

Constitution
of the

VIRTUAL PHYSIOLOGICAL HUMAN INSTITUTE
(VPH Institute)

NON-PROFIT ORGANIZATION

(Version of October 2010)

This text is an English translation of the Flemish text that has been used for the official incorporation of the VPH INSTITUTE as a non-profit organization according to the Belgian law of June 27, 1921.

Preamble

“One Life, One Knowledge: Technology To Integrate”

In spite of the human need to reduce to parts in order to understand, life is the result of an intricate systemic interaction between very many processes occurring at radically different spatial and temporal scales. Every day worldwide biomedical research and clinical practice produce a huge amount of information on such processes. But this information is highly fragmented, and its integration is largely left to the human actors, who find this more and more difficult as the breadth and depth of information available increases exponentially. We need to develop a new approach, which makes possible the integration of information, and simplifies its transformation into integrated knowledge.

The Virtual Physiological Human (VPH) is a framework of methods and technologies that once fully established will make possible the investigation of the human body as a whole.

The mission of the VPH Institute is to ensure that the Virtual Physiological Human is fully realised, universally adopted, and effectively used both in research and clinic.

The vision of the VPH Institute for the first five years is to realise the VPH to the largest possible extent. To achieve this objective the VPH institute will work to:

- Ensure that VPH-related research receives all over the world an adequate level of funding;
- Ensure that of this funded research contribute with a high degree of synergy to the realisation of the VPH.

In the next ten years the priority is to make sure that the VPH framework is:

- Universally adopted;
- Deployed into research and clinical settings so as to produce the highest possible benefits.

In practice all these objectives will have to be pursued simultaneously, although over time the focus of the Institute will probably move from the promotion and the coordination of research and development more toward dissemination, training and re-training, and outreach.

The undersigned, mentioned at the bottom of the present articles of association, declare to found a non profit organization under Title I of the Belgian law of June 27, 1921 on non profit organizations, international non profit organizations and foundations.

Article 1: Name of the organisation

Herewith a non-profit organization is founded that will be known as “Virtual Physiological Human (VPH) Institute for Integrative Biomedical Research”, in short *VPH Institute*.

The organization falls under the definitions of title I of the Belgian Law of 27 June 1921 concerning non-profit organizations, international non-profit organizations and foundations (articles 1 through 26*novies*).

The name of the organization should figure on all deeds, invoices, announcements, publications, letters, orders and other documents issued by the organization, and should immediately be preceded or followed by the words “non profit organization” or by its abbreviation “NPO”, as well as the exact designation of the registered office of the organization.

Article 2: Registered office of the organisation

The organization has its registered office at Celestijnenlaan 200A, 3001 Heverlee, Belgium, in the legal district of Leuven.

The main office may be transferred to any other place in Belgium under the decision of the General Assembly of VPH Institute; the decision and new address must be published in the annexes of the Belgian State Gazette.

Article 3: Purpose of the organisation

The VPH Institute promotes, supports, and pursues not-for-profit scientific research and development on integrative biomedicine and related topics. It sustains the synergistic coordination of all members’ efforts as well as those of the wider scientific, medical, industrial and institutional community toward the common goal of developing, testing and implementing integrative biomedical science and technology-facilitated applications.

It is part of the specific objectives and activities which contribute to the accomplishment of the VPH Institute’s purpose:

- Establish a think-tank to advise and support governmental and non-governmental institutions on research & technology development programmes and initiatives on integrative biomedicine and related topics.
- Conduct or participate in studies to assess the status, the level of adoption, and the impact of integrative methods and technologies, and in any other studies, research or implementation projects to advance integrative biomedicine and related topics.
- Provide a single voice for all its members and the wider scientific, medical, industrial and institutional community that can contribute to sustain the development, assessment and deployment of the integrative biomedicine vision.
- Support standardisation processes to ensure interoperability of integrative technologies and the integration of data, information, knowledge, and understanding captured in digital format.
- Provide platforms for the exchange of ideas, challenges, solutions and experience between the health-care industry, health-service providers and founders, and researchers.

