



# World Law Foundation

## BY-LAWS OF THE "WORLD LAW FOUNDATION"

### CHAPTER I

#### ***Article 1. Name, Nature, Nationality, Purpose and Address***

- The World Law Foundation (hereinafter referred to as the "**Foundation**") is a non-profit organisation whose assets are permanently assigned to the realisation of the general interest purposes detailed in Article 5 of these By-Laws.
- The Foundation is of Spanish nationality.
- The Foundation is of national scope, and will develop its activities in all the national territory, notwithstanding the accomplishment of activities with international dimension.
- The Foundation's Headquarters are located in 28001-Madrid, Madrid, calle Jorge Juan número 30, 6º planta.

The Board of Trustees will be able to transfer the domicile of the Foundation to any other place of the national territory, by means of the corresponding statutory modification, and the subsequent communication to the Protectorate. Likewise, and for the best fulfilment of the purposes of the Foundation, the Board of Trustees may open representative offices and create delegations in other cities, in Spain or abroad.

#### ***Article 2. Duration***

The duration of the Foundation will be indefinite. However, if at any time the purposes of the Foundation could be considered fulfilled or become impossible to fulfil, the Board may agree to its extinction or merger with another or other Foundations or organizations, in accordance with the provisions of these By-Laws, complying, in any case, with the provisions established by the applicable laws.

#### ***Article 3. Legal Framework***

The Foundation is governed by the will of the founders as expressed by means of the founding deed, by these By-Laws, by the provisions established by the Board of Trustees in their interpretation and development and, in any case, by the Spanish Law 50/2002, of December 26, on

Foundations, the Regulation on Foundations with national competence, approved by Royal Decree 1337/2005, of 11 November, and the other development rules.

#### ***Article 4. Legal Personality***

The Foundation, after its registration, obtaining its own legal personality, will have full legal capacity and will be able to act.

Consequently, it may, including but not limited to, acquire, conserve, possess, dispose of, alienate by any means and encumber all types of property, movable or immovable, and rights; perform all types of acts and contracts; and compromise and resort to governmental or judicial channels, exercising all kinds of actions and exceptions before courts, tribunals, and public and private bodies. All of the foregoing is without prejudice to the authorizations that the Protectorate is required to grant or the administrative procedures for communications and ratifications that must be followed before it.

## **CHAPTER II OBJECT OF THE FOUNDATION**

#### ***Article 5. Purposes and Activities***

The aims of the Foundation are:

- To promote the primacy of the Rule of Law.
- To promote peace through Law, as a structuring element of human relations, on the basis of justice, logic and science.
- To promote the respect for the Rule of Law as a guarantor of freedom against the use of force.
- To promote dialogue and harmony among the different nations and regions of the world through Law and the respect and defence of individual freedoms.
- To promote and spread respect for the Law, as an instrument for the defence of world peace in international relations between States.
- To promote the dignity of the human person as the foundation of political order and social peace and to ensure full and effective respect for fundamental Human Rights.

In order to better achieve its goals, the Foundation may carry out, among others, the following activities:

- Cooperate with all legal and political agents in the world to promote the Constitution, the Rule of Law and Freedom, such as Constitutional and Supreme Courts, Attorney General's Offices, Bar Associations, Registrars, Notaries, Universities, Professors and Lecturers, Politicians, Regional and International Organizations and others, including, in particular, the World Jurist Association, the American Bar Association and the International Bar Association;
- To recover the memory and best tradition of the defence of the Rule of Law against the use of force defended on March 5, 1946 by Sir Winston Churchill, in Missouri, at the Westminster College;

- To promote the Rule of Law through Congresses, seminars, publications, events or training in any country, city or region of the World, in line with the World Law Congress and the Madrid Declaration of February, 20th 2019;
- To award prizes and international recognitions to those who defended and promoted peace through law;
- To advise and provide consultancy services, issue reports, studies, training, teaching and research regarding national and international legal activities;
- To develop and to promote cultural and social activities aimed at achieving a harmonious coexistence between different groups and cultures with special attention to equality and tolerance;
- To establish channels of communication and dialogue and collaboration with national or international institutions, different persons or entities, as well as to sign as many Agreements as necessary concerning Peace through Law;
- To act as an information and coordination centre for companies and entities that wish to establish relations with the Foundation on diverse subjects such as the promotion of studies, research and development initiatives, the provision of scholarships, sponsorship, project financing and other similar ones;
- To participate in public tenders and grants organised by Public Administrations, by public or private companies of any country;
- To promote the creation of associations, foundations or other types of entities in third countries that adhere to these ends;
- To contribute to the aims of the World Jurist Association, to the creation of national chapters in as many countries as possible;
- To be a consultant to international and regional entities, State governments and any other type of institutions, whether governmental or not;
- To exercise the economic activities necessary for the fulfilment of its objectives, whether complementary or accessory to the same, and in a generic way, as many actions as are conducive to the best achievement of these goals;
- To promote, organise and develop congresses, meetings, workshops, forums and forums for debate, conferences and cycles of conferences, etc.

