

STATUTES

JOINT PROGRAMMING INITIATIVE ON HEALTHY AND PRODUCTIVE SEAS AND OCEANS AISBL

TITLE I - FORM - DENOMINATION - REGISTERED OFFICE - PURPOSE - TERM

1. FORM AND DENOMINATION

- 1.1 The association is incorporated as an international nonprofit association (*association internationale sans but lucratif* or abbreviated *AISBL*) under the name "Joint Programming Initiative on Healthy and Productive Seas and Oceans", abbreviated "JPI Oceans" (hereinafter, the "**Association**"), in accordance with the Belgian Act of 27 June 1921 on the nonprofit associations, the international nonprofit associations and the foundations, as amended from time to time, first published in the Belgian State Gazette of 1 July 1921 (hereinafter, the "**Act**").
- 1.2 All instruments, invoices, announcements, publications and other documents produced by the Association shall mention the name of the Association and this name shall always be preceded or followed by the words "*association internationale sans but lucratif*" or the abbreviation "*AISBL*" and indicate the registered office of the Association.

2. REGISTERED OFFICE

- 2.1 The Association's registered office is located at Rue du Trône 130, 1050 Brussels, Belgium.
- 2.2 The Director with agreement of the Management Board, may transfer the Association's registered office to any other location in the Brussels Capital Region, Belgium. This decision constitutes an amendment to the Statutes. The Director shall publish any change to the address of the Association's registered office in the Annexes to the Belgian State Gazette. Any other transfer of the Association's registered office should be decided on by the Management Board.
- 2.3 The Management Board is authorized to set up administrative offices and branches both in Belgium and abroad.

3. PURPOSE

- 3.1 The purpose of the Association, in line with its agreed vision to address the grand challenges of oceans and seas, is to act as a strategic platform to provide a long-term approach to marine and maritime research and technology development in Europe. Furthermore, by aligning national priorities and public investments, agreeing common priorities, knowledge sharing and coordination and through the implementation of joint actions, the Association will add to the value and impact of national research and innovation investments on behalf of its Members. The Association is furthermore to act as an interface between European and international activities at global and regional levels whenever relevant. It is the Association's mission to act and to carry out its activities in the collective interest of the Members.

- 3.2 In order to achieve the Association's objectives, the Association shall carry out the following activities:
- a) Promote policy alignment to secure an integrated and cross-sectoral approach to reach the objectives;
 - b) Promote alignment of national and transnational research activities and research investments, including through the use of EU funding instruments;
 - c) Plan and implement common and flexible initiatives using fit for purpose tools as well as testing out new tools, taking account of the principle of variable geometry, understood as the possibility of some Members to participate in certain joint actions while allowing others to participate in other actions;
 - d) Undertake activities at global and regional sea basin levels whenever relevant;
 - e) Undertake horizon scanning when relevant relating to the overall objectives or on specific topics.
- 3.3 The Association can also take any interest in a legal entity if this would further the achievement of the abovementioned non-profit objectives.
- 3.4 In addition, the Association may carry out all activities, both in Belgium and abroad, which directly or indirectly further or promote the achievement of the abovementioned non-profit objectives, including secondary commercial and profitable activities within the boundaries of what is legally accepted and of which the profits shall always be fully reserved for the realization of the non-profit objectives.

4. TERM

The Association is incorporated for an unlimited term.

TITLE II - MEMBERSHIP

5. MEMBERSHIP

- 5.1 The Association should have at least two members (the "**Members**").
- 5.2 An up-to-date list of the Members shall be available at the registered office and on the website of the Association.

