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**ARTICLES OF ASSOCIATION OF THE ASSOCIATION**

**Ethics - International Society of Healthcare Ethics and  
Compliance Professionals**

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**DATED JANUARY 27, 2012**

## ARTICLES OF ASSOCIATION

### **THE UNDERSIGNED,**

Dominique Laymand, Vice President Compliance & Ethics, residing at 18 rue Molière 92400 Courbevoie, France, a French national;

### **AND**

Roeland Van Aelst, Vice President EMEA & Canada J&J Health Care Compliance & Privacy, Johnson & Johnson Turnhoutse weg 30 2340 Beerse, Belgium, Belgian national;

have drawn up the following articles of association for an association which they propose to found.

## CHAPTER I

### FORM – CORPORATE NAME – CORPORATE PURPOSE – REGISTERED OFFICE – DURATION

#### 1. FORM

An incorporated association (*association déclarée*) is formed between the undersigned and the persons who will be bound by these articles of association and who satisfy the conditions set forth below (hereinafter the "**Association**") which shall be governed by the Act dated 1<sup>st</sup> July 1901, the Decree dated 16 August 1901 and any provisions which are in force which have amended or supplemented the said act, and also by these articles of association.

#### 2. CORPORATE NAME

The name of the Association is Ethics - International Society of Healthcare Ethics and Compliance Professionals.

#### 3. CORPORATE PURPOSE

The corporate purpose of the Association is to:

3.1 Assemble those managers and directors who are responsible for defining and supervising the implementation of ethical rules at industrial and commercial companies, associations or institutions, within the health sector;

3.2 Constitute a centre for the exchange of information and experience as between those managers and directors who are responsible for Compliance issues at their respective organisations;

3.3 Promote the exchange of good practices, in order to encourage and develop a Compliance culture, within the health industry sector, in all countries;

3.4 Contribute, thanks to the expertise of its members, to the examination of regulatory frameworks, guidelines, professional standards and codes relating to the ethical rules and principles governing the activities of industrial and commercial companies within the health sector;

3.5 Develop contacts with universities, schools and teaching or professional institutions with the aim of encouraging scholarships, teaching on Compliance and professional rules and with the aim of developing research and studies on ethical issues;

3.6 Facilitate the development of training programmes in Compliance for professionals and experts in the health sector and certification programmes;

3.7 Organise contacts with other associations or institutions with comparable aims and functions;

3.8 Organise working groups and forums for discussion on Compliance issues.

#### **4. REGISTERED OFFICE**

The registered office is located at 9, place Vendôme, 75001 Paris.

It may be transferred by decision of the board of directors, subject to ratification by the general meeting.

#### **5. DURATION**

The duration of the Association is unlimited.

## **CHAPTER II**

### **MEMBERS OF THE ASSOCIATION**

#### **6. COMPOSITION – NECESSARY QUALIFICATION**

6.1 The Association is made up of the founding members and any new member who may be admitted in accordance with the terms set forth in Article 6.3 hereof.

6.2 The founding members are named in the recitals hereto.

6.3 The associate members are the members, other than the founding members, who are bound by these articles of association and accepted by the Association's board of directors, except for the persons who have been invited to participate to the constitutive meeting by the founding members.

6.4 The associate members are divided into several categories which are defined, together with the terms and conditions of their admission, by the internal rules document.

6.5 The interested party is then notified of the board's decision to admit.

6.6 The status of founder member or associate member implies *de facto* adherence to:

- These articles of association;
- The internal rules.

#### **7. LOSS OF MEMBERSHIP STATUS**

7.1 Membership status can be lost as a result of resignation or expulsion.

7.2 Resignation

Any member may retire from the Association at any time by serving notice of its resignation by registered letter with acknowledgement of receipt slip.

7.3 Expulsion

Expulsion is pronounced by the board of directors for non-payment of the annual subscription, or for good cause, including in particular any act which does not comply with:

- The provisions of the articles of association;
- The internal rules.

The expulsion shall take effect once the relevant member has provided detailed explanations to the board of directors.

7.4 The subscriptions for the current financial year remain due, notwithstanding the resignation or expulsion.

7.5 The compulsory withdrawal or exclusion of a member does not terminate the Association, which shall continue as between all the other members.

## **CHAPTER III**

### **THE BOARD OF DIRECTORS**

#### **8. COMPOSITION - ELECTION - RENEWAL**

8.1 The board of directors comprises at least three (3) members and a maximum of ten (10) members. Its members are elected by secret vote of the general meeting, from among all the members of the Association, for a period of three (3) years. The founding members are automatically members of the board of directors.

8.2 The members of the board of directors can be re-elected without any limitation in time.

8.3 In the event of a vacancy, the board may temporarily replace a defaulting member by another person. The next general meeting shall provide for the definitive replacement of the defaulting member. The term of office of the member(s) who is (are) elected to occupy the seat(s) which has (have) become vacant shall expire on the date on which the term of office of the elected member who is being replaced would have terminated.