***Article 6. Freedom to Act, Information and Transparency***

The Board of Trustees will be free to determine the activities of the Foundation, aimed at achieving those specific objectives which, in its opinion and within the fulfilment of its purposes, are the most suitable or convenient at any given time.

The Board of Trustees will adjust its actions to the principle of maximum transparency and will provide sufficient information on the aims and activities of the Foundation so that they may be known by its eventual beneficiaries and other interested parties.

### ***Article 7. Development of the Objectives***

The development of the aims of the Foundation may be carried out in the following manners, which are listed without an exhaustive purpose:

- By the Foundation directly, in its own facilities or in external ones.
- Creating or cooperating in the creation of other entities of an associative, foundational or corporate nature, in accordance with the provisions of current legislation.
- Participating or collaborating in the development of the activities of other entities, bodies, institutions or persons of any kind, physical and legal, that may in any way serve the purposes pursued by the Foundation, in accordance with the provisions of current legislation.

## **CHAPTER III**

### **BASIC RULES FOR THE APPLICATION OF THE RESOURCES TO THE FULFILLMENT OF THE FOUNDATIONAL PURPOSES AND FOR THE DETERMINATION OF THE BENEFICIARIES**

### ***Article 8. Destination of Income and Revenue***

- At least 70 per cent of the results of the economic exploitations that take place and of the income obtained by any other concept, deducting the expenses made to obtain such results or income, in the terms foreseen by the current legislation, must be assigned to the realization of the foundational purposes, and the rest must be used to increase the foundational endowment or reserves, as agreed by the Board of Trustees.
- The period for compliance with this obligation shall be between the beginning of the financial year in which said results and income have been obtained and the four (4) years following the close of that financial year.

### ***Article 9. No Obligation to Use the Resources to Cover Purposes in Equal Parts***

The resources of the Foundation shall be understood to affect the realization of the different foundational purposes without the determination of equal or unequal shares or quotas. Consequently, the Foundation may not be obliged to divide or distribute the endowment or rents among the different objectives it pursues, nor apply them to one or more specific objectives.

### ***Article 10. Selection of Beneficiaries***

- The beneficiaries of the Foundation will be all those institutions, entities, collectives or natural or legal persons that, in the opinion of the Board of Trustees, become creditors. Any organisation or institution, public or private, as well as any individual or legal entity, may request the assistance and services of the Foundation.
- The choice of beneficiaries will be made by the Board of Trustees, with the criteria of impartiality and non-discrimination.

- No one may claim, either individually or collectively, before the Foundation or its Board of Trustees, any right to the enjoyment of its benefits before they are granted, nor impose such attribution to certain persons.

#### CHAPTER IV THE BOARD OF TRUSTEES OF THE FOUNDATION

##### ***Article 11. Nature of the Board of Trustees and Nature of the Position of Trustee.***

The government, administration and representation of the Foundation will correspond to the Board of Trustees, which will have and exercise its faculties, subject to the provisions of the legal system and of these By-Laws. Its members must perform their duties with the diligence of a loyal representative.

The Trustees will be jointly and severally liable to the Foundation for damages caused by acts contrary to the Law or the By-Laws, or by those carried out without the due diligence required by their position.

Those who have voted against the agreement and those who prove that, not having intervened in its adoption and execution, they did not know of its existence or, knowing it, did everything possible to avoid the damage or, at least, expressly opposed it, will be exempt from liability.

The Trustees may exercise their powers independently, without obstacles or limitations. Consequently, the observance of other requirements than those expressly provided for in these By-Laws or those established as necessary Law in the legal system may not be imposed on them in the adoption of their resolutions or agreements of any kind.

##### ***Article 12. Non-retribution of the Position of Trustee and Contracting Regime of Trustees with the Foundation***

The Trustees will carry out their positions free of charge, without accruing any retribution for their exercise. However, they will have the right to reimbursement of duly justified expenses caused by their position, in the exercise of their function or in the fulfilment of any specific mission that is entrusted to them in the name or in the interest of the Foundation.

Trustees may contract with the Foundation, either in their own name or in the name of a third party, with the prior authorisation of the Protectorate, extending this possibility to the case of natural persons acting as representatives of the Trustees.

