of the officers of the Company and the Board.
- 24.2 The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members and no such Member shall have any right to inspect any accounts or book or document of the Company except as conferred by the 2006 Act or authorised by the Board or the Company in general meeting.
- 24.3 The Board shall, from time to time, cause to be prepared and laid before the Company in general meeting such statements of accounts and reports as are required by the 2006 Act.
- 24.4 A copy of every statement of accounts (including every document required by law to be annexed to it) which is to be laid before the Company in general meeting and the report of the Board shall, not less than 14 days before the date of the meeting, be sent to every Member and every person entitled to receive notice of general meetings.
- 24.5 The Company shall comply with all obligations for the examination or audit of accounts and the appointment of auditors (where required) pursuant to the provisions of the 2006 Act.

## 25 NOTICES AND OTHER FORMAL COMMUNICATIONS

- 25.1 Any Communication may be given to any Member either personally, by post or electronically (including email) by sending it to that Member's ~~last~~ own postal address as recorded in the Register of Members or to that Member's last known

electronic address as notified to the Secretary from time to time. If a Member changes the name and/or address from the one provided to the Secretary for entry in the Register of Members, written notice shall be given to the Secretary of that change within one month. The Company may deliver or serve, where appropriate, any Communication by making it available on a website and notifying the Member of its availability in accordance with this Article 25.

- 25.2 Any Communication served or delivered personally or by hand shall be deemed to have been received on the day when it was served or delivered.
- 25.3 Any Communication sent by post shall be deemed to have been served or delivered on the day after the day when it was put in the post (or, where second class post is used, on the second day after the day when it was put in the post). Proof that an envelope containing the Communication was properly addressed and put into the post as a prepaid letter shall be conclusive evidence that the Communication was received.
- 25.4 Any Communication if served, sent or supplied electronically shall be deemed to have been given y (n)-4 3blIny CactT\* [(on3)-14 u2 (s)-1 (e)1 Tw 0.42llhe Communicativerveve4 (r

## 27 INTERESTS OF MEMBERS OF THE BOARD

- 27.1 If a proposed decision of the Board is concerned with an actual or proposed transaction or arrangement with a company or other organization in which a member of the Board is interested, or if a decision at a Board meeting shall be construed as obliging any Board member to do anything which the Board member perceives to be contrary to the best interests of the member company which they represent that Board member shall excuse themselves and, subject to the remainder of this Article 27, is not to be counted as participating in the decisionmaking process for quorum or voting purposes.
- 27.2 If Article 27.3 applies, a member of the Board who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decisionmaking process for quorum and voting purposes.
- 27.3 This Article applies when:
- 27.3.1 The Company by ordinary resolution disappplies the provision of these Articles which would otherwise prevent a Board member from being counted as participating in the decisionmaking process;
  - 27.3.2 The Board member's interest cannot reasonable be regarded as likely to rise to a conflict of interest; or
  - 27.3.3 The Board member's conflict of interest arises from a permitted cause.
- 27.4 For the purposes of this Article, the following are permitted causes:
- 27.4.1 a guarantee given, or to be given, by or to a Board member in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
  - and
  - 27.4.2 arrangements pursuant to which benefits are made available to employees and Board members or former employees and Board members of the Company or any of its subsidiaries which do not provide special benefits for directors or former Board members.
- 27.5 Subject to Article 27.6, if a question arises at a meeting of the Board or of a Board committee as to the right of a Board member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the President whose ruling in relation to any Board member other than the President is to be final and conclusive.
- 27.6 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the President, the question is to be decided by a decision of the Board members at that meeting, for which purpose the President is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.