- Foster and participate in the collaborative development, assessment, deployment, and maintenance of tools, services, and methods for biomedical integrative research and clinical practice.
- Manage, directly or through its member organisations, shared infrastructures to support the integrative approach in research and clinical practice.
- Organise actions for lobbying and public information around the concept of integrative biomedicine.

Article 4: Members

Conditions for membership

The VPH Institute counts at least five members.

The VPH Institute membership is open to any organisation that is legally established and whose legal status, articles of association and activities are supportive of the purpose of the VPH institute, as defined in article 3 and not in conflict with the principles of ethics defined in:

- the “Charter of Fundamental Rights of the European Union” (Nice, 2000);
- the “Convention of the Council of Europe on Human Rights and Biomedicine” (Oviedo, 1997);
- the “Declaration of Helsinki: Recommendation For Conduct of Clinical Research” (Helsinki, 1964; revised last in Hong Kong, 1989).

Membership categories

General Members have one representative to attend the General Assemblies, and have all the rights and obligations reserved to the members according to the Belgian law of June 27, 1921. General members are expected to pay the annual general membership fee, that is established every year by the Board of Directors.

Supporting Members have all the rights of the General Members. In addition, they have the right to present candidates for the election of the board of directors, whose members must be selected amongst the presented candidates. Supporting members pay the annual membership fee and are expected to pay one or more annual financial support quotas that are established every year by the Board of Directors. Each quote grants one vote extra for the election of the Board of Directors. No supporting member is allowed to buy more than 25% of the annual support quotas.

The Board of Directors can create additional categories of membership as the need arises.

Rules for admission

Membership applications shall be submitted to the Board of Directors that will evaluate them according to these articles of association and the internal regulations of the VPH Institute. If the Board of Directors approves the application the applicant institution will be asked to pay the membership fee. Upon such payment the applicant institution will receive an un-ratified membership status; this status, which entitles all benefits and duties of General Members, will last until the decision of the Board of Directors is ratified by the following General Assembly.

Appointment of the representative

If the membership application is accepted, each General Member organisation and each Supporting Member organisation must appoint a representative who will act also as primary contact person in every communication between the VPH institute and that member organisation. In order to ensure continuity these appointments have duration of three (3) years with the following exceptions:

- The person appointed as representative voluntarily resigns from the position;
- The person appointed as representative is incapable of absolve his/her duties of representation;
- The membership of the represented organisation is suspended;
- The represented organisation resigned from the VPH Institute;
- The represented organisation is excluded from the VPH Institute.

Member organisations can request their representative to be changed before the indicated term only if there are circumstantiated conditions.

Rules for exclusion and resignation

Resignation

Any member may withdraw from the VPH Institute after fulfilling all obligations to it, in particular the payments of its dues up to the end of the present fiscal year of the Institute. The resignation shall be submitted in written notice to the Board of Directors.

Exclusion and suspension

Exclusions are decided by the General Assembly upon proposal by the Board of Directors or 1/5 of all members, which can be motivated by only one of the following reasons:

- a member is in default in the payment of its membership dues for a period of two (2) years;
- a member ceases to take part in the activities of the Institute for over two (2) years time;
- a member commits a serious violation, which damages the mutual trust.

The exclusion of a member requires a special resolution by the General Assembly, carrying the votes of a 2/3 majority of the members present or represented, with at least 2/3 of all members present or represented.

The member, whose exclusion is requested, has the right to be heard.

Until the final decision taken by the General Assembly, the Board of Directors may suspend the member whose exclusion is requested. Suspended members may be reinstated at the discretion of the General Assembly.

Rights

In any case the termination of the membership does not give rise to any claims to the VPH Institute assets and does not entitle the member to any refunds of any type or in any amount.

