

**EUROSMART
INTERNATIONAL NON-PROFIT ASSOCIATION**

Rue du Luxembourg, 19-21
1000 BRUSSELS

Integrated Statutes – 6 May 2015

Formation

Article 1. The Association is hereby formed between the parties, which created it, and the members, which have joined it or will join it. Said Association is subject to the Belgian law of 25 October 1919 as modified by the law of 6 December 1954 and by the law of 30 June 2000, and repealed by the law of 2 May 2002 and currently integrated in the law of 27 June 1921 on non-profit association, international non-profit associations and foundations, as modified by the laws of 2 May 2002, 16 January 2003, 22 December 2003, 9 July 2004 and 27 December 2004.

Whereas the EUROSMART Association (hereinafter “the Association”) representing the Smart Security Industry is committed to expanding the Smart Security market and developing Smart Secure Devices related standards suitable for multi-sector applications, and to continuously improve quality and security of application.

A Smart Secure Device is a smart object which contains a secure IC and embedded software and supports personalization by the issuer or other relying parties; the main purpose is to offer human to machine as well as machine to machine security services such as data integrity, user authentication or secure storage. It comes in multiple form factors such as smart card, smart USB token, smart micro SD, and embedded secure element. It includes personal, portable as well as embedded devices.

The Association does not pursue any lucrative or economic goals, even accessory.

Whereas the Association is formed in order to achieve the following missions:

1/ Promote Smart Secure Devices and Smart Secure Devices systems by:

- encouraging open system design ;
- encouraging interoperability of components and systems ;
- promoting high security image around Smart Secure Devices applications;
- defending the reputation and ethics of the Smart Security Industry including by fighting counterfeiting or violations of intellectual property rights;

2/ Standardise Smart Secure Devices and Smart Secure Devices systems by:

- orienting the content of standards and promoting European standards world-wide ;
- launching initiatives for building common specifications for future applications;

3/ Provide a forum for the exchange of marketing and technical data by:

- generating statistics and market surveys;
- studying specification of common interest;

4/ Define a consistent range of quality and security levels by:

- defining test standards for component integrity and quality ;
- approving access to laboratories for testing;

5/ Lobby international and national bodies, such as inter alia:

- working on trade issues ;
- initiating European R & D projects;

6/ Inform and educate customers and end-users;

7/ Develop a network of expertise.

The objectives and activities of EUROSMART will be in accordance with national and European competition laws and regulations.

Whereas the partners have come together and agreed upon the following articles in order to achieve the above mentioned missions.

Duration

Art. 2. The Association is established for an unlimited period.

Registered office

Art. 3. The Association's registered office will be: Rue du Luxembourg, 19-21, 1000 Brussels.

Said registered office may be transferred by a decision of the majority of the Council which is empowered to modify the present Article, subject to ratification by the next General Assembly Meeting.

Membership

Art. 4. The Association is made up of:

- Executive members
- Associate members

Detailed rights and duties of each category are defined as below:

Executive members

Composition

Executive members are solutions and services providers in the smart security area. They are:

- Smart Secure Devices manufacturers, including Smart Cards manufacturers; or
- Smart Secure Devices integrated circuit manufacturers; or
- Manufacturers of terminals Smart Secure Devices accepting devices; or
- Manufacturers of equipment accepting Secure Devices (including personalisation machines);
- System integrators, software or service houses industrialists;

- System integrators
- Start-ups of the smart security industry ecosystem

Rights and benefits

Executive members are entitled to:

- Appoint a voting representative at the Council
- Appoint a voting representative at the General Assembly
- Present a candidate to the position of President, Vice-President and Treasurer
- Within the Council, influence Eurosmart strategy and financial resources:
 - Contribute to the definition of and approve Eurosmart pluri-annual action plan
 - Decide the annual budget and its repartition
- Appoint a representative to take part to each Committee
- Endorse the responsibility of Committee Director (as well as subgroups and other ad hoc groups)
- Propose initiatives and contribute to Eurosmart deliverables
- Lead specific lobbying activities (meeting with EU representatives, events, etc.) with the support of the Brussels Office
- Benefit from a “preferred” status in Eurosmart marketing materials and at events supported and/or sponsored by Eurosmart
- Receive information on research and innovation projects opportunities
- Access to the web site members’ section with a password and login
- Receive the electronic newsletter
- Entitled to have their logo and link to company web site on Eurosmart web site

Associate members

Composition

Associate members are non-for-profit legal entities such as universities, educational institutions, public and governmental agencies and professional associations. They have an interest to stay abreast of the smart security technology and can benefit to the association’s expertise and global activity.

