

EUROPEAN PATIENT SAFETY FOUNDATION

THE ARTICLES OF ASSOCIATION

I NAME – LEGAL FORM – FOUNDER – REGISTERED OFFICE – DURATION

1 NAME – LEGAL FORM

1.1 Name

1.1.1 The name of the foundation is European Patient Safety Foundation (the "Foundation").

1.1.2 The Foundation may also use the abbreviation "EUPSF".

1.1.3 All deeds, invoices, announcements, publications and other documents originating from the Foundation shall contain the Foundation's name, immediately preceded or followed by the words "public interest foundation" ("*stichting van openbaar nut*" / "*fondation d'utilité publique*") as well as the address of the Foundation's registered office.

1.2 Legal Form

The Foundation is a public interest foundation ("*stichting van openbaar nut*" / "*fondation d'utilité publique*") governed by the provisions of Title II of the Law of 27 June 1921 on non-profit organisations, international non-profit organisations and foundations, as modified (the "NPO-Law").

2 FOUNDER

The founder of the Foundation is the European Society of Anaesthesiology INPO, having its registered office at Rue des Comédiens 24, 1000 Brussels (the "Founder").

3 REGISTERED OFFICE

3.1 The registered office of the Foundation is located at Rue des Comédiens 24, 1000 Brussels.

3.2 The registered office may be transferred by a decision of the Board within Belgium in compliance with the relevant linguistic legislation. Any change to the location of the registered office of the Foundation shall be filed with the clerk's office of the commercial court competent for the judicial district in which

the registered office is located and shall be published in the Annex to the Belgian State Gazette.

- 3.3 The Foundation may also set up administrative and operational offices, branches, subsidiaries and affiliates, both in Belgium and abroad, by a resolution of the Board.

4 DURATION

The Foundation is formed for an unlimited duration.

II PURPOSE – ACTIVITIES

5 PURPOSE

The purpose of the Foundation is the support of safety and quality of care of patients, with the underlying aspiration of raising standards of safety and quality of care of those patients, as well as to encourage all parties interested to join in on a European and worldwide level.

6 ACTIVITIES

- 6.1 In order to further these purposes, the Foundation may:

- initiate and support development of research on safety and quality of care of patients;
- raise public awareness of the importance of safety and quality of care of patients;
- organize meetings, seminars, courses, congresses and exchange programs;
- develop and organize specific training programs;
- organize events to stimulate discussion and exchanges of information;
- support education and information on safety and quality of care of patients by, among others, publications and other educational material;

The foregoing list is by way of example and not exhaustive.

- 6.2 In addition, the Foundation may enter into any other activities and undertake any other actions that are directly or indirectly related to the above-mentioned purpose of the Foundation, or that are necessary or useful for the realization of such purpose. Among other things, the Foundation can collaborate with, grant loans to, invest in the capital of, or, in any manner, directly or indirectly, take participations in other legal entities, associations and companies of private and public nature, governed by Belgian or foreign laws. Besides, the Foundation can deploy all activities that, directly or indirectly, contribute to the realization of the above-mentioned altruistic purposes, including commercial

and profit-making activities within the boundaries of what is legally permitted and of which the revenues shall be fully destined to the realization of the altruistic non-profit purposes and objectives of the Foundation.

III ASSETS

7 ASSETS

The assets of the Foundation shall consist, inter alia, of the assets bestowed upon it by its Founder and of donations, gifts, subsidies, bequests, endowments as well as of the income generated by its activities and the income and/or proceeds generated by the assets themselves.

IV BOARD

8 COMPOSITION OF THE BOARD

8.1 The Foundation shall be managed by a Board consisting of a minimum of three (3) and a maximum of ten (10) members. Only candidates proposed by Non-profit Organisation Affiliates (hereafter: "NPO Affiliates") and Industry Affiliates can be elected as Board member, a majority of which must be nominated out of the candidates proposed by NPO Affiliates.

8.2 The Board elects amongst its members a Chairperson, a Vice-Chairperson and a Treasurer. Whenever the Chairperson is not in a position to achieve his duties, those are taken over by the Vice-Chairperson, or if both are not available by the Treasurer.

8.3 The Chairperson of the Foundation shall chair the meetings of the Board and of the Council of Affiliates.

8.4 The Chairperson coordinates the activities of the Board, the Council of Affiliates and the Daily Manager and oversees the implementation of the policy decisions taken by the Board.

