

COMPANY INCORPORATED  
AND LICENSED UNDER SECTION 25 OF  
THE COMPANIES ACT, 1956

LIMITED BY GUARANTEE  
(NOT HAVING A SHARE CAPITAL)

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MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

INDIAN CONFEDERATION FOR HEALTHCARE ACCREDITATION

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सत्यमेव जयते

प्रारूप एक  
**Form 1**

निगमन का प्रमाण पत्र  
**Certificate of Incorporation**

सं०..... 129651 1926

No. .... 2004 - 2005

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज.....  
इण्डियन कॉन्फेडरेशन फॉर हेल्थकेयर  
एकॉरपोरेशन

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।  
की रजिस्ट्रार 25

I hereby certify that..... INDIAN CONFEDERATION FOR HEALTHCARE  
ACCORPORATION

is this day Incorporated under Section 25 of the Companies Act, 1956 (No. 1 of 1956) and that the  
Company is Limited.

मेरे हस्ताक्षर से आज ता० 12 अक्टूबर, 1926 को दिया गया।

Given under my hand at..... NEW DELHI..... this..... FOURTH

day of ..... OCTOBER ..... AND FOUR  
TWO THOUSAND



*[Signature]*  
(विद्युत कक्षकर)

असिस्टेंट  
Asst. **कम्पनी रजिस्ट्रार**  
**Registrar of Companies**  
रा. रा. क्षेत्र दिल्ली एवं हरियाणा  
N.C.T. OF DELHI & HARYANA

**THE COMPANIES ACT, 1956**

**MEMORANDUM OF ASSOCIATION  
OF  
INDIAN CONFEDERATION FOR HEALTHCARE ACCREDITATION**

(Company Limited by guarantee not having share capital, not for profit under section 25 of the Companies Act, 1956)

- I. The name of the company is “**Indian Confederation for Healthcare Accreditation**”.
- II. The registered office of the company will be situated in the National Capital Territory of Delhi.
- III. The objects for which the company is established are:

**A MAIN OBJECTS TO BE PURSUED BY THE COMPANY  
ON ITS INCORPORATION ARE: -**

1. To improve the quality of healthcare delivery systems, by setting out, implementing and evaluating the standards and practices of healthcare delivery systems in order to provide, progressively, the highest levels of healthcare with results influencing health status positively on an optimal basis; the optimal utilization of resources; maximize safety and attain the highest level of patient satisfaction within the resources and environment, benchmarked with the international best practices by accrediting Healthcare delivery systems/facilities such as, but not limited to Hospitals, Institutes, Nursing Homes, Laboratories, Clinics, Pharmacies (Hospital, Clinical & Community), Dispensaries, Integrated service delivery networks and award accreditation credentials and by withdrawing, canceling, reducing grades of, and re-assessing accreditation; and actively participating in grievance redressal of receivers, participants, as well as providers and by upgrading restoring, re-evaluating, reviving and reviewing accreditation and issuing awards to high achievers.

2. To define and identify principles for improving healthcare delivery systems and accreditation, to enhance and publicize the receiver/user-provider relationship in healthcare and the legitimate roles of the healthcare enterprises within the bounds set by national & professional policies, traditions, institutions, and socio-economic forces.
3. To increase the knowledge and concept of quality in healthcare and its accreditation, by being the moral force that animates all who dedicate their lives to healthcare and by providing adequate support to enable them to fully and efficiently devote themselves to the fulfillment of these objects and to the accreditation system, by providing accreditation services through peer review to clients/customers at a reasonable cost.

**B** Objects incidental or ancillary to the attainment of the main objects shall be the following:

1. To advance and improve the quality of healthcare to the best international standards, by setting such standards, assessing performance and recognizing achievement in healthcare delivery services, and being an organization that measures, recognizes, promotes and is committed to the highest level of professional practice and quality improvement.
2. To promote standards of care by:
  - (a) Setting standards of accreditation of healthcare delivery services and facilities;
  - (b) Developing and implementing systems of accreditation of performance, of the structure(s), process(es) and outcome(s) of healthcare delivery systems;
  - (c) Ensuring that the services and facilities for healthcare of patients provided by the provider/facilities to be accredited is appropriate, effective, priced appropriately and of high quality;
  - (d) Encouraging and sponsoring appropriate training sessions, seminars and discussion programmes for generalists and specialists in the field;

- (e) Maintaining and encouraging continuing upgradation in the provisions of healthcare delivery to ensure the maintenance of and enhancement in all round competence;
  - (f) Evaluating facilities and staffing and ensuring that facilities and/or services of the standards laid down for the diagnosis and management of these conditions at all levels whether in hospitals or other facilities for both in-patients and out-patients in order to ensure a continuum of care;
  - (g) Providing means of publication of the agreed guidelines, policies and norms on standards of good healthcare delivery and practice;
3. To advance knowledge in the field of accreditation through research, by:
- (a) Encouraging basic, clinical and operational research for accreditation systems and its publication;
  - (b) Providing a forum for the presentation and critical appraisal of accreditation research activities;
4. To advance public education and promote the relevance and importance of accreditation in healthcare by:
- (a) Informing the community about issues and standards of healthcare relating to the accreditation system;
  - (b) Promoting accreditation of health care delivery services and facilities and the setting down of standards for accreditation;
  - (c) Carrying out awareness programmes;
  - (d) Collaborating with and sharing information, data, research, experiences and advices with similar organizations in India and abroad on matters relating to healthcare accreditation;
  - (e) Developing web-site or any other similar form of communication.
5. Endeavour to meet client/customer/payer/funder needs and exceed expectations while providing accreditation services.

6. To continuously improve the services being provided to clients/customers.
7. To carry out all the objects as well as through ongoing consultation, partnership or collaboration not only between the members, affiliates, contracted experts and employees, but also governmental authorities, corporate and other bodies, similar or concerned Associations/Councils, bodies and individuals.
8. To collect, harmonize, determine, initiate, develop, disseminate, and publicize the standards, programmes and processes (clinical, technical, legal, financial and organizational) required for an independent, committed, autonomous, accreditation system for healthcare, that reflect consumers' needs and expectations of quality in the health sector.
9. To provide the organization, manpower and processing systems for examination, evaluation, assessment and accreditation.
10. To render advice, education, information, and measurement services to consumers, customers, payers, funders, and surveyors on matters of healthcare quality, standards and accreditation.
11. To help accredited and non-accredited healthcare delivery services/facilities to improve and achieve compliance with international norms of healthcare delivery and accreditation.
12. To promote accreditation of healthcare in India and elsewhere.
13. To provide incentives, advice and consultation to healthcare service providers and facilities for improvement and upgrading of quality and accreditation.
14. To generate and organize the dissemination of information, knowledge and education on standards, values, norms, improvement of quality and minimizing the risk factor, through seminars, awareness

programmes, internet, written and audio and/or visual media, training schemes, shows, advertisements and any other form of propagation.

15. To periodically review the standards, processes, training, evaluation and assessments related to accreditation of healthcare delivery services/facilities.
16. To carry on and support in all ways, research within the field of healthcare delivery and its accreditation.
17. To aim at being a financially independent self-supporting '*not for profit*' organization.
18. To obtain funding/financial support to enable developmental activities (including the preparation of standard and practice guidelines).
19. To make, draw, accept, endorse, discount, execute and issue promissory notes, bills of exchange, cheques, bills, receipts and other instruments and to open and operate bank accounts.
20. Subject to provisions of Section 58A, 293, 372A and other applicable provisions of the Act and rules made thereunder and directions issued by RBI from time to time to raise funds and to invite and receive contributions provided that in raising funds, the company shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations.
21. To acquire, alter, improve and (subject to such consents as may be required by law) to sell, licence, exchange, rent out, mortgage, charge or otherwise dispose off property in the interest of the company and not for any commercial purpose.
22. To purchase, take on lease/licence or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the company may think necessary or convenient for the promotion of its objects or any of them, and to construct, maintain and alter any buildings or erections necessary/convenient for the attainment of the objects of the company.

23. To sell, let, mortgage, dispose off or turn to account all or any of the property or assets as may be thought expeditious with a view to the promotion of its objects or any of them.
24. To invest the monies not immediately required for its purpose in or upon such investments, in Government approved securities and property(ies) as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided and not for any commercial purpose.
25. To undertake and execute any trusts which may lawfully be undertaken and may be conducive to its objects or any of them.
26. To promote, and provide facilities for, and support, the identification and fostering of the accreditation system in India.
27. To conduct surveys and tests, hold meetings, promote guidelines, and to collect and disseminate information, and to enter into association with or promote bodies having objects similar to the company, in India and elsewhere.
28. To become a member of and to observe and perform, and to assist in the observation of performance of the aims and policy of various international body(ies) and the provisions of the Constitution of that body, so far as it is consistent with the objects of the company.
29. To establish or support any charitable trust(s), Association(s), Council(s) or institution(s) for all or any of the objects and not for any commercial purpose.
30. To contribute towards insurance (of all kinds) of property, assets, personnel including management, contracted full-time consultants and staff.