The Board of Trustees may set an appropriate remuneration for those Trustees who provide the Foundation with services other than those involved in carrying out the functions corresponding to them as members of the Board of Trustees, with the prior authorisation of the Protectorate.

##### ***Article 13. Composition***

- The Board of Trustees will be constituted by a minimum of three (3) and a maximum of one hundred (100) Trustees. Within these limits it will correspond at any time to the Board itself, through the appointment of new Trustees, the determination of the specific number.

- Members of the Board may be natural persons who have full capacity to act/ contract and are not disqualified from holding public office, nor are they involved in any cause of incompatibility.
- Legal persons may form part of the Board of Trustees and must designate the natural person or persons who represent them and the order of substitution of the representatives in the event that there are several of them.
- The position of Trustee that falls on a physical person must be exercised personally. However, the President may act in his name and representation, and this representation must be for specific acts and in accordance with the instructions, if any, that the represented person formulates in writing.
- He may act in the name of the person who is called to exercise the function of Trustee by reason of the position he occupies, the person who replaces him in the position.

#### ***Article 14. Rules for the Designation and Substitution of the Members***

- The first Board of Trustees will be the one designated in the deed of constitution. The Founders will be members of the Board.
- The designation of new members, as well as the renewal, will be made by the Board, by co-optation, at the proposal of the President.
- The position of Trustee will have duration of three (3) years, without prejudice to successive renewals for equal periods, which may be unlimited. The Trustees shall continue in the exercise of their position until the next meeting of the Board in which their renewal or substitution is decided.

#### ***Article 15. Positions in the Board of Trustees***

- The Board of Trustees is composed of a President, one or several Vice-Presidents, the vocal members and a Secretary.
- The Foundation may have an Honorary President, who will be appointed by the Board, at the proposal of the President. Any person meriting it for his or her exceptional dedication and services rendered to the Foundation and its aims, may be a good candidate. The Honorary President may attend the sessions of the Board of Trustees, with the right to speak but not to vote, and shall exercise the representative, honorary and qualified advisory functions of the institution, without prejudice to other functions that the Board of Trustees may entrust to him/her.
- The Board of Trustees will choose from among its members the person who will exercise the functions of President, whose mandate will have a duration of three (3) years, without prejudice to successive renewals.
- The Board of Trustees may appoint eight (8) Vice-Presidents from among the Trustees in order to replace the President in the event of vacancy, absence or disease (by order First Vice-President, Second Vice-President, etc.). His mandate will be of three (3) years, without

prejudice of successive renewals. Under the same conditions and with different functions, the Board may create other positions.

- Likewise, the Board of Trustees must appoint a Secretary, who may or may not be a Trustee. If it is not, it shall have a voice but not a vote within the Board of Trustees. Their term of office shall be three (3) years, without prejudice to successive renewals.
- The Board of Trustees may appoint a Vice-Secretary, who does not need to be a Trustee, to assist the Secretary and replace him in the performance of his duties in the event of absence, impossibility or unavailability. The mandate of the Vice-Secretary shall be three (3) years, without prejudice to successive renewals.
- The cessation as a Trustee of any of the above positions will mean the cessation of that position, with the exception of the Secretary, who may continue to hold the position of Non-trustee Secretary, if agreed by the Board of Trustees.
- The Board of Trustees may, by means of a majority decision, remove any of the positions referred to in this Article, although this does not imply the dismissal as a Trustee, which shall only occur for the reasons established in these By-Laws.

#### ***Article 16. Acceptance of Trustees and Positions***

- The acceptance of the position of the Trustees will have to be made in public document, in private document with signature legitimized by notary, or by appearance before the Registry of Foundations. Likewise, the position may be accepted before the Board of Trustees, accredited through a certificate issued by the Secretary, with a notarized signature.
- The acceptance of the position by the Trustees, who are legal persons, must be carried out by the organ that has this faculty, which will designate the physical person/s who will represent him/her in the Board of Trustees. The appointment of the representative(s), as well as their subsequent substitutions, must be communicated to the Board and to the Protectorate.
- In any case, the designation and acceptance, renewal, substitution and termination for any reason of the members of the Board of Trustees or their positions, will be communicated to the Protectorate and will be registered in the Register of Foundations.
- In the formal acceptance of the Trustees appointed by reason of the position they occupy, the Registry of Foundations shall be informed of the identity of the position to which its replacement corresponds.
- The cessation of any Trustee who holds any of the positions indicated in article 15 shall also imply the cessation of the position held, except in the case of the Secretary, who may continue to hold the position even if he is not a Trustee, provided that the Board of Trustees so decides.
- The Board of Trustees may remove any of the positions referred to in article 15 by means of a reasoned agreement adopted by majority, without such agreement implying cessation as a Trustee, which shall occur only for the reasons set out in the following article of these By-Laws.