8.5 The Vice-Chairperson shall act for the Chairperson in the absence or disability of the Chairperson.

8.6 The Treasurer will supervise the financial situation and the financial management of the Foundation. The Treasurer will be helped by the secretariat in this task.

9 POWERS OF THE BOARD

9.1 Except as otherwise provided in these articles of association or the internal rules, the Board shall have the most extensive powers to manage the Foundation and its assets. The Board shall have the power to carry out all

actions necessary or useful for the realisation of the altruistic purposes of the Foundation.

9.2 The Board shall operate as a collegiate body.

10 APPOINTMENT – TERM OF OFFICE – END OF OFFICE

10.1 The Board members shall be appointed by the Council of Affiliates. A decision to appoint a Board member can only be taken provided that such a decision is approved by a majority of at least two thirds of the votes cast of the Affiliates with voting rights present or represented at the meeting of the Council of Affiliates, according to the voting rights outlined in the internal rules of the Foundation. The first Board members shall, however, be appointed by the Founder. As long as the Founder remains NPO Affiliate in the Foundation, one Board member will be appointed among candidates presented by the Founder.

10.2 Except for the Board members who will be appointed at the time of incorporation of the Foundation, the term of office of the Board members of the Foundation shall be three (3) years, renewable once for two (2) years. Exceptionally, the mandate of the Chairperson can be extended when it is necessary so that the same Chairperson personally achieves a specific task of substantial importance that was initiated during his mandate, but the extension can only be granted for twelve (12) months. The maximum term of office of Board members is five (5) years in total with the exception of the Chairperson.

10.3 In case of a vacancy, the Board may appoint a temporary replacement until the next meeting of the Council of Affiliates which shall resolve upon the approval or rejection of the interim Board member by majority vote. The interim Board member's powers cease when the replaced Board member's term should have normally expired.

10.4 As long as the Board has not filled a vacancy, the Board member whose term of office has come to an end shall remain in office if this is necessary to prevent the number of Board members falling below three (3).

10.5 A Board member can resign at any time. Any Board wishing to resign must give notice of resignation by letter, fax, email or any other means of communications specified in article 2281 of the Civil Code to the Chairperson.

11 MEETINGS OF THE BOARD

11.1 Meetings

11.1.1 The Board shall meet at least four (4) times a year and whenever the interests of the Foundation so require. Meetings of the Board can also take place under the form of conference calls or video conferences.

- 11.1.2 Meetings of the Board are convened at the request of the Chairperson or two or more Board members. Notice must be given at least fifteen (15) working days prior to the meeting, except in case of emergency. In case of emergency, the nature of and reasons for the emergency should be specified in the convening notice.
- 11.1.3 Convening notices are valid if delivered by letter, fax, email or any other means of communications specified in article 2281 of the Civil Code. A convening notice shall contain the agenda, the date, the time and the place of the meeting.
- 11.1.4 Meetings of the Board are chaired by the Chairperson or in his absence by the Vice-Chairperson or in both their absences by the Treasurer.
- 11.1.5 The Chairperson may invite third parties in a consultative capacity.
- 11.1.6 Items that are not on the agenda may only be discussed at the request of at least half of the Board members present at the meeting. A Board member is deemed to have been properly notified of a meeting if he attends the meeting or is represented at such meeting. A Board member may also waive his right to complain about lack or irregularity of notice before or after a meeting which he does not attend. In the event that all Board members are present or represented at a meeting there is no need to provide evidence of a prior convening notice.
- 11.1.7 Any Board member may grant a proxy to another Board member in order to be represented at a specific meeting of the Board. Such a proxy must be recorded in a document bearing the Board member's signature (which may be an electronic signature as defined in article 1322, paragraph 2 of the Civil Code) and must be notified by letter, fax, email or any other means of communication specified in article 2281 of the Civil Code. A Board member can only hold one proxy.
- 11.2 **Deliberation and Decisions**
- 11.2.1 A meeting of the Board shall be able to validly deliberate and resolve when at least half of its members are present or represented at the meeting. Unless determined otherwise in these articles of association or in the internal rules, every decision of the Board shall be adopted by a simple majority of the votes cast by the Board members present or represented at the meeting of the Board. Each Board member is entitled to one vote. In case of a tied vote, the vote of the Chairperson shall prevail.
- 11.2.2 In exceptional circumstances, where the urgency of the matter and the interests of the Foundation so require, resolutions of the Board may be approved by unanimous consent of all Board members. The consent of Board members is valid if delivered by letter, fax, email or any other means of communications specified in article 2281 of the Civil Code. The minutes of the resolutions taken by unanimous written consent of all Board members are registered a special minute book, in electronic form.