6. ADMISSION

- 6.1 Membership to the Association is open to sovereign states supporting the purpose of the Association (or one legal entity designated, mandated or authorised by such state to become a Member and act as its substitute), which:
- a. are members of the European Economic Area (EEA), or
 - b. which were/are a member of the JPI Oceans Initiative and which are not a member of the EEA; or
 - c. other sovereign states, upon invitation of the Management Board.
- 6.2 Membership as defined in Article 6.1a and 6.1b is subject to positively concluding the admission procedure set out in Article 6.3. Membership as defined in Article 6.1c is subject to positively concluding the admission procedure set out in Article 6.4.
- 6.3 Sovereign states (or one legal entity designated, mandated or authorised as its substitute) (i) which are a member of the EEA or (ii) which were/are a member of the JPI Oceans Initiative and which are not a member of the EEA, should direct their written application to the Director, by following the procedure set forth on the website of the Association and in the Operational Procedures. The Director implements the application procedure to be followed and the formalities which must be complied with. If no procedure has been set forth on the website and the Operational Procedures, the written application shall be made directly to the Director, indicating all identification details of the candidate-Member. Such a letter should be signed by an authorised representative of the candidate-Member, and in case of a legal entity designated, mandated or authorised by such sovereign state, it should include a letter duly signed by a representative of the sovereign state wherein the legal entity is designated, mandated or authorised to become a Member as its substitute. The Director may request at any time additional information necessary for reviewing such application. Upon receipt of all required information, the Director shall confirm the admission as a Member to such sovereign state or legal entity, as the case may be, in writing.
- 6.4 Membership to other sovereign states (or one legal entity designated, mandated or authorised as its substitute) which are not a member of the EEA and not a member of the JPI Oceans Initiative, can only be granted upon an invitation by the Management Board of the Association, taken by a unanimous decision of all Members and written acceptance of that invitation by such a sovereign state or legal entity, as the case may be. If a decision needs to be taken on the admission of a candidate-Member, the Management Board can decide to extend the time period during which the votes should be issued by the Members that were not present or represented at the meeting (and had not yet issued their vote in any other way) until after the relevant Management Board meeting in order to allow all Members to be able to vote on this subject. The Management Board may also make the invitation subject to certain additional specific conditions (taken by unanimous decision of all Members) that should be met by the candidate-Member. As soon as possible after the decision of the Management Board to invite a candidate-Member, the Director shall send the official invitation to join the Association to the candidate-Member. Upon receipt by the Director of the acceptance letter, signed by an authorized representative of the candidate-Member, the candidate-Member shall become a Member.

- 6.5 The Operational Procedures may further establish the practical procedure for the invitation of new Members and the information to be provided by the new Members to the Association.

7. WITHDRAWAL

- 7.1 A Member can withdraw as member from the Association by sending a registered letter to the Director, signed by a duly authorized representative. The withdrawal shall take effect at 1 January of the following year. Any rights of the member shall be automatically withdrawn as from the effective date of the withdrawal.
- 7.2 The withdrawing Member may not claim reimbursement of any membership fee and remains liable for the payment of any due and unpaid membership fee in accordance with Article 10. The withdrawing Member who notifies the Director of its intention to withdraw before the Annual Meeting, must pay the full membership fee for the relevant year in which the relevant Annual Meeting has been held. Members who inform the Director of their intention to withdraw after the Annual Meeting but before 1 January of the subsequent year, must pay the full membership fee for both the year in which the relevant Annual Meeting has been held and the subsequent year.

8. SUSPENSION AND TERMINATION OF THE MEMBERSHIP

- 8.1 The membership of any Member may be suspended upon a decision of the Management Board taken by a unanimous decision of all Members (except the Member for which the suspension of membership is proposed) on grounds of non-payment of the annual membership fee. Such suspension shall take immediate effect as from the decision of the Management Board. In case of a suspension of the membership, all rights of the Member in the Association (including those in any bodies or committees of the Association) will be suspended. The suspension of its membership shall automatically end upon payment of the annual membership fee.
- 8.2 If the suspension lasts more than three (3) years following the decision of the Management Board or if the Member has taken actions or implemented decisions which have a severe and recurring impact on its participation in the Association or on the functioning or the activities of the Association, that Member may be excluded from the Association by means of a decision of the Management Board taken by a unanimous vote of all Members (except the Member for which the termination of membership is proposed). Such termination shall take immediate effect as from the decision of the Management Board.
- 8.3 The Member for which the suspension or termination of membership is proposed shall not be counted in relation to meeting the attendance and voting quorums for the meeting of the Management Board who should decide thereon and shall have no right to vote thereon; such Member has the right to be heard at the meeting of the Management Board deciding on such matter.
- 8.4 The suspension or exclusion does not affect the outstanding obligations of the suspended or excluded Member towards the Association as per the effective date of the suspension respectively exclusion and does not give right to any repayment of any paid membership fee.