31. To co-operate with charities, other “not-for-profit” organizations, corporates, international agencies, voluntary bodies and statutory authorities operating in furtherance of the objects or similar charitable purpose and to exchange information and advice with them.
32. To do all such other lawful things as are incidental and conducive to the attainment of above objects.

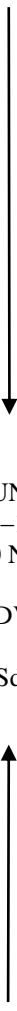
Provided that the company shall not support with its funds or endeavour to impose on or procure to be observed by its members or others any regulation or restriction which, if an object of the company, would make it a Trade Union.

- IV. The objects of the company extend to the whole of India.
- V.
  - (1) The income and Property of the company, whensoever derived, shall be applied solely for the Promotion of its objects as set forth in this memorandum.
  - (2) No portion of the income or property aforesaid shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of Profit, to persons, who at any time are, or have been members, of the company or to any one or more of them or to any person claiming through any one or more of them.
  - (3) Except with the previous approval of the Central Government, no remuneration or other benefit in money or money’s worth shall be given by the company to any of its members, whether officers or servants of the company or not, except payment for out of pocket expenses, reasonable and proper interest on money lent, or reasonable and proper rent on premises let to the company.
  - (4) Except with the previous approval of the Central government no member shall be appointed to any office under the company, which is remunerated by salary, fees or in any other manner not excepted by Sub-Clause (3).
  - (5) Nothing in this clause shall prevent the payment by the company in good faith of reasonable remuneration to any of its officers or servants (not being members) or to any other person

(not being a member), in return for any services actually rendered to the company.

- VI. No alteration shall be made to this Memorandum of Association or to the Articles of Association of the company which are for the time being in force, unless the alteration has been previously submitted to and approved by the Regional Director.
- VII. The liability of the members is Limited.
- VIII. Each Member undertakes to contribute to the assets of the company in the event of its being wound up while he is a Member or within one year afterwards, for payment of the debts or liabilities of the company contracted before he ceases to be a member, and of the costs, charges, and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding a sum of Rupees Rs.10, 000/- (Rupees Ten Thousand).
- IX. True accounts shall be kept of all sums of money received and expended by the company and the matters in respect of which such receipts and expenditure take place, and of the property, credits & liabilities of the company; and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the company for the time being in force, the accounts shall be open to the inspection of the members. Once at least in every year, the accounts of the company shall be examined and the correctness of the balance sheet and the income and expenditure account ascertained by one or more properly qualified auditor or auditors.
- X. If upon winding up or dissolution of the company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the company but shall be given or transferred to such other company having objects similar to the objects of the company, to be determined by the members of the company at or before the time of dissolution or in default thereof, by the High Court of judicature that has or may acquire jurisdiction in the matter.

XI. We, the several persons whose names, addresses, descriptions and occupations are hereunto subscribed are desirous of being formed into a company not for profit in pursuance of this Memorandum of Association.

S. No.	Name, description, occupation and address of each subscriber	Signature of subscribers	Name, address, description, occupation and signature of witnesses
1.	DR. S. VENKATARAMAN ON BEHALF OF ASSOCIATION OF PHYSICIANS OF INDIA HAVING ITS OFFICE AT LAUD MANSION 21, MAHARISHI KARVE ROAD (OPP: CHARNI ROAD STATION) MUMBAI 400 004 (PHYSICIAN / NEUROLOGIST)	Sd/-	 <p>SUNANDA ROY D -108 FF. SECTOR 30 NOIDA, UP 201303 ADVOCATE</p>
2.	DR. K.N. PARIMELAZHAGAN ON BEHALF OF ASSOCIATION OF SURGEONS OF INDIA HAVING ITS OFFICE AT 21 SWAMI SIVANANDA ROAD, CHENNAI 600005 TAMILNADU. (SURGEON)	Sd/-	
3.	SHAM LAL NASA on behalf of Indian Hospital Pharmacist Association (IHPA) R - 566 New Rajinder Nagar, New Delhi - 60 (Registrar Delhi Pharmacy Council)	Sd/-	
4.	PROF (DR) RAJVARDHAN AZAD ON BEHALF OF ALL INDIA OPHTHALMOLOGICAL SOCIETY, 8A INSTITUTIONAL AREA, KARKARDOOMA, DELHI (OPHTHALMOLOGIST / RETINAL SURGEON)	Sd/-	

Place: New Delhi

Dated this 15<sup>th</sup> day of February, 2004.

S. No.	Name, description, occupation and address of each subscriber	Signature of subscribers	Name, address, description, occupation and signature of witnesses
5.	PROF (DR) GIRISH KISHORE SINHA, President ISA on behalf of: - INDIAN SOCIETY OF ANAESTHESIOLOGISTS having its office at IMA building campus 12, Saradha College Road, Five Roads, SALEM 366004 (Anaesthesiologist)	Sd/-	↓
6.	Maj Gen (Dr) ASHIM CHAKRAVARTI AVSM President AHA on behalf of ACADEMY OF HOSPITAL ADMINISTRATION (AHA), having its regd. office at AHA HOUSE, A - 1/151 Safdarjang Enclave, New Delhi - 110029 (Health Consultant)	Sd/-	SUNANDA ROY D-108 FF. SECTOR 30 NOIDA, UP 201303  ADVOCATE  Sd/-
7.	Mr. PRAFULL D. SHETH ON BEHALF OF INDIAN PHARMACEUTICAL ASSOCIATION HAVING ITS OFFICE AT KALINA, SANTACRUZ (EAST) MUMBAI - 400 098 PHARMACIST	Sd/-	↑

Place: New Delhi

Dated this 15<sup>th</sup> day of February, 2004.

**THE COMPANIES ACT 1956**

**ARTICLES OF ASSOCIATION**

**OF**

**INDIAN CONFEDERATION FOR HEALTHCARE  
ACCREDITATION**

(A company limited by guarantee and not having a share capital, not for profit  
U/S 25 of the Companies Act, 1956.)

**Regulations contained in Table C of Schedule I of the Companies Act 1956 shall apply; in addition the company shall be also governed by the following regulations.**

**1. DEFINITIONS:**

In these Articles, unless the content otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

- a) “Indian Confederation for Healthcare Accreditation” means a public limited company within the meaning of Section 3(IV) of the Act.
- b) “The Act” means the **Companies Act 1956** including any statutory modification or re-enactment thereof for the time being in force.
- c) “The Technical Council” means the Technical Council of the company.
- d) “The Articles” means these Articles of Association of the company.
- e) “Affiliate” means an Affiliate of the company eligible to be such and who has paid his/her/its registration/Affiliation fees, pursuant to Article 7.
- f) “Auxiliary Services” means supportive clinical services and includes the services rendered by various technical staff.
- g) “Board” shall mean the Board of Directors of the company.

- h) “Byelaws” means the document “Byelaws of the company” which is associated with, and in consonance with, though not part of these Articles but which is binding on the Members and which will be formulated and or amended by the Board of Directors, on the recommendation of the Technical Council and ratified by the General Body;
- i) “Chairman” means the Chairman of the company appointed pursuant to Article 12 .1(1).
- j) “Chief Executive” means the Chief Executive of the company or any other person appointed to perform the duties of the Chief Executive of the company.
- k) “Clear days” in relation to the period of a notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
- l) “Clinicians” means and includes all Professional Healthcare functionaries who provide/administer healthcare to patients.
- m) “Company” means “Indian Confederation for Healthcare Accreditation” licensed under section 25 of the Act and intended to be regulated by these Articles and also referred to as ICHA for the sake of brevity for the purposes of these Articles.
- n) “Company Secretary” means The Company Secretary of the company or any other person appointed to perform the duties of The Company Secretary of the company.
- o) “Councillors” means and includes all Councillors on the Technical Council of the company eligible to be such pursuant to Article 22.
- p) “Directors” mean those individuals nominated by the respective members and elected or appointed to the Board as such and holding such office pursuant to these Articles.
- q) “Facility Management” means Facility Management relating to Healthcare delivery and includes house keeping, engineering, design, building, maintenance (including bio-medical equipment), catering, cleaning, parking, security and fire, linen and laundry, post, logistics, transport etc. of Individual Hospital or Nursing Home or Diagnostic Clinics, *and* integrated service delivery networks etc.

