



Indian Confederation for
Healthcare Accreditation
Establishing Validated Excellence

Technical Council Meeting ONLINE Commentary on Memorandum & Articles of Association of ICHA

Dr. Akhil Sangal
CEO & Director
30th August 2020



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Alliance for Patient Safety

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

LIMITED BY GUARANTEE
(NOT HAVING A SHARE CAPITAL)

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

INDIAN CONFEDERATION FOR HEALTHCARE ACCREDITATION



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प्रारूप एक
Form 1

निगमन का प्रमाण पत्र
Certificate of Incorporation

सं०..... 1925 1926
U85118DL2884NPL129651

No. 2004 - 2005
U85118DL2884NPL129651

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

एकलिंगितेक्षण
कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।
को स्टार है

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

..... ACCREDITATION

..... Section 25 of
is this day incorporated under 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



[Handwritten Signature]

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



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MAIN OBJECTS / Highlights

1. Achieving Excellence in Healthcare using tools of Accreditation, Education, Consulting, Guidance, Training.
2. Building Trust in Healthcare and Profession by determining the right things to do, help people / institutions to do the right things and keep improving.
3. Prohibited to do funding / activities that would make it a Trade Union.
4. No remuneration / profits to the members except for out of pocket expenses.
5. Monetary Reward and recognition to those who work on revenue generating projects and enroll as Individual Affiliates. (Much like a club for its members).



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Articles of Association (Excerpts)

2. OFFICES OF THE COMPANY:

- The offices (registered, main, branch or otherwise) of the company shall be at a location to ensure equality and neutrality amongst all voting members. *(This may need modification if so deemed by a majority [75%] of Members.)*



Articles of Association (Excerpts)

ICHA FRATERNITY

3. MEMBERSHIP:

- National Associations of all stakeholders in Healthcare viz.
 - **Providers** – Professionals and Healthcare establishments,
 - **Receivers and Carers**
 - **Payers & Funders**
 - **Educators and Regulators**



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Articles of Association (Excerpts) 4 & 5

ICHA FRATERNITY

- **Affiliate Associations** – Regional Associations / Speciality Chapters are thus enrolled (Rs. 10,000/-) *subject to change/revision*
- **Organisational Affiliates** – Individual Organizations of all stakeholders in Healthcare. (Rs. 10,000/-) *subject to change/revision*
 - Collaborative Partnership Model of Interdependence as against “Independent” and Conflict of Interest models.
- **Individual Affiliates** – The workforce, volunteers, eligible for payment on revenue generating projects. Chair / members of various committees/ task forces, faculty etc. (Rs. 1,000/-) *subject to change/revision*

Contd.



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Additional Categories – ICHA Fraternity

- **“Honorary Membership”** may be awarded in recognition of his/her/its outstanding contribution towards ICHA or healthcare delivery. Similar to lifetime achievement awards. Honorary Members can be Honorary Directors to the Board. **Honorary members will not be required to pay any fees nor have any voting rights.**
- **Friends of ICHA** : Exemption u/Section 80 G of Income Tax Act. Financial Contributions in this category treated as donations.
- **Advisors to the board of Affiliates** (benefit from experience)



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Articles of Association 6 (Excerpts)

COMPOSITION – GENERAL BODY, TECHNICAL COUNCIL, BOARD OF DIRECTORS

6.1 Proportion of composition of GB, TC and BOD		
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%
At least one representative for every category mentioned as below 10%.		



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Articles of Association (Excerpts)

- 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).



Articles of Association (Excerpts)

7. Procedure For Nominations and Roles:

These are for 3 years though revision or reaffirmation every year or on discretion of member associations and Board of Directors at any time.

- 7.3 All Member Association(s)/Councils/Organisations shall nominate an individual(s) 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). **They are dual Ambassadors – of the Association in ICHA and vice versa. The purpose being what we can do for each other – complement rather than compete, Collaborate and coordinate rather than silos.**
 - (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. However, all are urged to attend to remain in loop.**



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Articles of Association (Excerpts)

8. FILLING UP OF CASUAL VACANCIES:

- 8.1 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.



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Articles of Association (Excerpts)

9. CESSATION OF MEMBERSHIP/AFFILIATESHIP:

- a. Disqualification as under the act – criminal, insanity etc.
- b. Activities counterproductive
- c. Completion of tenure / contract
- d. Resignation:

A Member/Affiliate/Honorary Member may at any time resign its/his / her Membership/Affiliation of the company by giving three months written notice of its/his / her intention to the Chief Executive.



Articles of Association (Excerpts)

10. PRIVILEGES OF MEMBERS / AFFILIATES:

10.1

All Classes:

- Information of the activities. Notices of AGM, TC, BOD meetings as eligible.
- Discount on publications and fees. To receive the password(s) web site.
- To endeavour that healthcare accreditation remains relevant and continues to make a positive contribution to the well being of Humanity.



Articles of Association (Excerpts)

10 (b): PRIVILEGES OF MEMBERS

Members – In addition to those in Article 10.1 (a):

- The right to vote in GB, TC, BOD meetings
- 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.
- 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 writing /surveyors /assessors/committee members/task forces/sub-committees etc. at a reasonable compensation.
- To monitor the working of the Technical Council and the Board of Directors.