- 11.2.3 The resolutions of the Board are recorded in minutes, which are drawn up by the Chairperson and approved at the next Board meeting. Proxies given for a particular meeting are annexed to the minutes of such meeting. These minutes are kept at the registered office of the Foundation in a special minute book, in electronic form.

12 CONFLICTS OF INTERESTS

In the event that a Board member has an interest of a financial nature contrary to a decision to be taken by the Board or to a transaction to be decided upon by the Board, such Board member shall immediately notify the other Board members of his conflict of interests. The minutes of the Board shall reflect such Board member's declaration as well as the justifications relating to the conflict of interests. A Board member faced with a conflict of interests shall be entitled to take part in the deliberation of the Board, but shall not be entitled to vote on the decision giving rise to the conflict of interests.

13 REMUNERATION

The Board members shall not be remunerated for the performance of their duties. The refund of costs and expenses incurred in the performance of their duties shall be outlined in the internal rules of the Foundation.

V DAILY MANAGEMENT – ATTORNEYS-IN-FACT - OTHER BODIES – REMUNERATION

14 DAILY MANAGEMENT

- 14.1 The daily management of the Foundation will be delegated to the Founder of the Foundation as long as the Founder remains NPO Affiliate. At any subsequent meeting, the Board can appoint for daily management another NPO Affiliate or a Daily Manager on the payroll of or contracted by the Foundation, if approved by unanimous consent of all Board members. If no unanimity is obtained, the daily management shall remain with the Founder.
- 14.2 The Board shall determine the term of office of the daily management as well as the conditions for dismissal.
- 14.3 In absence of any legal provisions defining the scope of the “daily management”, actions of daily management are considered as all actions that need to be done on a day to day basis in order to ensure the normal functioning of the Foundation and that for reason of their minor importance as well as for reason of the necessity to take an immediate decision, do not require the intervention of the Board or make such intervention not expedient.
- 14.4 The Daily Manager will participate in the meetings of the Board at the discretion and on invitation of the Chairperson, but does not have a voting right.

15 ATTORNEYS-IN-FACT

The Board may appoint one or more special attorneys-in-fact for special and clearly defined assignments.

16 OTHER BODIES AND COMMITTEES

The Board shall be entitled to create, as it deems appropriate, additional advisory bodies or other bodies within the Foundation.

17 REMUNERATION

The Chairperson, Vice-Chairperson and Treasurer shall determine the remuneration for the daily management. This remuneration may be fixed or variable.

VI REPRESENTATION**18 REPRESENTATION**

18.1 Without prejudice to the general representation powers of the Board as a whole, the Foundation shall be validly represented vis-à-vis third parties by the Chairperson or by two Board members acting jointly.

18.2 For acts within the scope of daily management, the Foundation is also validly represented vis-à-vis third parties by the person entrusted with the daily management. If more than one person is entrusted with the daily management, each such person shall be entitled to individually represent the Foundation for acts within the scope of daily management.

18.3 For acts within the scope of their specific powers, the Foundation is also validly represented by special attorneys-in-fact appointed by the Board or the Daily Manager.

VII COUNCIL OF AFFILIATES

19 COMPOSITION

- 19.1 The Council of Affiliates shall be open to Affiliates that meet the following criteria:
- NPO Affiliates: all non-profit organisations interested in safety and quality of care of patients, which are not Industry Affiliates, who contribute financially for an initial amount determined by the Board and to the yearly financial contribution approved by the Council of Affiliates.
 - Industry Affiliates: all commercial companies interested in safety and quality of care of patients, who contribute financially for an initial amount determined by the Board and to the yearly financial contribution approved by the Council of Affiliates.
 - Individual Affiliates: all natural persons interested in safety and quality of care of patients, who contribute financially for an initial amount determined by the Board and to the yearly financial contribution approved by the Council of Affiliates.
- 19.2 Each Affiliate accepted in one of the above mentioned categories will be part of the Council of Affiliates, in accordance with the powers determined in these articles of association.
- 19.3 Candidates to the Council of Affiliates are admitted if they meet the above-mentioned criteria and if the Board approves this admission by a simple majority. The decision to approve or reject a candidate to the Council of Affiliates belongs to the discretionary powers of the Board. The Board does not have to motivate its decision.
- 19.4 The application for admission as a new Affiliate to the Council of Affiliates implies the endorsement by the candidate of the articles of association, any amendments thereto, as well as the internal rules, and a commitment to advance the purposes and endeavors of the Foundation.
- 19.5 The representation of each Affiliate in the Council of Affiliates shall be determined by the Board and shall be set out in the internal rules.