- r) “Facility Owners” means the Owners of facilities providing Healthcare.
- s) “Facility Providers” means providers of facilities of Healthcare delivery systems and includes Lessees, Licensees, and Corporate Bodies, Individuals or any other entities providing Healthcare in Facilities not owned by them but in which they have a right to provide such facilities.
- t) “Honorary Members” means an Honorary Member of the company admitted as such by the Board of Directors in accordance with these Articles.
- u) “India” means the country known as India and includes all the territories of India.
- v) “International Constitution” means the Constitution of the International Body in which National Healthcare Accreditation Organisation(s) are members or are recognized and is currently known as International Society for Quality in Healthcare (ISQUA).
- w) “Member” means the organisation/association who is a subscriber to the Memorandum of Association through its nominee and such other member(s) as the Board admits to membership in accordance with these Articles.
- x) “Office” means the registered office of the company.
- y) “Officers” means the officers of the company or any other persons appointed to perform the duties of the officers of the company.
- z) “Professional Associations of Healthcare Providers” means associations formed by professionals involved in the various aspects / specialities of healthcare delivery.
- aa) “The Procedures Body” means the body of elected nominees of members who are responsible for the proper conduct of the Annual General and Extraordinary Meetings, and for advising the company on conformance.
- bb) “The seal” means the common/official seal of the company.
- cc) “The Standing Orders” means the document “Standing Orders of Indian Confederation for Healthcare Accreditation” for the conduct of General Meetings, which is associated with, though not part of these

Articles but which is binding on the Members and which is attached as Appendix 1.

- dd) “Vice-Chairman” means the Vice-Chairman of the company appointed pursuant to Article 12.1 (2).
- ee) “Voting Member” means a member whose membership monies/fee/subscription is not outstanding and who holds voting rights through its nominee at General Meetings of the company, and does not include Affiliates or Honorary Members.
- ff) Words importing the masculine gender only shall include the feminine gender and vice versa as and when applicable.
- gg) Words importing the singular only shall include the plural and vice versa as and when applicable.

## **2. OFFICES OF THE COMPANY:**

The offices (registered, main, branch or otherwise) of the company shall be at a location determined by the Board of Directors of the company, provided that such decision is in keeping with the principle that it/they shall not be located in the office/premises of any of the Voting members of the company to ensure equality and neutrality amongst all voting members.

## **3. MEMBERSHIP:**

- 3.1 Any registered Organisation which is directly concerned with the aims and objects of “Indian Confederation for Healthcare Accreditation” (“the company”) or is concerned with the provision of healthcare services, control or funding of healthcare services and/or facilities, shall be eligible to apply for Membership, provided it fulfills the terms and conditions of the company.
- 3.2 The number of members with which the company proposes to be registered is 7 (Seven), but the Board of Directors may, from time to time, whenever the business of the company requires it, register an increase of members.
- 3.3 The organisations whose nominees are subscribers to the Memorandum and such other persons eligible to apply for membership as the Board deems fit shall be admitted to membership in accordance with these Articles.



- 3.4 Associations/Bodies/Councils may be admitted to membership of “Indian Confederation for Healthcare Accreditation” with the approval of the Board, who in the opinion of the Board fall within one of the following classes:

Members shall be only registered bodies / Associations / Councils / Societies in the categories of:

- (i) Healthcare Providers who are National organisations / Associations / Councils of Professionals delivering Healthcare services;
- (ii) National Associations of Healthcare Providers who are facility owners / hospitals / other facility providers including Government bodies/those which are Government owned;
- (iii) National Associations / Bodies of Healthcare Consumer Organisations;
- (iv) National Associations / Bodies of Media and other Professional Organisations;
- (v) National organizations of funders or payers;
- (vi) Professional Councils/Educational/Research Bodies at the National level concerned with Healthcare delivery;

- 3.5 “Honorary Membership” may be awarded to:

- (a) Individuals;
- (b) Govt. or Govt. owned healthcare services providers, funders or payers;
- (c) Organisations such as Professional Councils;
- (d) Healthcare service providers, funders and payers; and
- (e) Sponsors;

in recognition of his/her/its outstanding contribution towards healthcare delivery. The Board of Directors will decide the award based on nominations to be provided by the members.

Honorary members will not be required to pay any fees nor have any voting rights.

#### **4. AFFILIATES:**

- 4.1 Affiliates shall be all the above who wish to be an Affiliate of the company, and shall include:
  - (i) Single Corporates.
  - (ii) Individuals.
  - (iii) Associations of categories (i) to (vi) of Article 3.3 above who are registered at the Regional/State/Local/City and District Levels.
- 4.2 Affiliates, not being members, have no vote, but are the persons/organizations eligible to advise the company, and to be nominated to the Technical Council and to be selected for process descriptions/standards writing/surveyors/ committee members/task forces/ subcommittees etc.
- 4.3 All work/tasks of the company to be done in furtherance of its aims and objects shall only be through individuals/experts who are Affiliates/who become Affiliates.
- 4.4 A person eligible to be an Affiliate of the company and desiring to be an Affiliate (for a particular task/subcommittee/project or otherwise) shall apply in writing in the form set out by the Board of Directors from time to time, together with the subscription and/or registration fee of such amount (if any) as fixed from time to time by the Board of Directors, and on his/her/its application being accepted by the Board of Directors, shall be registered as an Affiliate of the company.

#### **5. GENERAL:**

- 5.1 The Members, and Affiliates shall abide by the Memorandum & Articles of Association of the company, its Byelaws, its Standing orders and the International Constitution.
- 5.2 All Members and Affiliates are bound to pay the prescribed subscription and other requisite charges for their respective categories.

5.3 No subscription/registration fee shall be refundable.

**6. COMPOSITION OF THE GENERAL BODY, TECHNICAL COUNCIL, AND THE BOARD OF DIRECTORS:**

6.1 At all times the composition of the General Body, Technical Council and Board of Directors shall always be in the following proportion of the percentage composition:

Professional Association(s) of Healthcare Providers:	60 %
Association(s) of Facility Owners/Providers:	10 %
Association(s) of Consumers organizations	10 %
Association(s) of Media	03 %
Association(s)/Bodies of Law/ Legal professionals/Chartered Accountants	02 %
Association(s)/Organisation(s) of Funders and / or Payers (break up as under):	10%
(i) Government	5%
(ii) Insurance	2%
(iii) Companies	3%
Professional Councils/Educational/Research Bodies in areas of Healthcare	05 %

In case the number of members in the General Body, Technical Council or the Board of Directors of the company is less than 100, the proportionate representation above shall prevail with at least one representative for every category mentioned as below 10%.

6.2 Board of Directors shall be elected/selected by volunteering on the basis of willingness to contribute to their role of ‘trustees’ / business managers provided the proportionate composition as in Article 6.1 above is maintained at all times.

6.3 In the Technical Council the seats shall be allocated to the respective groups in their proportionate representation (as in Article 6.1 above). However, within each category if there are more members than seats available, then: -

- (i). Except for the category of Professional Associations of Healthcare Providers, the seats will be allocated by election within the category.
- (ii). In the case of Professional Associations of Healthcare Providers, the seats will first be allocated to accommodate all Specialities in the first round. For Sub-specialities within each speciality the representation shall be decided by the members within the speciality by consensus, rotation or voting as the group deems fit.
- (iii). If seats are still vacant after the allocation in the first round, there shall be another round of allocation in a similar manner which shall depend on the number of members in each speciality / sub-speciality, till all seats are allocated.

## **7. PROCEDURE FOR MEMBERSHIP/AFFILIATESHIP:**

7.1 Every person/Association/Council who wishes to become a Member shall deliver to the company at its office an application for membership in such form as the Board requires, executed by its duly authorized nominee/Affiliate, together with a subscription/admission fee of such amount (if any) as fixed from time to time by the Board.

7.2 Application so received shall be scrutinised by the Board based on the eligibility criteria as may be laid down by the Board. On such application being accepted by the Board, such person/Association/Council shall be admitted to the company as a member/Affiliate.

7.3 All Member Association(s)/Councils/Organisations shall nominate an individual from amongst its own members to represent it under its category of Membership at:

- (a) General Meetings,

- (b) Technical Council (if a Member), and
- (c) Board of Directors (if a Director).
- (d) Two alternate nominee(s) to represent the Member in the absence of the regular nominee, first alternate being the second nominee and if such second nominee is also unable to attend, then by the third nominee.