#### **9. POWERS OF THE BOARD OF DIRECTORS**

9.1 The board of directors has, subject to compliance with the corporate purpose, the most extensive powers to act in the Association's name, to decide upon and carry out any transactions relating to the said purpose, in compliance with the resolutions adopted by the general meeting.

9.2 It may delegate all or part of its powers to the Association's officers or to certain of its members.

#### **10. MEETING OF THE BOARD OF DIRECTORS**

10.1 The board of directors shall meet whenever necessary and on at least two (2) occasions per year, having been convened by its chairman or at the request of at least one-half of its members, who shall draw up the agenda for the meeting.

10.2 The meetings of the board of directors may be held by conference call.

10.3 The actual presence of half the incumbent members of the board is required in order for its decisions to be valid. Decisions are taken by majority vote and each director has one vote. In the event of a split vote, the chairman shall have the casting vote.

10.4 Any member of the board of directors, who is absent or prevented from attending, shall appoint another director or another member of the Association to represent him. However, any one member can only have a maximum of two (2) proxy votes.

10.5 Any member of the board of directors who, without due cause, has not attended three (3) consecutive meetings may be deemed to have resigned from office.

10.6 The deliberations of the board are recorded in minutes, which are entered into a special register and signed by the chairman of the meeting and by the secretary general, or by the majority of those members present.

10.7 The board of directors shall select its officers by secret ballot, including:

(a) A chairman, chosen from among its members;

(b) A secretary general, who may belong to any of the various categories of members of the Association;

(c) A treasurer, who may belong to any of the various categories of members of the Association.

10.8 The board of directors, as well as the general meeting of the association, may also select a honorary president on a honorary basis.

10.9 The officers are appointed for three (3) years. They may be re-elected.

10.10 The officers shall meet whenever required by the interests of the Association, on notice served by the chairman. The officers have all the powers required in order to manage the business affairs of the Association within the limits of its corporate purpose and the framework defined by the board. Decisions are taken by majority vote and each member shall have one vote. The chairman shall have a casting vote, in the event of a split vote. The actual presence of two (2) members, including the chairman or the secretary general, is required in order for the deliberations and decisions to be valid.

## **11. DELEGATION OF POWERS**

11.1 The officers of the board of directors are, in particular, vested with the following powers:

11.1.1 The chairman directs the work of the board and ensures the running of the Association which he represents in any legal proceedings and any civil matters. If he is unable to fulfil his duties, he may delegate his powers, after notifying the board, to another member of the board.

11.1.2 The secretary general is responsible for all forms of correspondence, in particular for sending the various notices. He drafts the minutes of meetings of both the board of directors and the

general meetings and is responsible for transcribing them into the registers intended for such purpose. He keeps the special register provided for by the Act dated 1<sup>st</sup> July 1901.

11.1.3 The treasurer keeps the Association's accounts. He is assisted by any auditors. He makes any payments and receives any income, under the chairman's supervision. He keeps regular accounts, on a daily basis, of all transactions, in terms of both income and expenditure, and reports to the annual general meeting which is called to decide upon management issues.

## **12. NO REMUNERATION FOR OFFICE**

The members of the board of directors are not remunerated for their office.

# **CHAPTER IV**

## **GENERAL MEETINGS**

### **13. COMPOSITION**

The general meetings are made up of all the Association's members.

### **14. MEETING AND NOTICE - AGENDA**

14.1 The members of the Association meet at the location of the registered office or at any other location as agreed by the members, at general meetings, which are described as extraordinary when their decisions relate to an amendment of the articles of association, and ordinary in all other cases.

14.2 An ordinary general meeting is held each year before 30<sup>th</sup> June, having been convened by the chairman of the board of directors or at the request of the founding members and/or any associate members who represent at least one-quarter of the Association's members. In this latter case, notices for the meeting shall be sent within fifteen days of the date on which such requests were sent.

14.2.1 The first ordinary general meeting shall be held on the latest on 30<sup>th</sup> June, 2013.

14.2.2 The ordinary general meeting may be convened on an extraordinary basis by the board of directors, whenever it considers necessary, or at the request of the founding members and/or associate members who represent at least one-quarter of the latter.

14.3 An extraordinary general meeting is convened by the board of directors, whenever it considers necessary or, in the event of an emergency, by its chairman or alternatively by its secretary general.

14.4 Notices shall state the agenda which has been agreed upon and determined by the board of directors or by the author of the notice or request. They are served by letters or emails sent to the members at least fifteen days in advance.

14.5 The general meetings may be held by conference call.

14.6 Resolutions made by the general meeting shall only be valid, if they are included in the matters listed in the agenda.

#### **15. OFFICERS OF THE MEETING**

15.1 The general meeting is chaired by the chairman of the board of directors or, failing this, by a director who is appointed for such purpose by the board.

15.2 The duties of a secretary general are performed by the secretary general of the board of directors or, in his absence, by a member of the general meeting, appointed by the latter.

15.3 An attendance sheet is drawn up and signed by the Association's members on arrival at the meeting and is certified by the chairman and the secretary general of the meeting.