### ***Article 17. Cessation of Trustees***

The cessation of the Trustees of the Foundation will take place in the following cases in accordance with the provisions of Article 18 of Law 50/2002, of 26 December, on Foundations:

- By death or declaration of death, as well as by extinction of the legal person.
- Due to incapacity, disqualification or incompatibility, in accordance with the provisions of the Law.
- Termination of the position for which they were appointed members of the Board of Trustees.
- Failure to perform the position with the diligence provided for in current legislation, if so declared in a court decision.
- By judicial resolution that accepts the action of responsibility in the terms foreseen in the current legislation.
- For the expiration of the term of six (6) months from the granting of the public foundational deed without having requested the inscription in the corresponding Registry of Foundations.
- For the duration of their mandate, if they were appointed for a specific period.
- By resignation, that may be carried out by any of the means and through the procedures provided for acceptance.

### ***Article 18. Competence***

The competence of the Board of Trustees extends to everything concerning the governance and administration of the Foundation, without exception.

With a purely declarative and not limitative purpose, the following are attributions and faculties of the Board of Trustees, without prejudice to the authorizations that it is competent to grant to the Protectorate and communications to the same that, in its case, legally proceed:

1. To exercise the high management, inspection, supervision and orientation of the work of the Foundation.
2. To interpret the By-Laws and to adopt agreements on the modification of the founding By-Laws, whenever it is convenient to the interests of the Foundation and to the best achievement of its aims.
3. To establish the general or special framework of operation of the entity, especially with regard to the distribution and application of available funds among the purposes of the Foundation.
4. To appoint general or special representatives.
5. To approve the beneficiaries of the foundational benefits.
6. To approve the action plan, the annual budget, the corresponding report, as well as the balance sheet and the profit and loss account to be presented to the Protectorate.
7. Change the address of the Foundation, by means of a statutory reform and, with subsequent communication to the Protectorate, and to agree on the opening and closing of the delegations.



8. To adopt agreements on the merger or extinction of the Foundation; the latter in case of impossibility of fulfilment of its objectives.
9. To delegate its powers to one or more Trustees, except for those that cannot be legally delegated. It may also create as many sectorial committees as it considers appropriate, granting them the functions it deems appropriate, with the limits expressed. The powers expressed in paragraphs 1, 2, 3 and 19 of this article may not be delegated either.
10. To agree on the acquisition, disposal and encumbrance - including mortgages, pledges or *antichresis* - of movable or immovable property for or by the Foundation, signing the corresponding contracts.
11. To accept the acquisition of goods or rights for the Foundation or for the fulfilment of a specific purpose of those included in the object of the Foundation, provided that it freely deems that the nature and amount of the goods or rights acquired is adequate or sufficient for the fulfilment of the purpose for which the same goods or rights are to be used, their income or fruits.
12. To arrange financial operations of all kinds with public and private entities, including loans and credits.
13. To decide on the acquisition and disposal of the securities that make up the Foundation's portfolio.
14. To collect and receive the rents, profits, dividends, interests, utilities and any other products and benefits of the goods that make up the patrimony of the Foundation, as well as any amounts owed to it by any title or person, physical or juridical.
15. To exercise the rights of a political and economic nature corresponding to the Foundation as owner of shares and other transferable securities belonging to it, and in this sense to attend, deliberate and vote, by means of the representation it may agree, in the General Meetings, Assemblies, Associations and other bodies of the respective Companies or issuing entities. To do so by making use of all the legal faculties attributed to the said owner, agreeing, granting and signing the acts, contracts, agreements, propositions and documents it deems appropriate.
16. To make all the necessary payments, those of the necessary expenses to collect, administer and protect the funds available to the Foundation at each moment.
17. To agree to carry out the works it considers appropriate for the purposes of the Foundation and to contract the services and supplies of all kinds, whatever their quality and importance, being able to use with absolute freedom any procedure for this purpose, whether direct acquisition, auction or competition, without the need for any authorisation.
18. To exercise all rights, actions and exceptions, following all procedures, instances, incidences and appeals as many procedures, files, claims and judgments are in the competence or interest of the Foundation and granting to this effect the powers it deems necessary, including the acquittal of positions and the judgement of revision.
19. To agree on the approval of as many codes of good governance and internal regulations as it considers appropriate, including the code of conduct for temporary financial investments.
20. To exercise, in general, all the functions of disposition, administration, conservation, custody and defence of the assets of the Foundation, judicially or extra-judicially.