7.3.1 The Member Association / Council / Organisation concerned shall intimate its nominee's and alternate nominee(s) name(s) and particulars to the company and if the nominee/alternate nominee(s) meets the eligibility criteria decided by the Board, the Board shall appoint the nominee to the Technical Council / Commission / Body / the Board of Directors / Committee as the case may be, and record the name(s) of the alternate nominee(s).

7.3.2 A Member Association/Council/Organisation may at any time revoke the nomination of an individual made by it and upon such revocation being received in writing by the Board/Chief Executive, the individual nominee concerned shall be deemed to have vacated his/her seat.

7.3.3 The Member Association/Council shall intimate the name and particulars of a fresh nominee within a fortnight of the receipt by the Board of the intimation of revocation of the previous nominee, failing which the vacancy shall be treated as a casual vacancy and be filled up in accordance with these Articles.

7.3.4 In case the Board of Directors decides that a particular nominee/alternate nominee(s) is not functioning in accordance with the Memorandum of Association and these Articles or the Board feels that in the interest of "Indian Confederation for Healthcare Accreditation" such nominee/alternate nominee be changed, the Board may cancel such nomination and intimate the Member Association/Council of such cancellation and request the Member Association/Council to fill up such casual vacancy in accordance with these Articles within a fortnight of the receipt by the Member of the intimation

of cancellation of the previous nominee/alternate nominee(s).

7.3.5 All Members (except Honorary Members) and Affiliates, individual as well as organisational, shall pay such membership subscription/admission/registration fee as may be fixed from time to time by the Board. No membership/registration fee shall be refundable. A Schedule of fees for Membership and the rates for registration of Affiliates valid up to 31<sup>st</sup> March 2005 is Appendix 2.

7.3.6 In case a Member Association/Council is dissolved / merges with / amalgamates with / changes its name or is succeeded in law by another Association/Council or desires to transfer its membership to a similar Association/Council such membership may be transferred, on payment of fresh subscription by the transferee, if required, at the discretion of the Board of Directors, provided the transferee Association/Council is eligible for membership under the Memorandum of Association and these Articles of Association of the company and provided such transferee falls within the category of membership in which such vacancy arose.

## **8. FILLING UP OF CASUAL VACANCIES:**

8.1 Save and except for filling up of casual vacancies as specifically provided in these Articles, any casual vacancy amongst the Board of Directors occurring before the expiry of his term of office in the normal course, shall be filled by the Board of Directors from among the alternate nominee(s) of the Member Association/Council concerned, as the Board deems fit.

8.2 Such person so appointed shall hold office only up to the date up to which the director in whose place he is so appointed would have held office if it had not been vacated as aforesaid.

## **9. CESSATION OF MEMBERSHIP/AFFILIATESHIP:**

9.1 A member or an Affiliate shall cease to be a member/Affiliate if:

- a) it/he shall resign, become bankrupt or compound with its/his creditors;
  - b) it/he shall be more than six months in arrear in the payment of any subscription or other monies due to the company, or
  - c) in the opinion of the Board his conduct or the conduct of its nominee shall be considered in any respect to be prejudicial to the interests of the company or of its members collectively and it/he shall fail to remedy such conduct to the satisfaction of the Board within one month after notice in writing requiring it/him to do so has been given to it/him and if a resolution is passed at a meeting of the Board by a majority of not less than three fourths of the members voting and forming a quorum, at which it/he shall have been given a proper opportunity to be heard, that its/his membership shall be terminated.
  - d) an Affiliate has registered as an Affiliate for a specific task/ subcommittee/project, automatically on the completion of such specific task/subcommittee/project.
- 9.2 A Member/Affiliate/Honorary Member may at any time resign its/his Membership/Affiliation of the company by giving three months written notice of its/his intention to the Chief Executive.
- 9.3 Any Member/ Affiliate who for any cause shall cease to be a member/ Affiliate shall immediately discontinue the use of any device of the company giving any indication of being a member/Affiliate of the company and shall return any property entrusted to it/him to the company for appropriate action.
- 9.4 (a) If a Member/Affiliate fails to pay any membership subscription/ registration fee to the company by the due date, save in circumstances that are beyond the Member's/such person's control, notice to pay such sum within 21 days of the due date shall be despatched & on the expiry of which period, the person will automatically be deemed to have resigned its/his Membership/ Affiliateship of the company.

- (b) If a Member/Affiliate fails to pay any indebtedness to the company for longer than 90 clear days after its being due or its becoming due, save in circumstances that are beyond the Member's/Affiliate's control, the Member/Affiliate will be automatically deemed to have resigned its/his membership/Affiliation of the company. Termination will be effective immediately.

## **10. PRIVILEGES OF MEMBERS / AFFILIATES:**

10.1 The privileges available to the respective classes of Members are:

- (a) All classes:
  - (i) to receive all information regarding the activities of the company.
  - (ii) to receive all notices of annual general meetings and meetings of the Technical Council (if a member thereof) or the Board of Directors (if a member thereof).
  - (iii) any discount on publications and fees as may be decided from time to time by the Board.
  - (iv) to endeavour that healthcare accreditation remains relevant and continues to make a positive contribution to the well being of Humanity.
  - (v) to receive the password(s) according to their respective categories for access to the company's web site.



- (b) Members – In addition to those in Article 10.1 (a):
  - (i) the right to vote in General Body, Technical Council & Board of Directors.
  - (ii) the right of such Member's nominee to vote and/or to be elected by rotation to Board of Directors and Technical Council as the case may be.
  - (iii) for their respective nominees who are Affiliates to be part of database from whom will be selected persons for expert work such as process description/standards writings /surveyors /assessors/committee members/task forces/sub-committees etc. at a reasonable compensation.
  - (iv) to monitor the working of the Technical Council and the Board of Directors.
- (c) Affiliates – In addition to those in Article 10.1 (a):
  - (i) Affiliates who are affiliates in their individual capacity & affiliates who are nominees of Member Association(s)/Council(s) and nominee of other Affiliates to form the database from whom will be selected persons for expert work such as process description/standards writing/surveyors/assessors/committee members /task forces/sub-committees at a reasonable compensation.
  - (ii) if a nominee of a Voting Member; the right to vote in the General Body, the Technical Council (if a member), the Board of Directors (if a Director).
  - (iii) if a nominee of a Member Association/Council, the right to be elected by rotation to the Board and the Council as per the proportion fixed at a percentage of composition.
  - (iv) if a member of the Technical Council; the right to attend and participate in meetings upon receiving notice.

## **11. GENERAL MEETINGS:**

- 11.1 the company shall hold an Annual General Meeting each year in addition to any other meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next, save and except for the 1<sup>st</sup> Annual General Meeting which shall be held within 15 (Fifteen) months of the date of incorporation of the company. The Annual General Meeting shall be held at such time and place as the Board shall decide. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 11.2 The Board may call an Extraordinary General Meeting as and when necessary and also on the requisition of one tenth of the total voting members pursuant to the provisions of the Act, shall forthwith proceed to convene an Extraordinary General Meeting for a date not later than eight weeks after receipt of the requisition and shall direct the Procedures Body to carry out the same.
- 11.3 The company shall endeavour to hold the nearest quarterly meeting of the Board of Directors and the nearest half-yearly meeting of the Technical Council on the same day or thereabouts or concurrently with or nearest to the date of the Annual General Meeting for the convenience of those attending.
- 11.4 The Annual General Meeting shall be held for:
- i) Receiving an Annual report on the activities of the company;
  - ii) passing the accounts;
  - iii) approving/electing the new members of the Technical Council in each category in proportion to the respective categories in accordance with these Articles, the list of new nominations to the Technical Council in each category in proportion to the respective categories to replace those retiring in accordance with these Articles;
  - iv) introducing the new nominees to the Board of Directors to replace those retiring in accordance with these

Articles or newly elected by the Technical Council in accordance with these Articles;

- v) to appoint the auditors and fix their remuneration;
- vi) to receive and approve the plan and programmes for the next year;
- vii) any other business as may be brought before it as may be placed on the Agenda or with the consent of the Chair.

#### **11.5 Notice of General meetings:**

11.5.1 All General Meetings shall be called by at least fourteen clear days' notice. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the meeting as such.

11.5.2 Non-receipt of a notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting subject to proof of dispatch.

#### **11.6 Proceedings At General Meetings:**

11.6.1 Subject to the provisions of section 174 of the Companies Act, 1956 no business shall be transacted at any general meeting unless a quorum of members is present, at the time when the meeting proceeds to business.

11.6.2 Twenty members entitled to vote upon the business to be transacted, each being a voting member and/or a proxy shall constitute a quorum provided that out of those present at least 60 % must be nominees of Professional Associations of healthcare providers, to be a quorum.