Article 5: Description of the organisation bodies

The bodies of the VPH Institute are:

- The General Assembly
- The Board of Directors

- The Board of Trustees

The Executives of the Institute are:

- The President
- The Financial Auditors
- The Executive Director

5.1. General Assembly

All General Member institutions compose, together with all Supporting Member institutions, the General Assembly, which is the governing authority of the VPH Institute. Except when provided otherwise in these articles of association, each member holds the entitlement for one vote.

The General Assembly has the exclusive power of:

- Nominating and withdrawing the members of the Board of Trustees;
- Nominating and withdrawing the members of the Board of Directors;
- Modifying the articles of association and the internal regulations;
- Ratifying the new general members and supporting members approved by the Board of Directors;
- Excluding members;
- Approving the financial reports and budgets;
- Nominating and withdrawing the auditors and fixing their fee;
- Discharging the members of the Board of Directors and the auditors;
- Dissolving the VPH Institute;
- Converting the VPH Institute into an organisation with social purpose.

The Executive Director must call ordinary General Assemblies at least once every year, and also every time this is requested by an Executive or by at least one fifth (1/5th) of the members of the VPH Institute. The annual General Assembly is held within six months after the end of the financial year. The announcement, together with the location, date and time details of the meetings of the General Assembly shall be notified to the members at least 60 calendar days in advance of each meeting, with a tentative agenda. Every member can request that additional items are added to the agenda by communication to the Executive Director no later than 30 calendar days in advance of the meeting date; the inclusion is at discretion of the Executive Director, except when the request is seconded by one Executive, or by one twentieth (1/20th) of members. Unless otherwise provided by the articles of association or by the Belgian law of June 27, 1921, ordinary general assemblies do not have quorum and all decisions are taken by simple majority, which is at least half of the present or represented members with voting right plus one. By default all ballots are public, except those regarding the election of the bodies, which must be held by secret ballot. Every attending member can ask a particular decision to be taken by secret ballot. All decisions can be taken during an ordinary General Assembly, except those that require an extraordinary General Assembly.

The Executive Director can also call extraordinary General Assemblies, every time this is requested by an Executive or by at least one fifth (1/5th) of the members of the VPH Institute. Extraordinary meetings are called only when it is necessary to take one or more decisions that require this type of meeting: the modification of the articles of association and the dissolution of the association. The announcement, together with the location, date and time details of the meetings and the relative agenda of the General Assembly shall be notified to the members at least 30 calendar days in

advance of each meeting; extraordinary general assemblies can be held in conjunction with ordinary ones. In first call an extraordinary General Assembly to be valid requires a quorum of two thirds ($2/3^{\text{rd}}$) of the members present or represented. If such quorum is not reached a second call can be made, at no less than fifteen days from the first call; in second call the Extraordinary General Assembly do not have a quorum. Decisions regarding the modification of the articles of association are taken only by a qualified majority of two thirds ($2/3^{\text{rd}}$) of the members present or represented. Decisions regarding the modification of the statutory purpose of the association or regarding the dissolution of the association require a majority of four fifths ($4/5^{\text{th}}$) of the members present or represented. By default all ballots are secret; public ballots can be used only if all participants unanimously agree.

Members can represent by mandate at a meeting of the General Assembly other members who cannot be present; every member can carry a maximum of three (3) mandates.

Minutes will be drawn up and submitted to all members within thirty days following the meeting. Notwithstanding the communication of the minutes, the members can exercise their right of inspection in accordance with the modalities provided by article 9 of the Royal Decree of June 26, 2003.

The minutes are considered accepted by the members if, within twenty-one calendar days from receipt, no member has objected by letter, fax, e-mail or any other form of electronic communication to the Executive Director.

5.2. Board of Directors

Every year the Executive Director elaborates a Business Plan that defines for the following year the quotas for the Supporting Membership and the number of persons to be elected to the Board of Directors. The business plan is presented to the Membership that subscribed the Supporting Membership quotas. This procedure must be completed before the annual ordinary General Assembly.

The Board of Directors is formed by at least four (4) components, nominated by the General Assembly during an ordinary General Assembly, among candidates expressed by the Supporting Member institutions. The number of directors shall in any case always be lower than the number of members of the General Assembly.