21. To contract the realization of studies and programs related to the aims of the Foundation.
22. To accept goods acquired through donations, inheritances or legacies.
23. In general, any other functions that must be carried out for the administration or government of the Foundation, subject in all cases to the legal prescriptions.

The execution of the agreements will correspond to the President, without prejudice that in such agreements another Trustee or Trustees may be expressly designated.

#### ***Article 19. Meetings and Adoption of Resolutions***

- The Board of Trustees shall meet at least two (2) times a year and, besides, as many times as convened by the President or when requested by at least one third of its members. In this case, the request for a call addressed to the President shall state the matters to be treated.
- The calls, expressing the agenda, as well as the place, date and time of the meeting, shall be made in writing by the Secretary, by order of the President, and at least seven (7) calendar days in advance. In case of urgency, this period may be reduced to at least two (2) days in advance.
- The call shall be sent individually to all the Trustees, to the address designated by them, by means of any procedure, including computer, electronic or telematics means, and provided that it allows the reception of the same to be accredited.
- No summons will be necessary when, all the Trustees being present, unanimously decide to become a Trusteeship and unanimously agree on an agenda.
- The procedure for the adoption of agreements by the Board of Trustees shall be valid by means of a written vote without a session. The initiative will correspond to the President or whoever takes his place. The procedure will begin with the preparation and sending to each Trustee of the corresponding voting request letters, which will contain the literal transcription of the proposal or proposals submitted to the vote, as well as the indication of the deadlines for casting the vote and for exercising the right to oppose the procedure. In the latter case, the Trustees may send their votes and any considerations they wish to include in the minutes by e-mail. The Trustees who do not pronounce themselves in relation to the agreement within the stipulated term, will be considered approved. The corresponding minute will be prepared of the agreements thus adopted.
- The Board of Trustees may also be held by means of telephone conference, videoconference or any other similar system, in such a way that one or more of the Trustees attend said meeting by means of the indicated system, provided that communication between them is ensured in real time and, therefore, the unity of the act. In this case, the agreements will be considered adopted in the place where the majority of the Trustees are located and, in the case of equality, in the registered office of the Foundation.
- The Board will be validly constituted when more than half of its members attend the first call, present or represented, and provided that at least three are present, including the Chairman or Vice-Chairman acting as Chairman. On second call, the meeting will be validly constituted regardless of the number of attendees equal to or greater than three, and provided that the Chairman or Vice-Chairman acting as Chairman is present. There must be at least one hour between the first and second call.

- The agreements will be adopted by simple majority of votes of the Trustees present and represented, being understood as the one in which the positive votes surpass the negative ones. In the event of a tie, the President or Vice-president who takes his place will have the casting vote. All this without prejudice to the reinforced majorities contemplated in these By-Laws.
- Minutes of the meetings will be taken by the Secretary with the approval of the President. The minutes shall be approved at the same or next meeting of the Board of Trustees.

#### **Article 20- Executive Committee**

- The Foundation may dispose of an Executive Committee.
- The Executive Committee will be the organ that acts by delegation of the Board of Trustees, manages, gives its opinion and agrees on the activity of the Foundation, and on matters that can be delegated by the Board, giving an account of its action to the latter.
- The Executive Committee shall meet at least once (1) per quarter, and as often as convened by the President or Vice-president(s).
- The Executive Committee, if it exists, will be made up of a maximum number of thirteen (13) members, necessarily including the President, three (3) Vice-Presidents, the Secretary and the Vice-Secretary of the Board of Trustees. The Executive Committee differs:
  - Ex Officio Members: They will be ex officio members of the Executive Committee, the President and Vice-president/s and the Secretary/Vice-Secretary of the Board of Trustees of the Foundation. The President and Secretary of the Board of Trustees will also be ex officio members of the Executive Committee;
  - Elected Members: Elected members will be those Trustees elected by the Board, and their appointment will be ratified in the first session of the Board that meets immediately after the appointment.
- Those Trustees may attend the meetings of the Executive Committee, with the right to speak but not to vote, who are summoned for this purpose by the President in view of their special knowledge and experience of the matters to be dealt with. In the event that the Secretary does not hold the condition of Trustee, he shall also attend with voice but without vote, as shall the Vice-Secretary, who may also attend the sessions if called by the Secretary.
- The Executive Committee will be convened by the Secretary, at the initiative of the President, at least ten (10) calendar days in advance, and the meetings held will be recorded by the Secretary with the approval of the President. The minutes will be approved at the next meeting of the Executive Committee.
- The members of the Executive Committee may grant their representation, in writing and for each meeting, to another member of the said Executive Committee.
- For the valid constitution of the Executive Committee, in first call, the presence of more than half of its members will be necessary, whenever between them there is the President and the Secretary. In second call, it will be validly constituted whatever the number of concurrent equal or superior to three, and as long as the President or Vice-president is present, and the

Secretary. In case of absence or impossibility, the Secretary may be substituted in the Executive Committee by the Vice-Secretary (if any) or by the Trustee who, among those attending the corresponding session, is appointed. Between the first and second call there must be at least one hour's temporary space.

