

Open & Agile Smart Cities – Articles of Association ¹

1. GENERAL

Open & Agile Smart Cities (in short OASC) is a not-for-profit association under the legal form of a national not-for-profit association to the Belgian legislation incorporated under the laws of Belgium. All acts, invoices, announcements, publicity, letters, orders and other documents issued by OASC shall indicate this legal form as a not-for-profit organisation.

2. REGISTERED OFFICE

The registered office of OASC is located at Rue du Luxembourg 19-21, B-1000 Brussels. The registered office may be transferred to any other location in the Brussels or Flemish Region by a decision taken by the Board of Directors and approved by the General Assembly. OASC may establish other administrative or representative offices in any other country/city following a resolution to this effect by the Board of Directors.

3. DURATION

OASC is established for an unlimited period. It may be dissolved at any moment in time in accordance with these Articles of Association.

4. PURPOSE AND OBJECTIVES

OASC is a global network of cities whose common purpose is to make an effort to improve the quality of life within their cities through innovation and technology, and in doing so interact with each other on multiple levels.

This non-profit association has the ambition to build an international network of cities focused on the development of a platform for data and services, in order to become so called 'smart' cities. OASC focuses hereby, in contrast to other city networks, on the implementation of certain technology and provides therefore access to real-time/streamed and historical data, discussion platforms and citizen participation.

¹ Note: This is an English translation of the OASC Articles of Association published. The original version has been published on 21 December 2017 in Dutch here: http://www.ejustice.just.fgov.be/tsv_pdf/2017/12/21/17329012.pdf

OASC aims to play a leading role, as a not-for-profit association, regarding innovation and experiments. Furthermore, OASC will try to support cities when implementing new technologies where needed and will hereby provide all necessary infrastructure.

The main goals of OASC are as follows:

- A. the creation of an international network of innovative cities who wish to improve the quality of life within their city;
- B. the creation of a platform in order to support this network and facilitate the exchange of information between members;
- C. support all initiatives regarding technology which can improve the functioning of a city;
- D. the development of one or multiple discussion platforms where data and services can be exchanged in a simple way between members in order to evolve into 'smart' cities;
- E. the implementation of certain technology by providing access to real-time/streamed and historical data for all members;
- F. to stimulate citizen participation regarding innovation and technological progress;
- G. play a leading role regarding innovation and experimentation in an urban context;
- H. provide assistance and support when implementing new technologies, verbally and physically;
- I. provide assistance and support when implementing new technologies, this being realized by providing the necessary equipment to members;
- J. spreading technological and innovative ideas to the members;
- K. promote and advertise innovative and technological solutions for several urban problems; and
- L. represent OASC's interests in all possible means and at all possible levels.

OASC will perform all of its activities without the aim of making profit. Any income resulting from its activities or other sources shall exclusively be used to pursue its aims.

5. MEMBERSHIP

This not-for-profit association is legally required to have at least three members, all of which will be Core Members. The membership of OASC can be obtained in accordance with articles 5.4 and 5.5 of the Articles of Association.

5.1 Core Members

5.1.1 Founding Members

The Founding Members of Open & Agile Smart Cities are the following:

- (a) **IMEC** vzw with registered office at Kapeldreef 75, 3001 Leuven, Belgium;
- (b) **Future Cities Catapult** with registered office at Urban Innovation Centre, One Sekforde St., United Kingdom.
- (c) **Aarhus University** with registered office at Nordre Ringgade 1, 8000 Aarhus C, Denmark.
- (d) **Business Tampere** with registered office at Kelloportinkatu 1B, 33100 Tampere, Finland.

5.1.2 Additional Members

Non-founding members (hereafter called Additional Members) can join OASC if they meet the requirements set out in articles 5.4 and 5.5 of the Articles of Association. The Core Members will consist of Founding and Additional Members.

Core Members enjoy all membership rights, may propose candidates for election to the Board of Directors and participate in all the activities of OASC. Core Members will pay the membership fee decided upon by the Board of Directors and approved by the General Assembly.

Core Members can resign from OASC in accordance with article 5.6 of the Articles of Association

5.1.3 Confidentiality

The Core Members agree to maintain strict confidentiality and to not disclose to another person or entity, and not to use information for their own purposes, the information that the Core Members acquire in their capacity as members provided that such information: (i) expressly is classified as confidential, or (ii) if this information can reasonably be regarded as being confidential and / or sensitive, unless otherwise agreed. The Board of Directors has the ultimate authority to determine which information can be considered confidential.