11.6.3 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine and notify to Members. When a meeting

is adjourned for fourteen clear days or more, at least seven clear days' notice shall be given specifying the date, time and place of the adjourned meeting. If adjourned to the same day in the next week at the same time and place, it shall not be necessary to give any such notice.

11.6.4 The Chairman or in his absence the Vice Chairman shall preside as Chairman at every general meeting of the company. If there be no such Chairman or Vice-Chairman or, if at any meeting neither the Chairman nor the Vice-Chairman is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose any member of the Board or, if no member of the Board be present, some member of the Technical Council present to be chairman.

11.6.5 The Chairman may with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had adjournment not taken place. When a meeting is adjourned for fourteen clear days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Otherwise it shall not be necessary to give such notice.

11.6.6 Every Member at General Meeting shall abide by the Standing Orders.

11.6.7 (a) Motion to amend the Articles of Association shall be a Special Resolution requiring a 3/4 (three-fourth) majority of those Members present and forming a quorum, in person or by proxy, entitled to vote and voting.

(b) Motions to amend the Byelaws or the Standing Orders and all other motions shall be Ordinary Resolutions requiring a simple majority of those Members, present in person, or by proxy, entitled to vote and voting.

(c) In both cases those Members present, in person or by proxy entitled to vote and voting must

have at least 60% of such Members being nominees from the Professional Associations of healthcare providers.

- (d) The votes cast in favour of a special resolution shall be not less than three times the number of votes, if any, cast against the resolution by members so entitled & voting.

11.6.8 No person shall be entitled to vote at any General Meeting unless all his/her/its Members' fees presently payable by it/him/her to the company have been paid in full.

#### **11.7 Votes of Members at General Meetings:**

11.7.1 A resolution put to the vote of a meeting shall be decided on a show of hands.

11.7.2 Subject to the provisions of the Act, a poll may be demanded:

- (a) by the Chairman of the meeting; or
- (b) by the nominee(s) of at least five percent of the total members having the right to vote at the meeting and a demand by a person as proxy for a Member is nominee, shall be the same as a demand by the Member.

11.7.3 A resolution put to the vote of a meeting shall be decided on a show of hands, before a poll is duly demanded.

11.7.4 A poll demanded shall be taken forthwith.

11.7.5 Unless a poll is duly demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proposition of the votes recorded in favour of or against the resolution.

Provided that in the case of proxies only those votes will be counted in respect of which an instrument shall have been deposited in accordance with these Articles and the Standing Orders and in respect of which the Member's nominee who appointed the proxy is not present at the meeting or adjourned meeting at which the vote is sought to be cast.

11.7.6 No poll shall be demanded or taken on the election of a chairman or on a question of adjournment.

11.7.7 Every member of the company shall have one vote.

11.8 There shall be separate motions for approving the appointment of or nominating each Director (including any re-appointment of a director retiring by rotation) by resolution.

11.9 In the case of equality of votes whether on a show of hands or on a poll the Chairman shall be entitled to a second or casting vote in addition to any other vote he may have. Otherwise every voting member through its nominee shall have one vote.

11.10 The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Any business other than that on which a poll has been demanded may be proceeded with pending the taking of the poll.

11.11 The result shall be declared as soon as the count has been completed.

11.12 No member shall be entitled to receive notice or to attend or vote at any general meeting if any sum presently payable by it to the company is more than sixty days delayed.

11.13 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any such objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

11.14 The instrument appointing the proxy shall always be in writing in the form set out in the Standing Orders.

- 11.15 No one other than a nominee of a Member/ Affiliate/Honorary Member/or an individual Affiliate may be appointed a proxy holder.
- 11.16 Every notice convening a General Meeting shall be accompanied by a form of proxy.
- 11.17 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive. If the Chairman decides that the objection is justified and that the decision of the meeting may have been affected, the resolution shall immediately be put to the meeting again and a further vote taken.
- 11.18 A vote given or poll demanded by proxy shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument proxy was duly deposited before the commencement of the meeting or adjourned meeting at which vote is given or the poll determined or (in the case of a poll taken otherwise than on the same day a meeting or adjourned meeting) the time appointed for taking the poll.
- 11.19 At every alternate Annual General Meeting there shall be elected a body of members (the Procedures Body) from among the Members, in proportion to the categories in the Board of Directors and Technical Council, conversant with the Articles of Association, Byelaws and Standing Orders,
- a. The Procedures Body will be responsible for the proper conduct of the next two Annual General Body Meetings, and any Extraordinary Meeting held within the period, and for advising the company on conformance to these Articles, the Byelaws and Standing Orders of the company
  - b. One Member of the Procedures Body shall be appointed by the Procedures Body to chair the meetings of the Procedures Body and to act as the returning officer at the Annual Meetings of the company;

11.20 In these Articles “year” means the period from the end of an Annual General Meeting to the end of the next Annual General Meeting and “years” shall have a corresponding meaning, save and except for the financial year.

## **12. OFFICERS:**

12.1 The company shall have the following officers:

- (1) The Chairman who will be a neutral, apolitical, pre-eminent personality elected by the Board of Directors who will hold office for a term of three years. If the Chairman is unable or unwilling to act as Chairman or becomes incapacitated, or resigns or dies, the Board of Directors of the company at the meeting held immediately prior to the end of the year in which the Chairman’s year of office expires shall elect a Chairman for the following years and in the meanwhile the Vice Chairman shall act as the Chairman for the rest of the term remaining;
- (2) A Vice Chairman, also a neutral, apolitical, eminent, person, preferably a professional from a field not directly connected with healthcare delivery services, who will serve for two years and who will be elected by ballot of the Technical Council prior to an Annual General Meeting;
- (3) A Chief Executive and a Company Secretary who shall be appointed in accordance with the following articles:
  - (a) (i) The Chief Executive shall be an expert, on contract, who is not an office bearer or on the executive committee of any Association/Council and as per Article 26.
  - (ii) The Chief Executive shall be responsible as the chief operating officer, appointed by and reporting to the Board.
  - (iii) Re-appointment shall be only upon a fresh/renewed contract.



- (iv) The Chief Executive shall be an ex-officio non-voting Member of the Board of Directors.
  - (b)
    - (i) The Company Secretary shall be appointed by the Board as per Article 27.
    - (ii) Re-appointment shall be only upon a fresh/renewed contract.
- (4) Any casual vacancies among the Contractual Officers shall be filled by appointment by the Board. Any person appointed to fill such casual vacancies shall hold office until the conclusion of the contractual period following his appointment i.e. the period of office of a person so appointed shall expire at the time when the period of office of the person who held the office when the vacancy occurred would have expired and shall, notwithstanding any other provisions of these Articles be eligible, upon expiry of the term of contract, under a fresh/renewed contract to hold the office to which he had been appointed;
- (5) If any of the above Officers are unable or unwilling to act as contracted, or becomes incapacitated, resigns or dies, the Board of the company shall fill the vacancy by a majority decision at the next Board Meeting for the unexpired period of the term.
- (6) Notwithstanding the provisions of Article 12.1 (3) hereinabove, the First Board may decide to combine the offices of the Chief Executive and The Company Secretary for the time being/during the term of its office, and nothing done by the person occupying such combined office during this period shall be construed as being contrary to these Articles.

13. **THE BOARD OF DIRECTORS:**

- 13.1 The First Board of Directors shall consist of three persons nominated by the subscriber Associations and the CEO as an ex-officio Director and after licensing / incorporation of the company shall include the nominees of the subscribers to the Memorandum of Association and such other nominee(s) of members/Affiliates shall be co-opted to the first Board as the Board thinks fit (up to a maximum of 20), provided the proportionate percentage composition of the Board from among the various categories of members as laid down in these Articles is maintained, in addition to the ex-officio directors.
- 13.2 Subsequent Board of Directors of the company shall be elected/selected (as the case may be) by the Technical Council from among the eligible members of the Technical Council, at its meeting to be held prior to the Annual General Meeting every year commencing from the English calendar year 2006, provided the proportionate percentage composition of the Board from among the various categories of members as laid down in these Articles is maintained.
- 13.3 The number of members of subsequent Boards apart from the ex-officio directors shall be a minimum of 20 but not more than 30 with the proportionate percentage composition from each class/category of Member being always maintained.
- 13.4 The selection process will consist of the following steps:
- volunteering by rotation in each category;
  - if there are more volunteers than the number required, then selection shall be by negotiation;
  - if negotiation does not provide a consensus, then conciliation by the Chairman of the meeting;
  - The last resort shall be through voting;
- 13.5 All selected or otherwise appointed members of the Board shall be Directors of the company, save and except for the Company

Secretary, (unless and until combined with the Chief Executive's office).