TITLE IV – ASSOCIATE PARTNERS

9. ASSOCIATE PARTNERS

- 9.1 Entities who are eligible for membership of the Association as set out in Article 6.1, may become an associate partner of the Association (together the “**Associate Partners**” and each an “**Associate Partner**”).
- 9.2 Entities who wish to become an Associate Partner should positively conclude the procedures as set out in Article 6.3 or Article 6.4, as the case may be, which apply *mutatis mutandis*, taking into account however that such entities shall only become an Associate Partner and be entitled to the rights and obligations of an Associate Partner, upon determination of the annual fee to be paid by the Associate Partner by the Management Board upon their admission as an Associate Partner.
- 9.3 For any subsequent years after the first year of admission, the annual fee to be paid by each Associate Partner shall be determined on an annual basis by the Management Board. The decision on the annual fee shall be taken in accordance with the quora set out in Article 10.1. Articles 10.3, 10.4 and 10.5 apply *mutatis mutandis*. If the Associate Partner would not agree with the determined annual fee and if such fee is at least 15% higher than the annual fee of the previous year, it is able to withdraw from the Association as an Associate Partner for such reason by following the procedure set out in Article 7. In such case, it shall however not be liable, if it would withdraw after the Annual Meeting but before 1 January of the subsequent year, for payment of the annual fee of the subsequent year.
- 9.4 Articles 7 (Withdrawal) and 8 (suspension and termination of the membership) apply *mutatis mutandis* to Associate Partners.
- 9.5 Associate Partners have the right to be convened to, and to attend the meetings of the Management Board. The Associate Partners do not have voting right but have the right to be heard in such meeting on the items on the agenda. Articles 12.2, 12.3, 15.1, 15.5, 15.10, 15.11, 19.2, 28.3 and 32.2 apply *mutatis mutandis* to the Associate Partners for their representation in and convocation to the meeting of Management Board and receipt of the minutes of such meetings. The Associate Partners are allowed to take part in the activities of the Association as shall be further determined in the Operational Procedures.

TITLE III - MEMBERSHIP FEE – LIABILITY

10. MEMBERSHIP FEE

- 10.1 The objective criteria and ratio for the determination of the annual membership fee to be paid by the Members shall be adopted by the Management Board taken with a three quarters majority of votes cast at the meeting. For the remainder, the rules as set forth in Article 17.1 shall be applicable to such decision.

- 10.2 The annual membership fee to be paid by each Member shall be calculated by the Director by applying the criteria and ratio mentioned in Article 10.1 to the part of the annual budget that should come from membership fee resources as approved by the Management Board.
- 10.3 The annual membership fee with respect to a certain financial year is due as from the 1st of January of such financial year and should be paid within the period of time as determined by the Director. The request for payment of the annual membership fee for a given financial year shall be made in the first quarter of that year.
- 10.4 The Members have no other financial obligations than payment of the annual membership fee as determined in accordance with these Statutes.
- 10.5 Upon admission of a new Member in a certain financial year, such member should pay the full annual membership fee for the year in which they join the Association. The Director shall make the request for payment as soon as possible after the admission.

11. LIABILITY AND ACCESS RIGHTS

- 11.1 The Members are not personally liable for the liabilities and obligations of the Association.
- 11.2 The Members, in their capacity of member of the Association, have no right whatsoever to the assets of the Association, whether before, after or during their membership.
- 11.3 Each of the Members is allowed to access books, records and working documents and any other documents of the Association.