- The adoption of resolutions will be carried out in the same way as in the Board of Trustees, the provisions of article 19 of these By-Laws being applicable.
- The procedure for the adoption of resolutions by the Executive Committee shall be valid by means of a written vote without a session, in the same terms as those established for the adoption of resolutions by the Board of Trustees by this same procedure.
- The Executive Committee will give an account of its agreements to the Board of Trustees in the first meeting held by the Board after the celebration of the Executive Committee.

### ***Article 21. Functions of the President of the Board of Trustees***

The President of the Board of Trustees shall assume the executive functions of the Foundation, holding maximum executive responsibility over the management bodies of the Foundation.

The following shall be the functions of the President, which shall be of a purely declarative and not limitative nature:

- Decide the convocation of the meetings of the Board of Trustees and of the Executive Committee (if such a committee exists) and decide on the content of the agenda.
- To chair the meetings of the Board of Trustees and the Executive Committee (if such a body exists) and to direct and moderate the debates, to submit the agreements to a vote and to proclaim the result of the votes.
- To ensure the correct execution of the agreements adopted by the Board of Trustees.
- To ensure compliance with the Law and the By-Laws.
- To approve the minutes and certifications of the agreements of the Board of Trustees.
- To represent the Foundation in and out of court provided that the Board of Trustees has not expressly granted this function to another one of its members.
- To supervise the preparation of the annual accounts and present them for approval by the Board of Trustees.
- Propose a Managing Director, if applicable, and grant him/her its corresponding functions.
- Any other faculty that is legally or statutorily attributed to him.

### ***Article 22. Functions of the Vice-Chairman(s) of the Board***

In case of vacancy, absence or illness of the President, his functions will be assumed by the first Vice-president and, in his defect, by the second and successive, if any, who will act as the President.

### ***Article 23. Duties of the Secretary***

The Secretary of the Board of Trustees shall be in charge:

- To call the meetings of the Board of Trustees and the Executive Committee (if such a body exists) by order of its President and to make the corresponding summons to the members of the Board of Trustees.
- To attend the meetings of the Board of Trustees, with voice and vote if the secretariat corresponds to a Trustee, or only with voice in the opposite case.
- To preserve the documentation of the Foundation and duly reflect in the minutes book of the Board of Trustees the development of its meetings.
- To issue certifications with the approval of the President, with respect to the agreements adopted by the Board of Trustees.
- To give legal advice to the Foundation, in any matter and especially in relations with the Protectorate.
- To assist the President, Vice-president/s and Managing Director in the daily activities of the Foundation.
- Any other functions inherent to his condition of Secretary or which are expressly foreseen in these By-Laws.

### ***Article 24. Functions of the Vice-Secretary***

The Vice-Secretary shall assist the Secretary and shall substitute him in the performance of his duties in case of absence, impossibility or indisposition.

The Vice-Secretary may attend the meetings of the Board of Trustees and the Executive Committee (if such a body exists) to assist the Secretary in his work and in drawing up the minutes of the meeting.

## **CHAPTER V OTHER BODIES**

### ***Article 25. The Managing Director. Appointment and Functions***

- The Foundation may have a Managing Director.
- The Director will be responsible for the executive direction and operational management of the Foundation, being granted by agreement of the Board of Trustees the necessary faculties and foreseeing that for the performance of acts of an economic nature of the Foundation that exceed a certain amount set by the Board of Trustees, a joint signature with that of the President or that of one of the Vice-Presidents will be required.
- It will be appointed by the Board of Trustees, at the proposal of the President, who will grant it the necessary faculties to carry out its functions.