- 13.6 Not more than one nominee of a Member Association/Council/Organisation can be selected or nominated/elected to the Technical Council / Board of Directors/committees respectively at any time. However, if a Member is simultaneously a Councilor as well as on the Board of Directors, it may nominate only one nominee to represent the Member Association/Council/Organisation under its category of Membership to each of the said respective bodies with two alternate nominee(s) in case the principal nominee is unable to attend such meetings, provided each such nomination is in writing and such nominee has been appointed after verification of the nominee's conforming to the eligibility criteria determined by the Board.

## 14. COMPOSITION OF THE BOARD OF DIRECTORS

14.1 The Board of Directors shall consist of:

- (1) The Chairman;
- (2) The Vice-Chairman;
- (3) Directors who are Nominees of Members from:

*National Professional Association(s) of  
Healthcare Providers:* 60 %

*National Association(s) of Facility  
Owners/Providers:* 10 %

*National Association(s) of Consumers  
Organizations* 10 %

*National Association(s) of Media* 03 %

*National Association(s) of Law/Legal professionals/  
Chartered Accountants* 02 %

*National Association(s)/Organisation(s)  
of Funders or Payers (break up as under): 10%*

<i>(i)</i>	<i>Government</i>	<i>5%</i>
<i>(ii)</i>	<i>Insurance</i>	<i>2%</i>
<i>(iii)</i>	<i>Companies</i>	<i>3%</i>

*National Professional Councils/Educational/  
Research Bodies in areas of Healthcare 05 %*

- (4) Director who is the Chief Executive;
- (5) Up to 10 % of the Board, Observers/Invitees/Honorary Members, in terms of these Articles;
- 14.2 However, if any of the above categories eligible for membership are unable to/do not become members, but whose presence the Board feels is necessary, they can be accommodated as non-voting observers/invitees up to a maximum of 10% of the total strength of the Board. Any vacant voting seats can be re-distributed proportionately/by rotation to National Professional Healthcare Providers' Association.
- 14.3 The Company Secretary shall attend all Board meetings, but shall not be a Director.
- 14.4 There shall be a nominated Executive Committee of at least 3 or 5 Directors formed to supervise the activities of the Chief Executive during the term of office of the Board, who shall be nominated by the Board.
- 14.4.1 The nominated Executive Committee of Directors for supervising executive functions shall work on part-time basis and be compensated accordingly.
- 14.4.2 At least one of the Members of the Executive Committee of Directors for supervising executive functions must be from the category of National Professional Healthcare Providers Association.
- 14.5 The Board shall have power to appoint any member of the company to be member of the Board to fill a casual vacancy until the expiry of its term of office, provided the proportion to the percentage composition of the Board is maintained.

14.6 The first Directors of the company shall be: -

- (1) Major General (Dr.) S. Venkataraman – President, Association of Physicians of India and its designated nominee.
- (2) Dr. B.V. R. Sastry – Member, Indian Society of Anaesthesiologists and its designated nominee.
- (3) Mr. S.L. Nasa – Honorary General Secretary, Indian Hospital Pharmacists' Association and its designated nominee.
- (4) Dr. Akhil K. Sangal – Chief Executive Officer - Ex-officio Director.

**15. DISQUALIFICATIONS OF MEMBERS OF THE BOARD:**

15.1 A person shall not be capable of being appointed director of the company, if –

- (a) he is not a nominee of a National level Association /Council/Organisation (except for the Chief Executive and observer(s) / invitee(s) / co-opted honorary member).
- (b) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (c) he is an undischarged insolvent;
- (d) he has applied to be adjudicated as an insolvent and his application is pending;
- (e) he has been convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months, and a period of five years has not elapsed from the date of expiry of the sentence;
- (f) an order disqualifying him for appointment as director has been passed by a Court in pursuance of section 203 and is in force, unless the leave of the Court has been

obtained for his appointment in pursuance of that section;

- (g) such person is already a director of a public company which: -
  - (i) has not filed the annual accounts and annual returns for any continuous three financial years commencing on and after the first day of April, 1999; or
  - (ii) has failed to repay its deposit or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more. Provided that such person shall not be eligible to appointed as a director of any other public company for a period of five years from the date on which such public company, in which he is a director, failed to file annual accounts and annual returns under sub-clause (A) or has failed to repay its deposit or interest or redeem its debentures on due date or pay dividend referred to in clause (B).
  - (iii) any of the other applicable disqualifications mentioned in Section 274 of the Companies Act, 1956 as amended.

15.2 A Director of the company shall cease to hold office if he:

- (a) ceases to be a company director by virtue of any provisions in any Act or any statutory re-enactment or modification of these Acts, or is disqualified from acting as a nominee of his Member Association/Council by virtue of or by withdrawal of his nomination in writing by the Member he is representing; or
- (b) becomes incapable by reason of mental disorder, illness or injury of managing and administering his own affairs; or
- (c) resigns his office by writing under his hands left delivered at the office; or
- (d) ceases for any reason to be an Affiliate of the company; or

- (e) has failed without prior leave of absence to attend three consecutive meetings of the Board; or
- (f) a motion is passed by a simple majority of the Members at a General meeting stating that the named Director shall cease to hold office immediately .

## **16. EXPENSES OF DIRECTORS:**

- 16.1 Subject to the provisions of the Memorandum & Articles of Association the members of the Board shall not be entitled to any remuneration for their services as such Directors (save and except for the contracted Director(s) and those Directors who, in their capacity as Affiliates have been selected for expert work) but the Board may authorize the payment by the company of any reasonable and proper sitting fees and out-of-pocket expenses incurred or to be incurred by any such nominee of a member in the performance of his duties or otherwise in connection with the affairs of the company.
- 16.2 The Directors shall be reimbursed all reasonable travel, hotel and other expenses properly incurred by them in connection with their attendance at General Meetings and meetings of the Board or otherwise in connection with the discharge of their duties.

## **17. APPOINTMENT AND RETIREMENT OF DIRECTORS:**

- 17.1 The Board of Directors will be appointed from among the eligible nominees of members on the basis of volunteering or election for their willingness to contribute to their role as 'Trustees' / Business Managers by the Technical Council at its meeting to be held prior to the Annual General Meeting every year.
- 17.2 At every Annual General Meeting (except for the first two years) one-third of the Board as defined in Article 14 (in the composition proportion of Directors set out above) will be subject to retirement by rotation or, if that number is not a multiple of three, the number nearest to one-third shall retire from office.

- 17.3 A Director who ceases to be such during the electoral year at the end of which he was due to retire by rotation will be regarded as retiring by rotation for the purposes of this Article.
- 17.4 The Directors to retire at every Annual General Meeting shall be those who have been longest in office since last elected to the Board and those who will be subject to Article 17.2. As between nominees of Members who became or were last appointed Directors on the same day, those to retire shall be determined according to the ranking received in the year of election as certified by the appointed independent returning officer. Those nominees of Members having obtained the highest ranking shall serve the longest term of office.
- 17.5 If for any reason the number of Directors falls below that fixed under Article 13 then the requisite number of candidates to bring the Board back to that fixed number shall be elected by the Technical Council in the relevant year at a meeting held prior to the Annual General Meeting. Those candidates elected beyond the number scheduled for retirement shall serve the remainder of the terms of office of those Members who ceased to be the Directors before their terms of office were completed. Those Members obtained the highest ranking shall be allocated the longest terms of office.
- 17.6 Not less than 120 clear days prior to the Annual General Meeting in each year the Company Secretary shall give notice (“nomination notice”) to all Members of the names of those Directors who are to retire at the Annual General Meeting, and shall call for nominations, to be given in accordance with Article 13 of nominees of Members for appointment as Directors by the Technical Council. The notice shall state the date by which such nominations are to be received by The Company Secretary.
- 17.7 Mutual change of nominees between Member Associations/Organisations shall be permitted by consensus of the Technical Council.
- 17.8 Any Member may nominate one of its nominees for election to the Board:
- (a) all nominations shall be in writing and signed by the duly authorised officer of the nominating Member according or its Rules;



- (b) nominated Member shall file a nomination form in acceptance of his nomination;
  - (c) all nomination forms shall be deposited with The Company Secretary by the date stated in the nomination notice;
  - (d) each nominee may submit a portrait photograph taken within the last two years and/or a statement of up to 200 words in support of his nomination;
  - (e) no other form of canvassing will be permitted;
- 17.9 No person shall be a Director for more than three consecutive years, save and except for an ex-officio Director.