TITLE IV - MANAGEMENT BOARD

12. COMPOSITION

- 12.1 The Management Board is composed of the Members, which are duly represented in accordance with Article 12.2. Each Member has one vote in the Management Board, to be expressed by one of its Representatives. If there are several Representatives for one Member, one of the Representatives should express the vote on behalf of such Member (as determined among themselves) and in case of conflict among the Representatives, the Management Board may consider that the Member has not voted.
- 12.2 Each Member should appoint at least one natural person and may appoint up to a maximum of four natural persons (two permanent representatives and two alternates) (the "**Representative(s)**") who may attend and represent the Member at the meeting of the Management Board. If all the Representatives are unable to attend a meeting, a substitute may be appointed by the Member for such specific meeting by means of a power of attorney to be sent by letter, fax or e-mail to the Director, duly signed or sent by one of Representatives, at least two (2) days prior to such meeting of the Management Board.

- 12.3 The identity of the Representatives should be notified by the Member to the Director by means of a letter duly signed by the Member's authorized representative(s) upon its admission as a Member. Any replacement of a Representative or additional appointment of a Representative should be notified as set forth above to the Director. If no such notification is received, the Representative(s) shall remain in place respectively not be allowed to participate in the Management Board meetings until such time as the Director is otherwise notified by the Member.
- 12.4 The Management Board may decide to allow observers and experts to the meetings of the Management Board, and may determine the procedure for such invitations in the Operational Procedures. Observers and experts shall not have voting rights at the Management Board.
- 12.5 A chair (the "**Chair**") and two vice-chairs (each a "**Vice-Chair**") of the Management Board shall be appointed among the Representatives of the Members for a term of three years, one time renewable for a term of two years, by means of a decision of the Management Board taken by means of the special voting and decision quora as set forth in Article 17.1. Upon appointment of one of the Representatives as Chair or Vice-Chair of the Management Board, another Representative (if any) of the relevant Member shall by preference cast the vote on behalf of such Member. For the avoidance of doubt, the Chair and Vice-Chairs do not have a casting vote in the Management Board. The Operational Procedures may determine the procedure to be followed for the candidacy.

13. POWERS AND COMPETENCES

- 13.1 The Management Board (*l'organe général de direction*) has the powers defined in these Statutes and has all powers to perform any acts necessary or useful to realise the Association's purpose. It has any and all powers which have not been attributed to another body of the Association.
- 13.2 Except for the matters listed below (unless indicated otherwise in these Statutes), the Management Board is authorized to delegate any part of its powers to the Director or any other person or committee or body that has been set up (by means of the same quorum for the matter that is being delegated):
- approval of the annual accounts and the budget of the Association;
 - amendments to the Statutes;
 - admission, suspension of the membership and exclusion of a Member;
 - appointment and dismissal of the Director and determination of its remuneration;
 - appointment and dismissal of the statutory auditor and determination of its remuneration;
 - granting discharge to the Director and statutory auditor, if any;
 - dissolution of the Association and any relating decisions thereto;
 - take any interest in a legal entity if this would further the achievement of the abovementioned non-profit objectives;
 - the creation, suspension and termination of committees and the composition, the powers and procedure of such committees and any internal regulations for such committees.

- 13.3 The Management Board may adopt internal regulations which do not conflict with these Statutes in order to ensure the proper functioning and administration of the Association (the "**Operational Procedures**").

14. MEETINGS

- 14.1 At least one meeting of the Management Board should be held in each financial year at the registered office of the Association or any other place determined by the Management Board (the "**Annual Meeting**"). In the Annual Meeting, the Management Board shall in any case approve the annual accounts and vote on the discharge of liability of the Director and the statutory auditor, if any, with respect to the past financial year and shall approve the budget as drawn up for the next financial year. The budget may however also be approved in a special meeting of the Management Board.
- 14.2 Special meetings of the Management Board (each a "**Special Meeting**") can also be held upon decision by the Management Board or the Director in the interest of the Association, and should be held and convened by the Director upon the request of the Chair or one third of the Members.
- 14.3 Resolutions passed at the Management Board shall be binding on all Members, including those absent or dissenting.