20 VOTING RIGHTS OF THE AFFILIATES IN THE COUNCIL OF AFFILIATES

- 20.1 The voting rights of the Affiliates in the Council of Affiliates shall be determined by the Board and shall be set out in the internal rules.
- 20.2 A meeting of the Council of Affiliates shall be able to validly deliberate and decide when at least half of its Affiliates with voting rights are present or represented at the meeting. Unless for deciding upon the appointment and dismissal of a Board member or determined otherwise in these articles of association or in the internal rules, every decision of the Council of Affiliates shall be adopted by a simple majority of the votes cast of the Affiliates with voting rights present or represented at the meeting of the Council of Affiliates.
- 20.3 A decision to appoint or dismiss a Board member can only be taken provided that such a decision is approved by a majority of at least two thirds of the votes cast of the Affiliates with voting rights present or represented at the meeting of the Council of Affiliates.

21 YEARLY FINANCIAL CONTRIBUTION

For each category of Affiliates, the Board will suggest a yearly financial contribution according to the accounts, budget and activities plan, which will be approved by the Council of Affiliates by a simple majority of votes. Only when the yearly financial contribution has been paid, an Affiliate can participate in the Council of Affiliates.

22 RESIGNATION AND EXPULSION OF AFFILIATES

22.1 Resignation

- 22.1.1 Any Affiliate wishing to resign must give notice by registered letter to the Board by 30 June of the year preceding his resignation. Such Affiliate is liable to pay the yearly financial contribution for the financial year in which the notice of resignation is given. The resignation of the Affiliate will enter into force on 1 January of the following financial year.
- 22.1.2 Any Affiliate giving notice of resignation after 30 June is liable to pay the yearly financial contribution for the financial year in which the notice of resignation is given and for the financial year following the year during which notice of resignation is given. In such case, the resignation of the Affiliate will enter into force on 1 January of the second financial year following that during which notice of resignation has been given.

22.2 **Suspension**

22.2.1 The Board may temporarily suspend an Affiliate of the Foundation by a simple majority of votes in case of:

- failure to abide with applicable legislation and regulations;
- failure to pay the yearly financial contribution but only after a registered letter with a notice of default has been sent to the Affiliate;
- acts or behavior likely to harm the interests of the Foundation;
- serious breaches of the articles of association, internal rules or any codes of practice or codes of conduct which the Foundation has drawn or may draw up;
- acting contrary to the purpose of the Foundation.

22.2.2 Suspension shall be notified by registered letter to the Affiliate concerned. The Board shall mention in the said registered letter the reasons for its decision.

22.2.3 Suspension will last until the Board revokes the suspension based upon corrective action of the Affiliate.

22.3 **Expulsion**

22.3.1 The Board may exclude an Affiliate of the Foundation by a majority of at least two thirds of votes in case of:

- failure to abide with applicable legislation and regulations;
- failure to pay its yearly financial contribution for services but only after a registered letter with a notice of default has been sent to the Affiliate;
- acts or behavior likely to harm the interests of the Foundation;
- serious breaches of the articles of association, internal rules or any codes of practice or codes of conduct which the Foundation has drawn or may draw up;
- acting contrary to the purpose of the Foundation.

22.3.2 Expulsion shall be notified by registered letter to the Affiliates concerned. The Board shall mention in the said registered letter the reasons for its decision.

22.4 Consequences of resignation, suspension and expulsion

- 22.4.1 An Affiliate who is suspended or excluded loses all rights defined in the present articles of association, upon notification of suspension or exclusion, including the right to vote.
- 22.4.2 An Affiliate who resigns loses all rights defined in the present articles of association with effect from the end of the year.
- 22.4.3 No Affiliate who has resigned or has been suspended or excluded (nor his successors or beneficiaries) will have any right to the assets of the Foundation, nor to any reimbursement of the fees or donations. Nor can such Affiliate claim or demand financial statements or accounts, affixing of seals, or an inventory.
- 22.4.4 If such an Affiliate has any debt towards the Foundation, such debts shall immediately become due and payable after notification of the suspension or expulsion.