Rights and benefits

Associate members are non-for-profit legal entities that could bring their expertise in different areas related to smart security. Those non-profit organisations that have the interest and ability to join at the partner’s level are entitled to do so and take advantage of the expanded entitlements of that level.

Associate members are entitled to:

- Participate to the General Assembly
- Receive the electronic newsletter
- Entitled to have their logo and link to company web site on Eurosmart web site
- Give presentations on behalf of Eurosmart (only by invitation of the Board and approved by the Council)

Executive members subsidiaries status

Art. 4 a). The Executive members subsidiaries held by 50% or more by the Executive member company may join the Association as Executive Members.

Their annual fee is fixed to 50% of the annual fee paid by the Executive member that holds such a company.

Admission of new members

Art. 5. Any application for membership shall be presented in writing to the President of the Association.

The application of any company or organisation which fulfils the conditions set up in Article 4 to be a member will be evaluated by the Association's Council. If the application is accepted, it will be proposed to the General Assembly for validation by a resolution adopted by simple majority.

Rejections of applications for membership shall be in writing and shall state the reasons therefore.

Applicants to whom membership is denied shall be heard by the General Assembly if they so request in writing, and their application shall be submitted to a second vote of the General Assembly thereafter.

Resignation, removal from membership

Art. 6. Any member may leave the Association at any time, upon payment of fees due and written notice of its resignation to the Council.

The General Assembly, voting by a two thirds majority, may cross off the register any member whose behaviour is considered incompatible with the missions of the Association.

Membership of a company shall be reviewed in case of merger or change of control to check that the company still carries out an activity in line with the Association's admission requirements.

Any member which is subject to a removal procedure has a defence right before the General Assembly which shall hear the member concerned before taking a final decision.

Reasons for the exclusion of a member from the Association shall be given in writing, if that member has so requested in writing.

Any member which, after a reminder, has not paid its fee is automatically struck off the register of members by the Council and charged for any other cost, including legal cost, borne by the Association.

Members who have resigned or been struck off the register may not claim any right on the Association's property nor may they recover any sums paid by them, either in the form of fees or in any other form.

Confidentiality

Art. 7. Members of the Association will refrain from using, copying or disclosing without prior permission any information brought to their knowledge within the framework of the Association's activities or belonging to other Members.

The Council

Art. 8. Day-to-day management of the Association is entrusted with a Council made up of all Executive members.

Only representatives of Executive member organisations are eligible for position in the Board. The General Assembly will appoint the President, the two Vice-Presidents and the Treasurer among a list of eligible candidates by simple majority.

The respective Directors of the Committees are members by right of the Council but without voting right. Committee Directors are selected according to the Rule Book of the Association.

The Director of Operations of the Association shall attend the Council meetings without voting right.

The members of the Council are represented by their permanent representatives in the Association appointed as specified in Article 20.

The Board

Art. 9. The President, the two Vice-Presidents and the Treasurer appointed by the General Assembly are forming the Board. The Board acts by mandate of the Council in order to ensure the Association official representation and efficiency in application of decisions. The scope of work and authority of the Board are defined in the Rule Book.

The Director of Operations of the Association shall attend the Board meetings without voting right.

The members of the Board are elected for a one-year term of office which may be renewed.

Responsibilities of officers

Art. 10. The President represents the Association in civil law and is invested with the powers required for this purpose.

More particularly, the President is empowered to take legal action on behalf of the Association.

The Director of Operations draws the minutes of General Assembly meetings and Council meetings. For the benefit of the members, he or she keeps a special register which contains the

resolutions of the General Assembly and the Council. He or she carries out all useful formalities in this function.