15. ORGANISATION AND CONDUCT OF MEETINGS

- a) Meeting held in person

- 15.1 The Management Board or Director determines the date and place of each Management Board meeting held in person. An invitation is sent accordingly to the Members' Representatives by fax, e-mail, letter or any other written means by the Director no later than thirty (30) days prior to the date of the meeting, together with a draft agenda. Any Member may request to add an item to the agenda up to twenty (20) days before the meeting by informing the Director by e-mail with read-receipt. The Director circulates an accordingly amended agenda to all addressees of the invitation letter in the same manner as the invitation letter at the latest fifteen (15) days before the meeting.
- 15.2 In exceptional circumstances and only in matters of urgency duly justified, the meeting can be convened by no less than fourteen (14) days prior to the meeting. In such case, items on the agenda can be added up to seven (7) days prior to the meeting and the new agenda shall be circulated at the latest four (4) days prior to the meeting.
- 15.3 Approval for the agenda of a meeting is sought by the Chair from the Management Board as a first point of business in a given meeting. Items on the agenda can be deleted or carried over to a subsequent meeting by means of a decision of the Management Board taken with the majority as set out in Article 16.

- 15.4 No resolution can be taken on an item which was not mentioned on the agenda, unless all Members are attending or are represented at the meeting and resolve to include this item on the agenda by unanimous vote.
- 15.5 If a Member cannot be present at a meeting of the Management Board in person, it may participate through phone and/or video conference, unless the notice for the meeting has provided explicitly that this is not admissible for such meeting.
- 15.6 Attendance of a Member is confirmed as soon as one of its Representatives or a substitute as referred to in Article 12.2 is present at the meeting (whether in person or by phone and/or video conference as set out in Article 15.5 or by virtue of issuing their vote via a remote procedure as set out in Article 15.7).
- 15.7 Voting can take place by show of hands, roll call, by ballot or *via* a remote voting procedure (e.g. by letter or online) as set out in the Operational Procedures, and can be held secret at the request of two thirds of the Members present or represented at the Management Board. Decisions by the Management Board in relation to the election of Chair and Vice-Chairs shall always be taken by secret ballot. The Management Board can allow any other means for voting in the Operational Procedures and shall in such case establish the procedures for that.
- 15.8 Blank or mutilated ballots shall not be taken into account for meeting any approval quorum (but are for the avoidance of doubt taken into account for the attendance quorum).
- b) Meeting held in writing
- 15.9 In exceptional cases, where circumstances do not allow for a meeting to be held in person, the meeting can be held in writing. This procedure can however not be followed for the Annual Meeting.
- 15.10 When the meeting of the Management Board shall be held in writing, the proposed resolutions shall be sent by the Director to all Members by fax, e-mail, letter or any other written means at the contact details as provided by the addressee to the Director. The Members must vote in writing on the proposed resolutions and should send their vote back to the Director by virtue of the procedure as set forth in the invitation, before or at the latest on the date on which the voting procedure will be closed as set forth in the invitation, which date is determined by Director and which shall be considered to be the date of the meeting (whereon the resolutions have been adopted). The Members should get at least twenty (20) days to issue and submit their vote.
- 15.11 The outcome and minutes of the meeting held in writing shall be notified by the Director as soon as possible and at the latest within seven (7) days after closure of the voting procedure.

16. VOTING AND QUORUM REQUIREMENTS

- a) Meeting held in person

- 16.1 Except as otherwise provided for in these Statutes, for a meeting of the Management Board held in person to deliberate validly, at least the simple majority (i.e. 50% plus 1) of the Members must be present or represented.
- 16.2 Except as otherwise provided for in these Statutes, if the first meeting fails to obtain the attendance quorum, the meeting shall be postponed and a new meeting shall be convened. This meeting can validly deliberate regardless of the number of Members present or represented.
- 16.3 With respect to all decisions (except for the appointment of the Chair and Vice-Chairs), the Chair will first endeavour to achieve a consensus position. If consensus is not possible, the Chair will move to resolve the issue by voting.
- 16.4 Except as otherwise provided for in these Statutes, the resolutions shall be adopted by the Management Board by a simple majority of the votes cast.
- 16.5 The Operating Procedures may establish a procedure for dealing with any conflicts of interest expressed by a member of the Management Board.
- b) Meeting held in writing
- 16.6 Except as otherwise provided for in these Statutes, for a meeting of the Management Board held in writing to deliberate validly, at least the majority (i.e. 50% plus 1) of the Members must issue and submit their vote in due time in accordance with Article 15.10. When this quorum is not met, a meeting may be held in person thereafter.
- 16.7 Except as otherwise provided for in these Statutes, the proposed resolutions shall be adopted by the meeting of the Management Board held in writing by a majority of votes cast.