23 POWERS

The Council of Affiliates shall have the following powers:

- Appointment of the Board members;
- Dismissal of the Board members at any time and without stating reasons;
- Granting of discharge to the Board members;
- Ratification of the annual accounts as set out in Article 29;
- Approve the accounts, budget and activities plan as well as the yearly financial contribution.

24 ORGANISATION AND FUNCTIONING

The further organisation and functioning of the Council of Affiliates shall be determined by the Board and shall be set out in the internal rules.

VIII AMENDMENT OF THE ARTICLES OF ASSOCIATION

25 AMENDMENT BY THE BOARD

- 25.1 The Board is vested with the power to modify the articles of association of the Foundation.
- 25.2 A decision to modify the articles of association can only be taken provided at least two thirds of the Board members in office are present or represented at the meeting of the Board and provided such a modification is approved by a majority of at least two thirds of the votes cast by the Board members present or represented at the meeting of the Board.
- 25.3 The convening notice for a meeting of the Board which will be asked to deliberate on a modification of the articles of association shall be served at least one (1) month in advance of the date of the meeting and must contain the text of the proposed modifications to the articles of association.
- 25.4 A modification of the articles of association shall be effected in the form of a private deed, in the form of an authentic deed or by Royal Decree as laid down in article 30, § 2 of the NPO-Law.

26 MODIFICATION BY THE COURT

In accordance with article 30, § 3 of the NPO-Law, in the event maintaining the articles of association without modification would give rise to consequences that the Founder could not reasonably have desired at the time of formation and if the Board fails to modify the articles of association in accordance with article 25, the Court of First Instance can modify the articles of association at the request of at least one Board member or the public prosecutor.

IX FINANCIAL YEAR – ANNUAL ACCOUNTS – AUDITOR(S)

27 FINANCIAL YEAR

The financial year of the Foundation shall coincide with the calendar year and shall commence on the 1 January of each year and shall end on 31 December of the same calendar year.

28 BUDGET

The budget for a financial year shall be drawn up by the Board and approved by the Council of Affiliates no later than three months before the beginning of such financial year.

29 ACCOUNTING DOCUMENTS – ANNUAL ACCOUNTS

The accounting documents and the annual accounts of the Foundation shall be drawn up by the Daily Manager in accordance with the applicable legislation. The annual accounts shall be approved by the Board and submitted for approval by the Council of Affiliates within six months of the closing of the financial year. They shall be filed by the Daily Manager, as the case may be, with the clerk's office of the Commercial Court or with the National Bank of Belgium.

30 AUDITOR

In the event that the Foundation meets the thresholds set out in article 37, § 5 of the Law, the Board shall appoint one or more auditors in charge of auditing the financial situation, the annual accounts and the regularity of the transactions to be reflected in the annual accounts of the Foundation in light of the law and these articles of association.

X DISSOLUTION – LIQUIDATION

31 DISSOLUTION

In accordance with the provisions of the NPO-Law, the Foundation shall only be wound up by a decision of the Court of First Instance upon request of the persons mentioned in the NPO-Law and on the basis of the grounds laid down in the NPO-Law.

32 LIQUIDATION

32.1 The Court of First Instance can either decide to immediately close the liquidation or determine the method of liquidation and appoint one or more liquidators.

32.2 All deeds, invoices, announcements, publications and other documents originating from the Foundation which has been subject of a dissolution decision shall contain the Foundation's name, immediately preceded or followed by the words "public interest foundation in liquidation" ("*stichting van openbaar nut in vereffening*" / "*fondation d'utilité publique en liquidation*").

32.3 Upon the liquidation of the Foundation, the net assets of the Foundation shall be allocated to a non-profit organisation pursuing an altruistic purpose that is the same as or that is similar to the altruistic purpose pursued by the Foundation.

32.4 In any event, the Court of First Instance shall oversee and authorize the allocation of the net assets of the Foundation upon its liquidation.

XI OTHER MATTERS

33 WORKING LANGUAGE

The official language of the Foundation shall be French. The working language of the Foundation shall be English.

34 INTERNAL RULES OF THE FOUNDATION

The Board can approve and modify internal rules on the organisation of the Foundation by a simple majority of votes.

35 NPO-LAW

All matters that are not covered by these articles of association shall be governed by the provisions of Title II of the NPO-Law.