The Treasurer draws up the accounts and reports to the Council. He or she proposes the budget of the Association for each financial year.

Non-remuneration

Art. 11. Members of the Council and the General Assembly receive no remuneration for their services.

Expenses and outlays incurred in the course of duty, other than travel and accommodations expenses linked to the attendance to the Council, Committees and General Assembly could be reimbursed upon request with proof of disbursement under special circumstances.

Council meetings

Art. 12. The Council meets as often as the interests of the Association require and at least twice a year.

Meetings are convened by the President or at least two of the members of the Board or one third of the Council.

The attendance or representation of one half of the members of the Council is required for its decisions to be valid. A Council member may only be represented by another Council member, and may accept only two proxies from another Council member.

Decisions are made by simple majority.

The Council may admit to its meetings any person useful to its deliberations, but without voting right.

Council minutes

Art. 13. The minutes of Council meetings, together with the duly signed attendance sheets, are recorded by the Director of Operations in the minute book and signed by the President and a Council member.

The Director of Operations may deliver certified copies.

Powers of the Council

Art. 14. The Council defines the strategy of the Association, following the directions laid down by the General Assembly, and decides on the resources to be employed.

The Council is invested with wide ranging powers to authorise anything not reserved to the General Assembly meeting. The Committee is accountable to the General Assembly, which has the right to require Council members to report to it on their actions.

The Council authorises all purchases, transfers of property, rentals, borrowings and lending necessary to the activities of the Association, with or without mortgage, within the limits of annual approved budget. It authorises all transactions, releases of, objections to payment, with or without proof of payment.

The Council decides to create and close Committees.

The Council may delegate any of its powers to the Board on specific questions and for limited periods.

Funds

Art. 15. The Association's funds come from:

- annual fees paid by members;
- gifts or subsidies from private individuals or public or private organisations ;
- charges paid by members for taking part in special programmes and specific activities ;
- sums received from funds, subsidies and receipts not forbidden by law.

The use of these funds will be determined by the Council in pursuance of the objects of the Association and accounted for by the Treasurer at the annual General Assembly meeting.

Fees

Art. 16. The amount of the annual fee due by members is proposed every year by the Council and fixed by the General Assembly.

If the General Assembly meeting cannot be held, or if no decision can be reached, the amounts for the previous year automatically remain in force.

Liability for financial commitments

Art. 17. The Association is liable for the financial commitments made in its name only up to its own property. No member of the Association may, under any circumstances, be held personally liable for such commitments.

Accounting period

Art. 18. The budget of the Association is drawn up for the period from the 1st of April to the 31st of March of each year.

Accounts

Art. 19. Accounts will be kept so as to produce annually an income statement and a balance sheet.

General Assembly meeting

Art. 20. The General Assembly of the Association is made up of the Executive members. Associate members are invited but without voting right.

The Association holds a General meeting at least once a year convened by the Council or at least one fourth of the Executive members of the Association.

The agenda is fixed by the Council, by majority vote. Notifications to attend, including the agenda, will be circulated at least two weeks in advance.

The President, assisted by the Board, takes the Chair.

The General Assembly receives reports on the Council's activities, approves the accounts of the preceding financial year, vote the budget for the coming financial year, fixes the amounts of annual fees, elects or dismisses, should the need arise, the members of the Council and debates all the items on the agenda.

The General Assembly may appoint ad hoc groups for any activity or study.

Each Executive member has one vote. It is specified that the representative of each Executive member at the General Assembly is its permanent representative in the Association, or another employee of the same corporate body duly accredited by a written proxy from the permanent representative.

Each Executive member shall appoint its permanent representative and notify such appointment to the Association.

Any member may give a proxy to another member empowering it to represent it and vote in its name at the General Assembly Meeting. Each member may not receive more than one proxy from Executive members.

At least one third of the Association's Executive members must be present at the Ordinary General meeting and represent at least fifty per cent of the Executive members and Active members for its deliberations to be valid. Should this quorum not be reached, a new General Assembly Meeting will be convened after an interval of at least two weeks. Its deliberations shall be valid irrespective of the number of Executive members present or represented.