17. SPECIAL VOTING AND QUORUM REQUIREMENTS

- 17.1 Without prejudice to any other special voting and quora set out in these Statutes, decisions regarding the amendments of the Statutes or the decision to dissolve the Association and allocation of the assets need the special quora and majority as mentioned hereinafter. To deliberate validly, at least two third of the Members must be present or represented or having issued their vote in due time in accordance with Article 15.10. If the first meeting fails to obtain the attendance quorum, the meeting shall be postponed and a new meeting shall be convened in accordance with Article 15.1. This meeting can validly deliberate regardless of the number of Members present or represented. The resolutions shall be adopted by the meeting of the Management Board by a two third majority of votes cast.
- 17.2 Amendment of any Article of these Statutes wherein it is mentioned that a unanimous decision of all the Members is required for a certain decision, can only be amended by a unanimous decision of the Members.
- 17.3 Amendment of the purpose and the activities of the Association shall only be effective after approval by a Royal Decree in accordance with Article 50, §3 of the Act.

17.4 Amendments to the powers, the procedure of convocation and the decision-making of the Management Board, the conditions on which the members are informed of its decisions, the conditions for making amendments to the Statutes, the dissolution and liquidation of the Association and the allocation of the assets of the Association, must be executed before a Belgian notary in accordance with Article 50, §3 of the Act.

18. PRESIDING COMMITTEE

18.1 The meeting shall be chaired by (i) the Chair or (ii) the most senior Vice-Chair in terms of appointment as Representative in the absence of the Chair, or, (iii) in the absence of all of them, by the Director.

18.2 The Director shall act as the secretary at the meetings of the Management Board. The Director can appoint an assistant to prepare the minutes. In case of the Director's absence or if the Director takes up the mandate of Chair as set out in Article 18.1, the meeting shall appoint a substitute secretary for that specific meeting.

19. MINUTES

19.1 The draft minutes of the meeting of the Management Board will be prepared by the Director or the substitute-secretary.

19.2 The draft minutes shall be sent by the Director to the Members no later than fourteen (14) days after the end of each meeting. Comments of the Members need to be forwarded to the Director within ten (10) days of receipt of the draft minutes, with a copy to each Member. The minutes shall be finalized and made available to Members thirty (30) days after the meeting of the Management Board including answers to questions and exchanges of comments. The draft minutes shall be presented to the next Management Board meeting for final approval (whether held in person or in writing). After final approval by the Management Board, the minutes will be distributed by the Director to the Members within seven (7) days.

19.3 The above procedure does not prejudice, however, the validity of any decisions that were taken at such meeting and the fact that such decisions can be executed as from the moment they were taken. Where formal decisions have been taken that need to be published in the Belgian State Gazette, or for which a signed copy of the minutes is required, the Director can seek approval of the Members by e-mail within fourteen (14) days of the date of the meeting of the Management Board.

19.4 The minutes shall be signed by the person(s) who chaired the meeting and the Director or the substitute-secretary and be kept at the registered office of the Association. Copies or extracts produced for legal or other purposes shall be signed by the Director.

TITLE V - DIRECTOR

20. APPOINTMENT

- 20.1 The Association shall be managed by one (1) natural person or legal entity (the "**Director**"), to be appointed by the Management Board.
- 20.2 The Director shall be appointed by the Management Board for a renewable term of office as will be decided by the Management Board.
- 20.3 The Management Board may suspend or dismiss the Director at any time.
- 20.4 The Director can also resign at any time by sending a registered letter to the Chair. His/her resignation shall however only be effective as from the first meeting of the Management Board that would be held after his/her resignation. The office of Director also takes an end upon death.
- 20.5 In case of death of the Director, or if no replacer would be appointed by the Management Board, the function of Director shall be taken up by (i) the Chair or if there is no Chair, the most senior Vice-Chair in terms of appointment as Representative, or (ii) a person delegated to such position by the Chair, or if there is no Chair, the most senior Vice-Chair in terms of appointment as Representative, until a replacer has been appointed by the Management Board.
- 20.6 The Management Board can determine in the Operational Procedures the procedure to select and appoint the Director and who shall be selected in case there are multiple candidates for one position.
- 20.7 The remuneration of the Director shall be decided by the Management Board or a committee delegated with such task.