## **18. POWERS OF DIRECTORS:**

- 18.1 Subject to the provisions of the Act, the Memorandum and the Articles of Association and to any directions given by Special Resolution, the business of the company shall be managed by the Directors who may exercise the powers of the company.
- 18.2 No alteration of the Memorandum or Articles of Association and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.
- 18.3 The powers shall not be limited by any special power given to the Directors by the articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 18.4 The Directors may, by power of attorney, or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine by a resolution of the Board, including authority for the agent to delegate all or any of his powers.

- 18.5 The Board of Directors shall have the power:
- 18.5.1 to develop and implement strategies, plans and budgets for the company;
  - 18.5.2 to develop & approve policies and procedures for the management of the company;
  - 18.5.3 to seek advice from the Technical Council on the development and delivery of the accreditation system and quality improvement processes;
  - 18.5.4 to set objectives and targets for the company & monitoring progress towards achieving the same;
  - 18.5.5 to determine the range of services and activities of the company;
  - 18.5.6 to appoint sub-committees to consider any issues arising from the accreditation process;
  - 18.5.7 to appoint the Chief Executive and approve staffing & management arrangements for the operation of the company;
  - 18.5.8 to make Bye-laws for the company as when necessary for attainment the of the aims & objects of the company;
  - 18.5.9 to carry on any other activity that the Board may deem fit in furtherance of the aims and objects of the company in accordance with these Articles;
- 18.6 In addition to all powers hereby expressly conferred on the Board and without detracting from the generality of its powers under the Articles, the Board shall have the following powers, namely.
- 18.6.1 to open bank accounts in the name of the company through authorized signatories and to pay money into and draw money from such account from time to time as the Board of Directors may think fit.

18.6.2 to expend the fund of the company in such manner as the Board shall consider most conducive to the achievement of the objects of the company and to invest in its name such part of its funds as the Board may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale or transposition only in furtherance of the objects of the company.

18.6.3 to enter into contract on behalf of the company.

18.6.4 to make and repeal byelaws for the regulation of business of the company, rules governing, or the terms and conditions of services of its officers or employees such rules not being inconsistent with the Memorandum of Association and these Articles.

18.6.5 To purchase, take on lease or otherwise acquire, and to insure and keep insured against loss or damage, for the company any property, rights or privileges that the company is authorized to acquire at such price and on such terms and conditions as they think fit.

**19. DELEGATION OF DIRECTORS' POWERS:**

19.1 The Board may delegate any of their powers to any committee consisting of two or more Members.

19.2 They may also delegate to any Member holding an executive office, such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose, either collaterally with or to the exclusion of their own powers and may be revoked or altered.

19.3 The Board may also delegate to an investment manager in accordance with the terms of this article and to arrange for the investment or income from there to be held by a corporate body as nominee in accordance with the terms of the concerned Bye-laws to be formed hereafter by the Board;

19.4 Subject to any such conditions, the proceedings of the committee shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

## **20. DIRECTORS' INTERESTS:**

20.1 Subject to the provisions of the Act and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director, notwithstanding his office:

- a. may be a party to or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
- b. may be a director or other officer, of or employed by, or party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
- c. shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or behalf;

20.2 For the purpose of this article:

- (a) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class or persons is interested, shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- (c) save as otherwise provided by the Articles, a Director shall not vote at a meeting of Directors or at a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may

conflict with the interest of the company unless his interests or duty arises only because the case falls within one or more of the following:

- (i) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of the company;
- (ii) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the company for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under guarantee or indemnity or by the giving of a security.

20.3 For the purposes of this Article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the company), connected with a Director shall be treated as an interest of the Director.

20.4 A Director shall not be counted in the quorum present at meeting in relation to a resolution on which he is not entitled to vote.

## **21. PROCEEDINGS OF THE BOARD:**

21.1 A meeting of the Board of Directors shall be held at least once in every three English calendar months.

21.2 Notice of every meeting of the Board shall be given in writing and despatched (including by electronic mail) to every director for the time being in India, and at his usual address in India to every other director.

21.3 Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit.

21.4 The quorum for the transaction of business by the Directors shall be 5, provided that out of those present at least 60% must be Members of Professional Association of Healthcare Providers, to constitute a quorum at all times.

- 21.5 If the Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Vice Chairman present shall be chairman of the meeting. In the absence of both of them, one of the Members of the Board, present, shall be elected to act as chairman of that meeting.
- 21.6 The Chairman of the Board may at any time and the Chief Executive on the requisition of not less than five members of the board shall, summon a meeting of the Board provided 60% of the requisitioning Directors are nominees of National Professional Association of Healthcare Providers at all times.
- 21.7 Questions arising at a meeting of the Board shall be decided by a majority of votes.
- 21.8 In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
- 21.9 The Board may act notwithstanding any vacancies in its membership but, if the number of members is less than the number and proportion fixed as the quorum, the continuing members may act only for the purpose of filling vacancies or calling a general meeting.
- 21.10 All acts done at any meeting of the Board or by any person acting as a member of the Board shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any member of the Board or that any of them had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member of the Board and had been entitled to vote.
- 21.11 A resolution in writing signed by all the members of the board or a committee thereof, entitled to receive notice of a meeting of the Board shall be as valid and effective as if it had been passed at a meeting of the Board duly convened and held. Such a resolution may consist of several documents signed by one or more of the members of the Board or committee provided such resolution had been circulated in draft, together with the necessary papers, if any, to all the directors, or to all the members of the committee, then in India (not being less in number and proportion than the quorum fixed for a meeting of the Board or committee, as the case may be), and to all other directors or members at their usual address in India, and had

been approved by such of the directors as are then in India, or by a majority of such of them as are entitled to vote on the resolution, so long as they are in the number and proportion of the quorum fixed.

Such circulation shall be by registered post acknowledgement due or by Courier service or by Electronic Mail Service addressed to the Director representing the Member Association/Council.

- 21.12 The Board may appoint one or more Standing Committee(s) consisting of members of the company for the purpose of making any inquiry or supervising or performing any function or duty which in the opinion of the Board would be more conveniently undertaken by a Standing Committee. In the exercise of the powers so nominated any Standing Committee shall conform to any regulations which may be imposed on it by the Board and all acts and proceedings of any such Committee shall be reported back to the Board as soon as possible.
- 21.13 The Chief Executive shall act on behalf of the Board only in an emergency provided it is not possible to convene a Board meeting in accordance with these articles. However, such actions of the Chief Executive shall be subject to a report being sent immediately to each of the Directors and being ratified and confirmed at the next Board meeting.

## **22. TECHNICAL COUNCIL:**

- 22.1 Councillors shall be elected from the list of nominees prepared by the Procedures Body from among the eligible members of the general body for each Membership Category, (in proportion to the percentage composition of the Board of Directors) with each category of members deciding on their representation within the group/category by consensus, rotation or voting as the group deems fit.
- 22.2 The term of each Councillor shall be three years with one-third of the Technical Council retiring every year, except for the first two years.
- 22.3 The Councillors to retire annually shall be those who have been longest in office since last elected to the Technical Council. As between Councillors who became or were last appointed

Councillors on the same day, those to retire shall be determined according to the ranking received in the year of election as certified by the appointed independent returning officer with nominees of Members having obtained the highest ranking serving the longest term of office.

22.4 All elected or otherwise appointed members of the Technical Council shall be Councillors of the company, save and except for the Company Secretary.

22.5 The strength of the Technical Council shall be up to a maximum of 100 Councillors from various classes of membership in proportion to the percentage composition of the Board of Directors and the General Body.

22.6 The Technical Council shall consist of:

- (1) The Chairman of the company, who shall act as the Chairman of the Technical Council;
- (2) The Vice Chairman of the company, who shall act as the Chairman of the Technical Council in the absence of the Chairman;
- (3) The appointed Chairman of the Executive Committee for executive functions;
- (4) The Chief Executive;
- (5) The Company Secretary;
- (6) 100 councillors (being the total of the replacements of those retiring being elected by ballot of the voting members at the Annual General Meeting, and the newly elected councillors, with the proportionate percentage composition from each class/category of Member being always maintained), and
- (7) up to a maximum of 10% of the total councillors from the categories of Affiliates, Honorary Members, observers/invitees, to be selected by the Board of Directors out of which half shall be nominees of Member of categories as specified in Article 6.1 above;



- 22.7 None of the councillors so elected shall hold office for more than two terms in succession unless they become members of the Council under one of the other provisions of these articles;
- 22.8 The Council shall regulate its own procedure and may make rules for the purpose.