5.2 Regular Members

Regular Members can, in addition to Core Members, join OASC, although not in the meaning given to it by the *Belgische Wet van 27 juni 1921 betreffende de verenigingen zonder winstoogmerk, de internationale verenigingen zonder winstoogmerk en de stichtingen*. Within the OASC context Regular Members are referred to as cities who have joined a national OASC chapter and have been accepted by the Board of Directors by simple majority (50%+1). National OASC Networks are in charge of organising the interests and projects of OASC's cities on a national level. A national network needs a participation of at least two cities (i.e. Regular Members) per country in order to be established. National chapters will delegate one member per chapter to the Council of Cities. The Council of Cities thus consists of representatives of the cities, also known as the Regular Members.

Regular Members have the right to participate in all activities of OASC, and may attend General Assembly Meetings without voting right.

5.3 Other Parties

Furthermore, there is the category of "Other Parties", meaning certified partners, network and framework partners as well as all other parties who cannot be qualified as Core Members or Regular Members. Other Parties are legal entities or individuals who have a special interest in innovation and technology in an urban area and have an interest in the purpose of OASC, but who do not fulfill all the requirements to

become a Core Member. The Board of Directors will define Other Parties' membership conditions, access and rights after incorporation.

Other Parties have the right to participate in all activities of OASC, and may attend General Assembly Meetings without voting right.

5.4 Application for Membership

OASC shall consider applications from organisations meeting the criteria for Core Members. Applications should be addressed to the registered office of OASC for the attention of the Board of Directors. The OASC application process shall specify how the applicant meets the specific criteria that he needs to fulfil in order to be eligible to become a Core Member. Decisions on the application of new members will be made by the Board of Directors.

The Board of Directors can approve a more detailed OASC application process, also describing the mandate of the Board of Directors.

5.5 Membership Conditions

A Core Member's authorised representative must sign a declaration that it, individually and on behalf of its organisation, accepts to be bound by these Articles of Association, by the OASC Code of Conduct, and by the OASC internal procedures, and that it will use its best endeavours to support the aims, objectives and activities of OASC. Each Core Member that is not an individual shall appoint an authorised representative to represent their respective organisation at OASCs General Assembly Meetings.

Core members shall pay the appropriate annual Membership fee and other fees.

5.6 Termination of Membership

Core Membership of OASC may be terminated by the resignation or exclusion of a Core Member. A Core Member may leave OASC giving a minimum of three (3) month's written notice of its intention to resign sent to the chair of the Board of Directors. The Core Member shall honour its financial and other commitments to OASC.

The General Assembly Meeting may, by a two-thirds majority vote of those present and casting a vote, decide to exclude a Core Member that has lost its membership eligibility as a result of:

- no longer fulfilling the criteria for Membership; or
- non-payment of subscriptions and other fees; or
- failure to comply with the articles, the Code of Conduct or the internal procedures of OASC.

A Core Member whose exclusion has been requested shall be given the opportunity to present its arguments for a continued membership.

In case of resignation or exclusion, the Core Member shall have no claim on the assets of OASC nor shall any refunds be due for any subscription or other fees paid. The Core Member shall remain liable to pay any outstanding membership fees, including the full yearly membership fee of the year of its resignation or exclusion.

6. GENERAL MEETING

6.1 Definition

The General Assembly is the supreme governing body of OASC and shall have the broadest powers within the limits defined by law. General Assembly comprise all Core Members of OASC. Other members and the executive director may attend and participate as an advisor in the discussions, but are not entitled to vote at General Assembly Meetings. If needed for proper functioning, third party-representatives (such as translators, editors, experts...) may be invited and will have no voting right.

6.2 Responsibilities General Assembly

The General Assembly is the competent body to determine the following matters, and all other matters not delegated to the Board of Directors or the executive director:

- a. Approval of the vision, mission, strategy and main objectives of OASC and, if required, the modification of these Articles of Association;
- b. Admission and exclusion of Members;
- c. Election and removal of the members of the Board of Directors;
- d. Election and removal of the President, Vice-President(s) and Secretary;
- e. Appointment of Auditors;
- f. Approval of OASC's Annual Budget and Annual Accounts;
- g. Approval of the Annual Report prepared by the Board of Directors;
- h. Approval of the OASC Code of Conduct and Internal Procedures of OASC;
- i. Dissolution of OASC in conformity with these Articles of Association; and
- j. Approval of the yearly contribution.