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Articles of Association (Excerpts)

10 (c): PRIVILEGES OF Affiliates

Affiliates – In addition to those in Article 10.1 (a):

Affiliates who are affiliates in their individual capacity & affiliates who are nominees of Member Association(s)/Council(s) and nominee of Organizational Affiliate(s) to form the database from whom will be selected persons for expert work such as process description / standards writing/ surveyors/ assessors/ Faculty/ committee members / task forces/ sub-committees at a reasonable compensation.



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Articles of Association (Excerpts)

General Meetings

- **AGM / EGM** – Once a year / as necessitated
- **TECHNICAL COUNCIL Meeting** – Six monthly
- **Board of Directors Meeting** – Six Monthly
(quarterly earlier, can be held as frequently as desired changed as per cos. Act 20213)
- **AGM** – Approval of Annual Report / Accounts /
New Nominations/Appointments and Resignations
/ Auditors and their remuneration and FUTURE PLANS
- **PRE – AGM BOD Meeting:**
 - Proposals and Appraisals of Plan.
 - Signing of Annual reports and Balance sheet / statutory directions.



Articles of Association (Excerpts)

Proceedings of General Meetings

- **14 days clear notice** – online permitted now
- 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.
- **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.
- **Voting** – Non existent as yet. Casting Vote of the Chairman

- 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.
- 11.15: 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.



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Articles of Association (Excerpts)

OFFICERS

Chairman – 3 yrs.

Vice Chairman – 2yrs.

Chief Executive and Company Secretary: - 5 years (Paid Positions officially (Has been voluntary and Honorary till date even contributing to expenses)

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.

The Chief Executive shall be responsible as the chief operating officer, appointed by and reporting to the Board.

Re-appointment shall be only upon a fresh/renewed contract.

The Chief Executive shall be an ex-officio non-voting Member of the Board of Directors.

The Company Secretary shall be appointed by the Board as per Article 27. Required only on attaining turnover as per act.



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Appointment of Directors by Nomination

Section 161(3)

This new sub-section now (*re*)provides for appointment of Nominee Directors. It states that subject to the articles of a company, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.



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Articles of Association (Excerpts)

13. The Board of Directors

- Nominee Directors up to 20 / 30 in number apart from CEO and Hony. Directors.
- Proposed by the Technical council from amongst themselves:

The selection process will consist of the following steps:

1. Volunteering by rotation in each category;
2. If there are more volunteers than the number required, then selection shall be by negotiation;
3. If negotiation does not provide a consensus, then conciliation by the Chairman of the meeting;
4. The last resort shall be through voting;



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Articles of Association (Excerpts)

14. Composition of the BOD

1. Chairman
2. Vice Chairman
3. Directors who are Nominees of Member Associations.
4. Director who is the CEO – Non Voting
5. Up to 10 % of the Board – Non Voting
Observers/Invitees/Honorary Members, in terms of these Articles;
6. Company Secretary but not a Director
7. Executive Committee: 3 – 5. The nominated Executive Committee of Directors for supervising executive functions; shall work on part-time basis and be compensated accordingly.



Articles of Association (Excerpts)

15 Disqualifications of Directorship

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) Insolvency/ Insanity/ Criminal/ Non-compliance of Companies Act.

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; (Under the new act if not attended meetings in a year AGM to AGM even if with LOA)**
- (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 .**



Articles of Association (Excerpts)

Roles and Responsibilities

- **Nominee Directors:** Term Three years max.
 - Trustees and “Business Heads”
 - Fund raising and Liaison
 - Responsible for compliances
 - Criminal and Civil Liability for Statutory Compliances
 - Dual Ambassadors – Need to devote time
 - Eligible for out of Pocket Expenses reimbursements / Sitting Fees; only on **enrolment as Individual Affiliate**
 - Appointments and remunerations including CEO and team, Auditors. Contracts.
 - Planning, Budgets, Policies and Strategies



Articles of Association (Excerpts)

Roles and Responsibilities

- **Technical Council Members: Term 3 years; up to two terms maximum in succession unless nominated by another member Association. *(Detailed articles when number large)***
 - Trustees and “Technical Heads”
 - **Appointment of Directors**
 - Dual Ambassadors – Need to devote time
 - Eligible for out of Pocket Expenses reimbursements / Sitting Fees; only on **enrolment as Individual Affiliate**
 - Planning and Policies
 - Projects and Guidelines
 - Advisors to BOD and extend assistance wherever necessary



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Articles of Association (Excerpts)

Roles and Responsibilities

Chief Executive (In continuation of Article 12)

- 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.
- 26.1 (i) 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.
- (ii) 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.
- (iii) 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.



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Articles of Association (Excerpts)

Roles and Responsibilities

- Annual Report / Accounts / Audits
- Statutory Communications and Compliances
- Ex-officio Director
- Clarifications
- The Chief Executive cum Company Secretary
 - Minutes Book
 - Registers
 - Seal
 - Filings (outsourced through auditors)



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Let us Join! For our own sake.
THANK YOU



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