Decisions at the Ordinary General Assembly are by simple majority vote of the members present or represented.

If the General Assembly cannot be held in accordance with the rules or if no decision can be reached, the budget for the following year will be the same as that for the preceding year, as an interim measure.

Extraordinary General meeting

Art. 21. Only an Extraordinary General Assembly meeting is empowered to make any alteration to the Statutes or to decide to dissolve the Association.

The Extraordinary General Assembly meeting is convened by the Council or at the request of fifty per cent of the Association's Executive members, and the quorum should be at least two thirds of Executive members, unless otherwise stated in article 22 and 23.

The Extraordinary General Assembly is convened under the same rules as the Ordinary General Assembly.

Alteration to the statutes

Art. 22. The Statutes may be altered by the Extraordinary General Assembly meeting on the proposal of the Council or of at least one fourth of the Association's Executive members.

The General Assembly's deliberations are only valid if two thirds of the Association's Executive members are present or represented.

Should this quorum not be reached, a new Extraordinary General Assembly meeting is convened after an interval of at least two weeks. It then deliberates on the same agenda, irrespective of the number of Executive members present or represented.

Decisions are taken by two thirds majority of the votes of the members present or represented.

Modifications of the Statutes are published in the Annexes of the Belgian Monitor.

Dissolution of the Association

Art. 23. The Extraordinary General Assembly may resolve to dissolve the Association and provide for the attribution of any property it may possess on the proposal either of the Council or of at least one half of the Association's Executive members.

It determines the conditions of dissolution. It designates among the Executive members one or several liquidators responsible for liquidating the Association's property, invested with wide-ranging powers to realise its assets and discharge its liabilities.

After achievement of settlement operations and, if needed allocation of running costs representing the outstanding financial commitments, the assets in excess will be allocated to associations with similar or related objectives, in accordance with the General Assembly resolutions. Members have no rights on the Association assets included partial or total reimbursements of payments or cash donations made by members to help the Association.

The General Assembly meeting's deliberations are only valid if two thirds of the Association's Executive members are present. Should this quorum not be reached, a new Extraordinary General meeting is convened after an interval of two weeks. It may then deliberate irrespective of the number of Executive members present or represented.

Dissolution requires a two-thirds majority of the votes of the Executive members present or represented.

Dissolution of the Association must be published in the Annexes of the Belgian Monitor.

Minutes of meetings

Art. 24. The minutes of meetings and the duly signed attendance sheets are recorded by the Director of Operations in the minute book and signed by the President and a Member of the Council.

The Director of Operations may deliver certified copies to third parties.

Rule Book

Art. 25. The Council may draw up a Rule Book to complete the present Statutes by setting out the rules and regulations governing the internal affairs of the Association and its organs.

Formalities

Art. 26. The President, on behalf of the Council, is responsible for carrying out all the formalities of registration and publication required by current legislation.

The bearer of the present Statutes has full powers to carry out these formalities.

Written form

Art. 27. No additional agreement has been made orally. Any change or addition to this agreement must be in writing to be effective. This also applies to any agreement concerning the written form requirement itself.

Delegation

Art. 28. Without the prior consent of the Council, no Member is entitled to delegate or assign any of its rights or obligations under this agreement or under any separate instrument deriving from this agreement, to a third party.

Severability

Art. 29. If any provision of this document is or becomes legally ineffective, the validity of the remaining provisions shall not be affected thereby. Any ineffective or inadmissible provision shall be replaced by a legally effective provision that comes as close as possible to the intentions of the parties hereto.

Copies

Art. 30. By its signature, each party acknowledges, that it has received one original copy.

Unspecified provisions in statutes

Art. 31. Any provision concerning the Association and not specified in the statutes shall be settled in accordance with the law of 27 June 1921 on non-profit associations, the international non-profit associations and foundations, as modified by the law of 2 May 2002, 16 January 2003, 22 December 2003, 9 July 2004 and 27 December 2004.