- He shall be responsible, without prejudice to the powers attributed to the Board and to the Executive Committee (if any):
  - i. To execute the plan of activities and manage the budget;
  - ii. To direct the technical and administrative services of the Foundation;
  - iii. To appoint and separate the managerial, technical, administrative and subordinate personnel who are to render their services in the Foundation, establishing their corresponding remunerations;
  - iv. To make payments in execution of the Foundation's budget;
  - v. To sign, by delegation of the President, the contracts and documents of the Foundation in general;
  - vi. To execute the agreements of the Board of Trustees and the Executive Committee (if such a body exists);
  - vii. To promote the matters entrusted to it by the Board or Executive Committee (if this body exists).
- For the exercise of his functions he will be assisted by the managerial, administrative, management and auxiliary personnel required for the proper functioning of the Foundation.
- He may attend, with voice but without vote, the meetings of the Board of Trustees and the Executive Committee.
- Their term of office shall be three (3) years, without prejudice to successive renewals.

***Article 26. The Advisory Council. Appointment and Functions***

- The Foundation may have an Advisory Council which, in any case, may not be made up of more than fifty (50) persons.
- At the proposal of the President, and with the prior approval of the Board of Trustees, the Advisory Council shall include those persons of special importance in the academic, professional, cultural, social, political or legal world who, due to their outstanding knowledge or experience, can advise and assist the Foundation in technical aspects and in the formulation of its policies.
- The Advisory Council will be presided over by the President of the Board of Trustees, the Secretary of the Board of Trustees acting as Secretary.
- The activity of the Advisory Board is not necessarily subject to the adoption of agreements, and its members will perform their duties free of charge, although they may be reimbursed for duly justified expenses incurred by their activity.
- The members of the Advisory Board may be Spanish or foreign, and their proposals may be presented to the President or the Managing Director of the Foundation who will forward them to the Board of Trustees.

**Article 27. Of the Honorary Trustees. Appointment and Functions**

The Foundation may have several Honorary Trustees who will be appointed by the Board of Trustees, at the proposal of its President. Honorary Trustees may be those persons who, due to their exceptional merits, are of recognised international prestige in the legal or social field.

**Article 28. Of the Ex-officio Trustees. Appointment and Functions**

- The Foundation may have ex officio Trustees who will be appointed by the Board of Trustees, at the proposal of its President.
- Those persons whose position is linked to Ministers, Presidents of Courts, International Deans, among others, may acquire the condition of ex officio Trustees.
- The Ex-officio Trustees shall cease to hold office, in accordance with the provisions of Article 18 of Law 50/2002, of 26 December, on Foundations, but may be appointed as ordinary Trustees by agreement of the Board.

**CHAPTER VI  
BENEFACTORS**

**Article 29. Of the Benefactor Members**

The Foundation may have Benefactor Members, who will be those individuals or legal entities, Spanish or foreign, identified with the aims of the Foundation, who contribute economically, or with any other contribution in species, to the support and development of its work, through periodic contributions. This contribution (financial or in species) will be fixed by the Benefactor Member himself, without limits and may be modified at the request of the Benefactor. In addition to this fee, Benefactor Members may participate, if they so wish, with the Foundation in different ways (collaboration in the different events organised, projects, etc.), they may even attend the sessions of the Board of Trustees, when invited to do so, and may have a voice, but not a vote.

**CHAPTER VII  
ECONOMIC REGIME**

**Article 30. Endowment**

The endowment of the Foundation will be composed:

- For the initial endowment contributed by the Founders or by third persons.
- For the goods and rights, of patrimonial content, that the Foundation has acquired or in the future acquires and that receive the qualification of endowments.



### ***Article 31. Patrimony***

The assets of the Foundation may consist of all kinds of assets, rights and obligations subject to economic valuation located anywhere, which make up the endowment, as well as those acquired by the Foundation after its constitution, whether or not they affect the endowment, and especially the following:

- Real estate, which will be registered, where appropriate, in the Land Registry in the name of the Foundation.
- Transferable securities, which will be deposited in the name of the Foundation in banking or savings establishments.
- Transportable property, property titles, deposit receipts or any other documents accrediting ownership, possession, use, enjoyment or any other right held by the Foundation.
- Libraries, archives, and other assets of any kind, which will appear in its inventory.
- Goods acquired by donations, inheritances or legacies.

### ***Article 32. Investment of the Foundation's Patrimony***

- The patrimony of the Foundation will be invested by agreement of the Board of Trustees in the most suitable form for the fulfilment of the aims of the Foundation and the obtaining of yields such as interests, periodic dividends, revaluations and other fruits or patrimonial increases.
- Without prejudice to the administrative procedures for authorisation or communication that may correspond, the Board of Trustees may at any time, and as often as necessary, in accordance with what is advisable in the economic situation, make the modifications it deems necessary or appropriate in the investments of the foundation's assets.