The members of the Board of Directors can be removed at all times by the General Assembly. Every member of the Board of Directors can resign after written notification to the President. A director has to continue his/her function after his/her resignation is handed in until he can reasonably be replaced.

The Board of Directors runs the general affairs and represents the VPH Institute in all circumstances. It represents the organization by the majority of the members of the Board of Directors. The Board of Directors is authorized to deal with all affairs, except those explicitly appointed to the General Assembly.

The Board of Directors shall be responsible for affairs such as:

- Coordinating the activities of the VPH Institute;
- Establishing general policies and operating procedures for the VPH Institute;
- Designing the time and place of meetings of the General Assembly as well as meetings of the Board of Directors;

- Designing the specific duties and responsibility of each individual member of the Board of Directors;
- Propose the defaulting members for exclusion or suspension;
- Analyse the application of new members.

The Board of Directors shall hold at least two regular meetings each year. The Executive Director can call extraordinary meetings if he/she deems them necessary. Meetings shall be notified to members of the Board of Directors at least 30 calendar days in advance of each meeting, together with the agenda. Any decision to be taken by the Board of Directors must be identified as such on the agenda, unless there is a unanimous agreement to vote a decision at the meeting under the condition that all directors are present or represented.

Each member of the Board of Directors might be represented by a proxy given to another member of the Board of Directors. The name of the represented director and the name of the representing director shall be communicated to the Executive Director prior to the board meeting. Each member of the Board of Directors, present or represented, holds one vote. Decisions are taken by simple majority of the members of the Board of Directors present or represented. The Board of Directors can only deliberate and decide in a valid way when at least the majority of its members is present or represented.

Minutes are drawn up, signed by the chairperson and kept in a register of minutes that can be looked into by the members. The members can exercise their right of inspection in accordance with the modalities provided by article 9 of the Royal Decree of June 26, 2003.

In exceptional circumstances, when the urgent necessity and the interest of the VPH Institute requires such, the decisions of the Board of Directors can be taken by unanimous written consent of the members of the Board of Directors. Written decision-making process supposes in any case that a deliberation per e-mail, video or phone conference took place.

In the event a director has, directly or indirectly, an interest of pecuniary nature in conflict with a decision or an activity of the Board of Directors, he/she has to make mention of this interest to the other directors before the Board of Directors makes a decision. The director having a conflict of interest withdraws from the meeting and refrains from voting during the deliberation and the ballot concerning the matter he/she has an interest in. The procedure mentioned above is not applicable to current transactions under the conditions and against the common guarantees on the market for similar transactions.

The nomination of the members of the Board of Directors and the persons authorized to represent the VPH Institute and the termination of their function are made public by means of deposit in the organization's file at the registry of the court of commerce, and by means of publication in the annexes of the Belgian State Gazette.

5.3. The Board of Trustees

The General Assembly nominates the members of the Board of Trustees during the annual ordinary General Assembly, from a list of candidates nominated by the General Members.

The members of the Board of Trustees are the President, and the two Financial Auditors. The role of the Board of Trustees is to supervise the operations of the Board of Directors, ensuring that such operations do not get into conflict with the interests of the membership at large and does not violate the common law, the legal provisions and the provisions in the articles of association.

The Board of Trustees shall hold at least one regular meeting each year, where the financial report of the previous year is reviewed. This meeting, which can also take place remotely via e-mail, video

or phone conference, must occur before the annual ordinary General Assembly, so as to allow the Executive Director to present to the membership the fully audited financial report for final approval.

5.4. The President

The President legally represents the VPH Institute with third parties and in all legal proceedings; if incapacitated he/she is replaced either by the oldest of the two Financial Auditors who will ensure ordinary administration until the President returns in his/her capacity, either extraordinary elections are called to replace him/her.

The President chairs the meetings of the General Assembly or delegates a member of the Board of Trustees to do it.

The President formally approves the decisions of the Board of Directors, ensuring they respect the common law, the legal provisions and the provisions in the articles of association. If the decisions are not in line with these principles, the President can refuse to sign them.