6.3 Proceedings at General Assembly Meetings

The General Assembly shall elect during the Annual General Assembly Meeting a President, a Vice-President and a Secretary from among the authorised representatives of the Core Members, for a two-year term.

An Annual General Assembly Meeting shall be held each year, in the second quarter. The President of the GA shall call the General Assembly for the Annual General Assembly Meeting. The date, time, location and agenda of the Annual General Assembly Meeting shall be determined by the Board of Directors. The agenda is also open for topics proposed by all Members of OASC.

An Extraordinary General Assembly Meeting may be convened by the decision of the Board of Directors, or upon written request by at least three Core Members. The President of OASC shall preside over General Assembly Meetings. The Secretary shall record the proceedings of General Assembly Meetings. The approved minutes of General Assembly Meetings shall be made available to all members.

Voting at General Assembly Meetings is conducted by the authorized representatives of the Core Members of OASC. The principle of one vote per Core Member will apply. A Core Member who has voting rights may hold a proxy for one other Core Member with voting rights.

The Internal Procedures of OASC will lay down additional rules for the procedure with respect to the General Assembly Meetings.

6.4 Quorum and Majorities

A General Assembly Meeting requires a minimum of 51% of Core Members present or represented by a proxy. In case through demonstrable urgency or circumstances beyond one's control a lower percentage of Core Members is represented, valid voting can still be executed.

Resolutions shall be decided by a simple majority of the Members with voting rights present in person or represented, unless otherwise stated in these Articles of Association. In the event of a tie, the President's vote shall be a casting vote.

Resolutions relating to the following matters shall be decided by a two-thirds majority vote of the Members with voting rights present in person and voting:

- exclusion of Members;
- decisions regarding the yearly contributions of the members;
- removal of Members of the Board of Directors, the President, Vice President(s) and Secretary; and
- modifications of these Articles of Association.

If at any point in time the General Assembly would consist of less than 3 Founding Members, then all resolutions shall be decided by a simple majority of the Members with voting rights present in person or represented, plus one vote of a Founding Member in favour of the resolution. In the event of a tie, the President's vote shall be a casting vote.

7. BOARD OF DIRECTORS

7.1 Definition

OASC shall establish a Board of Directors to manage OASC and its day-to-day operations. The Board of Directors will consist of minimally five (5) and maximum sixteen (16) directors, whose mandates will be unpaid.

The Board of Directors will choose an executive director as well as a president who will take the lead on the Board of Director's Meeting. The president of the Board of Directors will be elected by simple majority (50%+1) for a two-year term. The vice president of the Board of Directors will be elected by simple majority (50%+1) by the members of the Board of Directors for a two-year term. OASC may employ such staff to manage the operations as may be required.

7.2 Responsibilities and functioning

7.2.1 Decision making progress

The Board of Directors may be convened by the president or upon written request by at least two directors. The Board of Directors' Meeting shall be held at least once per quarter.

Resolutions shall be decided by a simple majority (50%+1) of the present and represented members of the Board of Directors. Certain or all OASC employees may attend and participate as an advisor in the discussions, but are not entitled to vote at Board of Directors Meetings. In the event of a tie, the president's vote shall be a casting vote.

7.2.2 Nomination of directors

Each of the Founding Members has the right to propose one of the directors in the Board of Directors. Furthermore, Regular Members have the right to nominate directors in the Board of Directors, they can elect one director per four (4) members of the Council with an absolute maximum of four (4) directors to be elected by the Council of Cities as a whole. Lastly, every Additional Member has the right to nominate one director, condition being the total amount of directors elected by the Additional Members does not exceed eight (8) directors.

7.2.3 Responsibilities Board of Directors

The Board of Directors has among others the following responsibilities:

- to develop and implement strategic and operational plans to support the aims and objectives of OASC;
- to propose the annual budget for OASC;

- to establish other committees and bodies reporting to the Board of Directors and/or the General Assembly where these may be required to support achieving OASC's aims and objectives;
- to adapt OASC's Internal Procedures as may be required to run OASC efficiently and effectively, provided these are aligned with the Articles of Association;
- to approve contracts and projects with individuals and organisations where this may further OASC's aims and objectives;
- to perform all acts of administration and daily management of OASC within the limits set by these Articles of Association;
- to manage the financial affairs of OASC, including drafting and monitoring a budget and preparing financial statements;
- to decide and act on matters of urgency, where it is in the best interests of OASC, subject ratification at a subsequent Meeting of the Board of Directors and – where needed – of the General Assembly;
- the recruitment and dismissal of staff and day-to-day management team, although the ultimate responsibility still rests with the executive director.