21. POWERS AND COMPETENCES

- 21.1 The Director is the governing body (*l'organe d'administration*) and has (i) the powers attributed to the Director as set out in these Statutes and (ii) any other powers delegated by the Management Board.
- 21.2 If the Management Board would delegate part of its powers to the Director, it shall publish such list of delegated powers in the Annexes to the Belgian State Gazette. Any delegation by the Management Board to the Director includes the power to sub-delegate such powers to other persons, while the Director remains responsible for sub-delegated actions.
- 21.3 The Director may delegate any part of its powers for a particular or specified purpose or for a limited period of time to any other person. The Chair of the Management Board should be informed of any such delegation.
- 21.4 If the Director has a personal pecuniary interest, be it direct or indirect, that conflicts with the Association's interest with respect to a transaction, several transactions or a decision to be taken by the Director, the Director shall inform the Management Board of its conflict of interest before the decision-making on that item. In such case, the Management Board shall need to take the decision thereon and appoint a special attorney-in-fact to enter into such transaction (which can be the Director or another person).

21.5 The Management Board may decide in the Operational Procedures that an internal advisory committee will be established that shall act as an advisory committee to the Director and may establish procedures pursuant to which an advice of the advisory committee should be sought by the Director prior to undertaking the acts as specified by the Management Board on behalf of the Association.

22. REPRESENTATION

22.1 The Association shall be represented with respect to all acts, including legal proceedings, by the Director acting solely.

22.2 The Association can also be validly represented by special proxy holders, acting within the limits of their authority.

TITLE VI - COMMITTEES

23. COMMITTEES

23.1 The Management Board is authorized to create an advisory committee as set out in Article 21.5 or any other advisory committee and any other committees it deems appropriate within the Association and may decide on general guidelines on the composition, the powers, remuneration as the case may be, and procedure of such committees in the Operational Procedures. Those committees may be created for any purpose the Management Board deems appropriate and may be open to any person, whether linked to the Association or not, depending on the decision of the Management Board.

TITLE VII - AUDIT

24. AUDIT

24.1 If so required by law, supervision of the Association's financial situation, annual accounts and the regularity of the transactions mentioned therein, shall be entrusted to one or more statutory auditors ("commissaires") appointed by the Management Board from amongst the members of the Institute of Company Auditors ("Institut des Réviseurs d'Entreprises").

24.2 The Management Board shall determine the number of statutory auditors, if any, and their remuneration.

25. DUTIES OF THE STATUTORY AUDITORS

25.1 The statutory auditor(s), jointly or severally, shall have an unlimited right to inspect and audit all transactions of the Association. They may inspect the books, correspondence, minutes and, in general, all other documents and papers of the Association at the latter's premises.

- 25.2 The statutory auditor shall provide the Director with a report on the annual accounts, which shall be provided by the Director to the Management Board deliberating on the approval of the relevant annual accounts.

TITLE VIII – BOOKKEEPING - ANNUAL ACCOUNTS

26. BOOKKEEPING

- 26.1 The financial year shall begin on 1 January and close on 31 December of each year.
- 26.2 The bookkeeping that shall be managed by the Director, shall be in accordance with Article 53 of the Act.
- 26.3 The Director shall draw up each year the budget for the next financial year, and shall prepare the annual accounts after the end of each financial year.