#### **16. NUMBER OF VOTES - REPRESENTATION**

Each member of the Association has one vote, apart from the benefactor members who have no vote. The founding members have a right of veto over decisions which might conflict with the purpose of the Association.

#### **17. NATURE AND POWERS OF THE MEETINGS**

General meetings which are regularly constituted represent the whole of the Association's members. Within the limits of the powers granted to them by these articles of association, the general meetings bind all the members, even those who are absent, by any decisions which they have validly made.

#### **18. ORDINARY GENERAL MEETING**

18.1 In order for its decisions to be valid, the ordinary general meeting shall include at least one-half of the Association's members, who are present or represented. If this proportion is not satisfied, the ordinary general meeting is reconvened, after an interval of fifteen days, and no quorum is then required.

18.2 The ordinary general meeting hears reports on the board's management, in particular regarding the Association's moral and financial situation. If applicable, the auditor reads its audit report into the record.

18.3 The ordinary general meeting, after deliberating and deciding upon the various reports, approves the accounts for the financial year which has just ended, adopts the budget for the following financial year and deliberates upon any other matters contained in the agenda.

18.4 The ordinary general meeting provides for the appointment or renewal of the members of the board of directors on the terms set forth in Article 8 hereof.

18.5 The ordinary general meeting may also appoint an auditor, who shall be responsible for the annual audit of the treasurer's management.

18.6 The decisions of the ordinary general meeting are taken by majority vote of those members present or represented. All deliberations are made by show of hands, or by secret ballot, if



requested by the board of directors. However, for the election of the members of the board of directors, a secret vote is mandatory pursuant to Article 8.1 hereof.

#### **19. EXTRAORDINARY GENERAL MEETING**

19.1 In order for its decisions to be valid, the extraordinary general meeting shall include at least two-thirds of the Association's members, who are present or represented. If this proportion is not satisfied, the extraordinary general meeting is reconvened, after an interval of fifteen days, and no quorum is then required.

19.2 The extraordinary general meeting decides upon those matters which are within its sole jurisdiction, namely any amendments to be made to these articles of association.

19.3 The deliberations are necessarily taken by a majority of two-thirds of those members who are present.

19.4 Voting is by show of hands, unless at least one-quarter of those members who are present or represented demand a secret ballot.

#### **20. MINUTES OF DELIBERATIONS**

20.1 The deliberations of the ordinary and extraordinary general meetings are recorded in the minutes, which are signed by the chairman and the secretary general.

20.2 Extracts or copies thereof are certified by the chairman or a director.

### **CHAPTER V**

#### **ASSOCIATION RESOURCES - ACCOUNTS**

#### **21. RESOURCES OF THE ASSOCIATION**

21.1 The Association's resources are made up as follows:

- Subscriptions and dues from its members;
- Subsidies;
- Remuneration for provision of services;
- In general, any income authorised by law.

21.2 Each member shall pay his subscription, the method of calculating and amount of which shall be determined by the board of directors, in accordance with the budget prepared for the following financial year.

**22. ACCOUNTS**

The accounts will be kept on a day-to-day basis, in accordance with the chart of accounts and common practice.

**23. AUDITOR**

23.1 If the general meeting appoints an auditor, the accounts held by the treasurer are then audited by the said auditor every year. The auditor is elected by the ordinary general meeting. He may be re-elected. He shall present the ordinary general meeting, which is called to decide upon the accounts, with a written report on his audit.

23.2 The auditor cannot hold any office on the board of directors, nor act as auditor for one of its members. No member of the Association may act as auditor of the Association.

**24. COMPANY ACCOUNTING YEAR**

The company accounting year shall commence on 1<sup>st</sup> January and shall end on 31<sup>st</sup> December of each year. As an exception to the foregoing, the first company accounting year shall cover the period running from the date of formation of the Association until 31<sup>st</sup> December 2012.

**CHAPTER VI**

**DISSOLUTION OF THE ASSOCIATION**

**25. DISSOLUTION**

Dissolution is pronounced at the request of the board of directors by an extraordinary general meeting, which has been convened especially for such purpose. The terms for convening and holding such a general meeting are set forth in Article 19 hereof.

**26. VESTING OF PROPERTY**

In the event of dissolution, the extraordinary general meeting shall appoint one or more liquidators, who shall be responsible for the liquidation of the Association's assets and shall determine the powers of the said liquidators.

## **CHAPTER VII**

### **INTERNAL RULES – ADMINISTRATIVE FORMALITIES**

#### **27. INTERNAL RULES**

The first document setting forth the internal rules of the association shall be drawn up by the founding members. Any subsequent modification will be made by the board of directors. In any case, the internal rules of the association shall be submitted for the approval of the general meeting.

The said internal rules are intended to deal with various matters, whether or not provided for herein, in particular those matters relating to the internal running of the Association.

#### **28. ADMINISTRATIVE FORMALITIES**

The chairman of the board of directors shall effect any procedural formalities regarding any declarations or public notices required by the Act dated 1<sup>st</sup> July 1901 and by the Decree dated 16 August 1901, both at the time of the Association's formation and during its subsequent existence.

Executed in Paris

On January 27<sup>th</sup>, 2012