7.3 Location and Headquarters

The location of OASC's headquarters and other offices shall be determined by the Board of Directors, in accordance to article 2 in this document.

8. EXECUTIVE DIRECTOR

The Board of Directors has the right to nominate one (or more) executive director(s) when deemed necessary for the operation of OASC, this resolution shall be decided by a simple majority (50%+1) for a one-year term. The evaluation, and possible reappointment following a positive evaluation, will be decided upon by the Board of Directors by simple majority (50%+1) on the first Board of Directors' meeting of the calendar year.

In the event of a tie with an even number of board members, a 50% majority vote in favour of the reappointment will be sufficient to let the resolution pass.

9. LEGAL RESPONSIBILITIES AND REPRESENTATION OF OASC

The executive director (hereafter the CEO) is the legal representative of OASC and has the power to represent OASC for all legal purposes and in all its activities. When deemed necessary, the CEO may appoint one of the members of the General Assembly / Board of Directors or staff to represent OASC. The Board of Directors can decide upon special or general powers of attorney.

No individual member of the General Assembly, the CEO or any other formal or informal body of OASC will incur any personal responsibility in their function nor can be held accountable for their actions in

relation to the due execution of such function, only unless this member infringes the applicable law, these Articles of Association, any binding decision of the General Assembly or the Board of Directors and except in cases of fraud or gross negligence.

10.AUDITORS

The General Assembly can appoint a reputable auditor/auditing firm for the duration of each financial year, upon such terms and conditions as it may set, to audit the annual financial statements of OASC and to report at the Annual General Assembly Meeting. For the due performance of their duties, the auditors shall have the right to inspect all books of accounts and records of OASC. The fees of the auditors shall be determined by the General Assembly Meeting.

The auditors are entitled to inspect all books and documents of OASC when auditing its financial statements.

11.FUNDS AND FINANCE

OASC will be funded by Membership fees and other fees. OASC can also provide products and services in line with its aims and objectives. In addition, it may receive grants, royalties, sponsorships and other contributions from any party to assist it in carrying out its objectives. The acceptance of grants, sponsorships and other contributions shall be made in accordance with the provisions of the governing law and these Articles of Association.

The Founding Members will make a contribution of 50.000 EUR to OASC at incorporation, or at the latest two weeks after incorporation, which grants them a guaranteed membership of OASC for a 2.5-year term. The Founding Members can use these finances for an unlimited period of time to fulfill their contribution fee duties, being 10.000 EUR for a six-month membership. When this contribution is completely used up, the Founding Members will be subject to the regular contribution system of 10.000 EUR per six-month membership.

Annual contribution:

- Core Members must make an annual contribution to OASC of 20.000 EUR, respectively 10.000 EUR on January 1st and July 1st. Every half-yearly contribution guarantees an additional Core Membership for six months. The total of unused financial contributions, made by Founding Members, is transferrable for an unlimited amount of time and can be used in a fade-out situation to cover the last five membership contributions prior to an exit. When a member fails to continue its financial contributions to OASC, the received contributions will be used to renew the six-month membership or at least until no more funds are available.
- Regular Members and Other Parties will contribute to OASC's financing after such resolution is taken by the Board of Directors, the Board will then decide on the amount and modalities of the contribution.

12. FINANCIAL YEAR

The financial year of OASC begins on January 1st and ends on December 31st of each year, except for the first financial year, starting at the date of memorandum of association and ending on December 31st of the next year.

The annual financial statements of OASC are to be submitted to the Annual General Assembly Meeting following the end of the financial year.

13. DISSOLUTION OF OASC AND DISTRIBUTION OF ASSETS

A decision to dissolve OASC shall be approved by a majority of four-fifth of the votes of the Core Members present and voting. In the event that OASC is dissolved, the General Assembly shall decide by a simple majority of the votes cast on:

- (i) the appointment, powers and remuneration of the liquidators;
- (ii) the methods and procedures for the liquidation of OASC; and
- (iii) the destination(s) of the net assets of OASC, which shall be donated to one or more non-profit organizations, with aims and objectives similar to OASC.

14. JURISDICTION AND COMPETENT COURT

OASC, a non-profit organisation, is established and governed by Belgian law. The competent jurisdiction is situated in Brussels, Belgium.