27. APPROVAL OF THE ANNUAL ACCOUNTS

- 27.1 The annual accounts, the budget and, if need be, the report of the statutory auditor(s) shall be presented to the Management Board called to approve the annual accounts and the budget.
- 27.2 After approval of the annual accounts, the Management Board shall take a special vote on the release from liability of the Director and, if any, the statutory auditor(s). Such a discharge shall only be valid if the balance sheet contains no omissions or misinformation that distorts the Association's real situation and if the Director and/or statutory auditor(s) have not engaged in any violations of the Act or ultra vires acts, unless such acts are specifically mentioned in the agenda of the meeting.
- 27.3 The Director shall file the annual accounts after the approval of the Management Board with the clerk's office of the competent commercial court.

28. FUNDING

- 28.1 The Association will be funded primarily by membership fees and/or Associate Partners' fees, but can also be funded by other means such as subsidies, contributions, gifts, loans, sponsoring and own revenues. The Association can obtain funds by any means not contrary to the law, on agreement of the Management Board and in accordance with the Operational Procedures.
- 28.2 In case of a gift (with the exclusion of a manual gift (*don manuel*)), authorization of the Minister of Justice or its representative may be required in accordance with Article 54 of the Act.
- 28.3 Any expenses associated with a Representative's attendance and participation to the Management Board (or to any committee or other body of the Association) shall be borne by the Member itself and not by the Association.

TITLE IX - DISSOLUTION - LIQUIDATION

29. VOLUNTARY DISSOLUTION

29.1 The Association can only be dissolved by a decision of the Management Board in accordance with the special quorum-procedure as set forth in Article 17. After the decision to dissolve the Association, the Association should indicate on all documents prepared and sent by it that it is “in liquidation”.

30. LIQUIDATION

30.1 In the event of liquidation at any time and for whatsoever reason, liquidation shall be carried out by the liquidator(s) appointed by the Management Board or, failing such appointment, by the Director. The Management Board can replace the liquidator(s) at any time.

30.2 The Management Board shall determine the extent of the liquidator’s powers and shall determine its remuneration.

31. ALLOCATION OF ASSETS

31.1 After settling all debts, liabilities and liquidation costs, the balance shall be attributed to an altruistic purpose as determined by the Management Board at the moment it decides to dissolve the Association or at any later moment. The same quorum rules as applicable to the decision to dissolve the Association shall apply to this decision.

TITLE X - GENERAL PROVISIONS

32. ADDRESS FOR SERVICE

32.1 The Director and liquidator(s) residing abroad shall, for the duration of their term of office, elect domicile at the Association’s registered office, where all summonses and notices with respect to the Association’s activities and their professional liability may be validly served, with the exception of notices of meetings in accordance with these Articles of Association.

32.2 The Members of the Association must notify the Director of any change of address or other data (such as e-mail address, fax number, telephone number). If they fail to do so, they shall be deemed to reside at their prior address and deemed to be validly convened at the prior numbers or e-mail addresses.

33. LANGUAGE

33.1 The official language of the Association is French.

- 33.2 The operating language of the Association shall be English. In case decisions or documents of the Association need to be published in the Belgian State Gazette, filed with the clerk's office of the commercial court or made public in any other way, the Director shall have the authority to make a French exact translation of the relevant decisions or documents for the purpose of the administrative formalities. (Internally in the Association, the English text shall prevail. Towards third parties however, the text published in the Annexes to the Belgian State Gazette shall prevail in accordance with applicable law.)

34. DISPUTES

- 34.1 If any disputes arises between the Association and its Members or Associate Partners concerning the Association's activities and the execution of these Statutes, such disputes shall be submitted for advice to the Management Board who shall issue such advice by a simple majority. The parties shall reasonably try to deal with / settle the dispute in mutual consent.
- 34.2 The courts of the judicial district in which the Association's registered office is located shall have exclusive jurisdiction to hear any disputes that may arise between the Association, its Members, Associate Partners, Directors, members of any other installed committees, auditors and liquidators concerning the Association's activities and the execution of these Statutes.

35. MISCELLANEOUS

- 35.1 For any matter that has not been dealt with in these Statutes, the applicable provisions of the Act, as amended from time to time, shall apply.
- 35.2 Any reference to a day in these Statutes shall refer to a calendar day.