5.5. The Executive Director

The Executive Director is appointed by the Board of Directors. The term of office of the Executive Director is one year, and can be renewed without limitation.

The Executive Director is in charge of the day-to-day operations of the VPH Institute. He/she is for instance expected to elaborate the annual Business Plan that defines for the following year the financial quota for Supporting Members and the number of seats in the Board of Directors, and which is submitted to the approval of the General Assembly.

The Executive Director manages and has power of signature over deposits, bank and post accounts, in the name and for the VPH Institute and is authorised to make the financial transactions needed for the management and administration of the VPH Institute.

The Executive Director is also responsible of the preparation and of the submission for approval to the Board of Trustees of the Yearly Financial Report of the VPH Institute.

5.6. The Financial Auditors

The Financial Auditors are requested to monitor the financial operations of the Institute. Financial Auditors may, at any point in time, request full disclosure of the financial records for their autonomous decision or because requested by the President. In addition, the Financial Auditors audit, directly or with the support of a professional auditor, the Yearly Financial Report of the VPH Institute that the Executive Director submits to the Board of Trustees.

Article 6: Finances

Every year the Executive Director presents at the General Assembly the Yearly Financial Report, fully audited by the Board of Trustees, during the annual ordinary General Assembly.

At the same meeting the Executive Director must also submit the Business Plan for the following year, to be approved by the General Assembly.

Article 7: Exclusion of liabilities

The members of the Board of Directors are not personally liable for the obligations of the VPH Institute. Towards the VPH Institute and towards third parties, their liability is limited to the accomplishment of their duties in accordance with common law, the legal provisions and the provisions in the articles of association. They are liable for the shortcomings in their (daily) management only to the Institute, not to third parties.

In order to prevent any legal or financial liability for the institutional members of the VPH Institute, and in addition to what is prescribed by the Belgian law for non-profit associations, that explicitly provides that the members of the association are not personally liable for the obligations of the association, the VPH Institute must be operated according to the following general principles:

The Executive Director is not authorised to make any financial decision that is not fully covered by the funds available in the bank account of the Institute and in line with the annual Plan and/or the overall objectives of the Institute. The bank account should be configured to prevent any such transaction.

The president, as legal representative of the VPH Institute may only undertake those actions that are supported by a decision taken either by the Board of Directors or the General Assembly.

Under no circumstances, the executives of the VPH Institute are authorised to act in name and/or on behalf of any member organisation, or to undertake whatever action might imply, even in principle, a potential liability of whatsoever nature for any member institution.

Article 8: Dissolution and liquidation

Only an Extraordinary General Assembly called on purpose can decide the dissolution of the VPH Institute. As soon as the decision to dissolve the VPH Institute is made, the organization will always mention that it is a non-profit organization in dissolution.

After the payment of all the debts, the remaining assets of the VPH Institute will be assigned to one or more non-profit organisations pursuing similar aims to those of the VPH Institute.

All decisions concerning the dissolution, the liquidation requirements, the nomination and the termination of office of the liquidators, the closure of the liquidation and the destination of the assets of the organization will be deposited at the registry and published in the annexes of the Belgian State Gazette.

Article 9: Accountancy

The financial year starts on January 1st and ends on December 31st.

The balance sheet is deposited in the organization's file at the registry of the court of commerce in accordance with the relevant provisions in article 26*novies* Belgian law of June 27, 1921. If it is required, the balance sheet is deposited at the Belgian National Bank in accordance with the relevant provisions of article 17, §6 Belgian law of June 27, 1921 and the relevant implementation decrees.

Article 10: Additional information

Any matter not expressively provided in these Articles of Association and not directly addressed in the internal regulations will be dealt with according to title I of the Belgian Law of 27 June 1921 concerning non-profit associations, international non-profit associations and foundations.

Transitional provisions

The first accounting period will end on December 31st, 2011.

Legal person	Name and first name of legal representative	Signature
[name, legal form and address]		