### **23. FUNCTIONS OF THE COUNCIL:**

- 23.1 The function of the Council is to be responsible for the technical content of the accreditation system and to advise the Board of Directors on any matter which the Council considers it to be appropriate that its advice should be given or on which its advice may be sought by the Board but the Council shall have no power to direct the Board to follow such advice in areas of administration and management or to take part in the administration and management of the company.
- 23.2 Councillors/or Nominees of Councillor Association/Councils whether nominated or elected shall be eligible to be appointed as committee members/task forces/sub-committees, provided the individual Councillor or the nominee is an Affiliate of the company.
- 23.3 The functions of the Council shall also include:
- a) appointment of members of the Board of Directors;
  - b) being the determining body for the technical content of the accreditation system;
  - c) rendering advice on the range of services provided by and activities of the company;
  - d) representing the interests of nominating associations / organisations;
  - e) receiving and commenting on strategies, plans, policies and procedures which are concerned with the content and functioning of the accreditation and quality improvement processes;
  - f) advising the company on quality initiatives and collaboration with other organisations;

- g) receiving any appeals or complaints against the company in respect of the content and functioning of the accreditation process;
- h) advising the Board on objectives and targets for the company and monitoring their progress;
- i) any other activity in furtherance of the aim & objects of the company that the Board may think fit.

23.4 The Council shall nominate Directors to the Board to replace those retiring, by rotation from among the eligible nominees or on the expiry of the term of the Board, whichever is earlier.

## **24. PRIVILEGES OF THE MEMBERS OF THE TECHNICAL COUNCIL:**

- 24.1 All Nominees of Member Association(s)/Councils on the Council shall be eligible to be elected as a Member of the Board of Directors with the proportionate percentage composition from each class/category of Member being always maintained.
- 24.2 All Nominees of Non-Voting and/or Non-paying National Associations / Councils on the Council shall be eligible to be co-opted as a Member of the Board of Directors or Observer/Invitee to the Board of Directors, with the proportionate percentage composition from each class/category of Member being always maintained.
- 24.3 All Individual Councillors, provided the Individual Councillor is an Affiliate of the company, shall be eligible to be appointed as an officer/Honorary Member/Observer/ Invitee on the Board of Directors with the proportionate percentage composition from each class/category of Member being always maintained.
- 24.4 All Nominees and All Individual Councillors who are Affiliates (and whose dues are duly paid up) of the company shall form the database from which will be selected persons for expert work such as process description/standards writing/surveyors/ assessors/committee members/task forces/sub-committees etc. on part time or full time basis and compensated accordingly.

24.5 All Councillors shall be entitled to receive all information regarding the activities of the company and all notices of annual general meetings and meetings of the Technical Council.

**25. Proceedings of the Technical Council:**

25.1 A meeting of the Technical Council shall be held at least once in every six English calendar months - preferably to be concurrent with the meeting of the Board due during that quarter, and/or the Annual General Meeting due at that time;

25.2 Notice of every meeting of the Council shall be given in writing and despatched (including by electronic mail) to every Councillor for the time being in India, and at its/his usual address in India to every other Councillor;

25.3 Subject to the provisions of these Articles, the Council may regulate its proceedings as it thinks fit;

25.4 The quorum for the transaction of business by the Technical Council shall be 20, provided that out of those present at least 60% must be Members of Professional Associations of Healthcare Providers / Healthcare Councils, to constitute a quorum at all times;

25.5 If the Chairman of the Council is not present within fifteen minutes after the time appointed for holding the meeting, the Vice Chairman present shall be Chairman of the meeting, and in the absence of both, the Councilors present, if forming a quorum under these Articles shall elect one of those present to act as the Chairman of that meeting;

25.6 The Chairman of the Council may at any time and the Chief Executive on the requisition of not less than five members of the Council shall, summon a meeting of the Council provided 60% of the requisitioning Councillors are nominees of National Professional Associations of Healthcare Providers at all times;

25.7 Questions arising at a meeting of the Technical Council shall be decided by a majority of votes;

25.8 In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

- 25.9 The Council may act notwithstanding any vacancies in its membership but, if the number of members is less than the number and proportion fixed as the quorum, the continuing members may act only for the purpose of recommending to the Board for calling a general meeting.
- 25.10 All acts done at any meeting of the Council or by any person acting as a member of the Council shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any member of the Council or that any of them had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member of the Council and had been entitled to vote.

**26. THE CHIEF EXECUTIVE:**

- 26.1 The Board of Directors may authorize the Chief Executive to exercise such powers as it may decide upon from time to time and the Chief Executive shall exercise such powers during the period of his/her contract. However,
- (i) The period of each contract shall not exceed five years at any time. Re-appointment shall be only upon a fresh/renewal of contract.
  - (ii) The Chief Executive shall give an undertaking not to contest or get nominated to the Executive Council, or/as office bearer of any Member Association/Council to avoid conflict of interest, during the contractual period.
  - (iii) The Chief Executive shall attend meetings of the Board/ Technical Council and any other committees formed by the Board or the Technical Council as a non-voting member.
  - (iv) The Chief Executive and the nominated Executive Committee of 3 or 5 Directors formed to supervise the activities of the Chief Executive shall be responsible for the day-to-day activities of the company.
- 26.2 The Chief Executive will be assisted by full-time/part-time staff as required from time to time.

## **27. COMPANY SECRETARY:**

27.1 The Company Secretary shall be the Secretary of the company for the purpose of the Act and shall perform all statutory duties and in particular for maintaining:

27.1.1 Minutes - The Board shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the company or the Board;
- (b) of the names of the members present at every meeting of the Board, the Technical Council and each Committee (Executive, Standing or other) that may be formed at any time;
- (c) of all resolutions and proceedings of every meeting of the company, the Technical Council, the Board and each Executive/Standing Committee.

27.1.2 Registers – The Board shall cause Registers to be maintained for:

- (a) Membership
- (b) Contracts
- (c) Charges
- (d) Investments

apart from and including the duties enumerated below:

- (i) The Company Secretary shall attend meetings of the Board and the Technical Council, but shall not have a vote.
- (ii) The Company Secretary shall be responsible for carrying out his statutory duties under the Act.
- (iii) The Company Secretary is also responsible for ensuring compliance of the various provisions of the Act and to seek approval of the Central Government, besides compliance of other legislation, and

(iv) The Company Secretary reports to the Chief Executive and the Board of Directors.

27.2 The Company Secretary shall be appointed by the Board for such term not exceeding three years for each term, at such remuneration and upon such conditions as they may think fit with reappointment only in accordance with article 12.1(3)(b)(ii).

## **28. THE SEAL:**

28.1 The seal shall only be used by the authority of the Board.

28.2 The Board may determine who shall sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall be signed by a member of the Board and by the Chief Executive or Company Secretary.

28.3 The appointment of an attorney to execute deeds on behalf of the company in India as well as outside India has to be made under the company's common or official seal and may be a general or special power of attorney.

28.4 A deed signed by such an attorney on behalf of the company and under his seal shall bind the company and have the same effect as if it were under its common seal.

## **29. ACCOUNTS:**

Accounts shall be prepared in accordance with the provisions of the Act, and shall be open to inspection of members who shall have the right to inspect any accounts or documents or registers of the company on any working day during working hours, unless debarred by the Act, or by a Resolution passed at an annual general meeting.

## **30. ANNUAL REPORT AND ANNUAL RETURNS:**

The Board shall treat its obligation as though it is a body of 'trustees' with regard to the preparation of an annual report and an annual return and transmission to the Registrar of Companies.

### **31. AUDITS:**

The general meeting of the company shall appoint auditors of the company as follows:

- a) The first auditors of the company shall be appointed by the Board of Directors of the company at their first meeting. Such auditors shall hold office till the conclusion of the first Annual General Meeting of the company.
- b) At every subsequent Annual General meeting, an Auditor shall be appointed to hold office from the conclusion of the meeting in which he/it is appointed until the next Annual General Meeting.
- c) The appointment or re-appointment of auditor shall be made by an ordinary resolution at the annual general meeting.

### **32. FINANCIAL YEAR:**

The financial year of the company shall be as resolved by the Board of Directors from time to time.

### **33. NOTICES:**

The company may give any notice to a member / affiliate either personally or by sending it by post/electronic mail to the member / affiliate at his registered address. A member / affiliate whose registered address is not within India and who gives to the company an address within India at which notice may be given to him shall be entitled to have notices given to him at that address but otherwise notices shall be sent by post to such members / affiliates at their registered address.

### **34. INDEMNITY:**

Subject to the provisions of the Act, but without prejudice to any indemnity which a Director may otherwise be entitled to, every member of the Board or officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default,

breach of duty or breach of trust in relation to the affairs of the company.