### ***Article 33. Income and Revenues***

Among others any admitted in law, the income of the Foundation may come from:

- The yields of the own patrimony.
- The proceeds from the sale of shares, debentures and other securities, including the rights to subscribe for shares that the Foundation does not exercise.
- Subsidies, donations, inheritances and legacies acquired.
- The amounts that the Foundation may receive for its services and activities.
- The financial means that the Foundation may obtain from any public or private entity, in Spain and abroad.
- The funds that are raised and that can be used to achieve the aims of the Foundation.
- Periodic contributions from Trustees and Benefactor Members (if any).
- Any other resources that the Foundation may seek as owner of its assets, such as intellectual or industrial property rights, or other similar.



#### **Article 34. Affectation**

- The assets and incomes of the Foundation will be understood as affected and ascribed to the realization of the aims of the Foundation.
- In accordance with the general rule established in article 9 of these By-Laws, the assignment of the foundational patrimony to the achievement of the purposes of general interest indicated in article 5 of these By-Laws is of a common and undivided nature; that is, without the assignment of equal or unequal parts or quotas of the endowment and foundational rents to each of them. Consequently, the Foundation may not be obliged to divide or distribute endowment or income among the different objectives it pursues, nor apply them to one or more specific objectives.

#### **Article 35. Accounts and Action Plan**

- The Foundation will have to keep an orderly and adequate accounting for its activity, which allows the chronological follow-up of the operations carried out. To this end, it shall necessarily keep a Daily Book and an Inventory and Annual Accounts Book.
- The annual accounts, which will include the balance sheet, the profit and loss account and the report, will form a unit, and must be clearly written and show the faithful image of the patrimony, the financial situation and the results of the Foundation.
- In addition to completing, expanding and commenting on the information contained in the balance sheet and income statement, the report shall include the foundational activities, changes in its governing, management and representative bodies, as well as the degree of compliance with the action plan, indicating the resources used, their origin and the number of beneficiaries in each of the different actions carried out, the agreements that, where appropriate, have been carried out with other entities for these purposes, and the degree of compliance with the rules established in article 27 of Law 50/2002. An inventory of assets will also be included in the report.
- The annual accounts shall be drawn up by the Chairman in the first three (3) months from the close of the financial year, and shall be approved by the Board of Trustees of the Foundation within a maximum period of six (6) months from the termination of the financial year, and shall be submitted to the Protectorate for examination and verification within ten (10) working days following their approval.
- The annual accounts of the Foundation will be subject to an internal audit, as well as an external audit if the Foundation complies with the established legal requirements or if so agreed by the Board of Trustees; the latter's report being sent to the Protectorate together with the annual accounts. In any case, the external audit must be of recognised international prestige.
- Likewise, the Board of Trustees shall draw up and send to the Protectorate, in the last three (3) months of each financial year, an Action Plan, which shall reflect the objectives and activities it plans to carry out during the following financial year.

**Article 36. Financial Year**

The financial year of the Foundation will begin on January, the 1<sup>st</sup> and end on December, 31<sup>st</sup> of each year.

**CHAPTER VIII  
MODIFICATION OF THE BYLAWS OF THE FOUNDATION**

**Article 37. Adoption of the Decision**

- Whenever it is in the interest of the Foundation, the Board of Trustees may agree to amend these Bylaws with the favourable vote of at least three quarters of the Trustees present or represented, and in accordance with the legally established procedure.
- The modification or new wording of the By-Laws agreed by the Board of Trustees will be communicated to the Protectorate, and must be formalised in public deed and registered in the corresponding Register of Foundations.

**CHAPTER IX  
FUSION OF THE FOUNDATION WITH OTHER INSTITUTIONS**

**Article 38. Provenance and Requirements**

The Board of Trustees of the Foundation may agree to merge with one or more other foundations. The merger agreement will require the favourable vote of at least three quarters of the Trustees present or represented.

**CHAPTER X  
EXTINCTION OF THE FOUNDATION**

**Article 39. Causes**

The Board of Trustees may agree to the extinction of the Foundation when it considers that the foundational purpose has been fulfilled or it is impossible to carry it out. In any case, the Foundation will be extinguished by any other causes established in the laws. The agreement of the Board of Trustees will require the favourable vote of at least three quarters of the Trustees present or represented, and will have to be ratified by the Protectorate.

**Article 40. Liquidation and Adjudication of the Remaining Assets**

- The extinction of the Foundation, except in the case that this is produced by fusion with another, will determine the opening of the liquidation procedure, which will be carried out by the Board of Trustees constituted in a liquidation commission and under the control of the Protectorate.
- The assets and rights resulting from the liquidation will be destined in their totality to other foundations or private non-profit entities that pursue aims of general interest similar to those

of the Foundation and that, at the same time, have their assets affected, even in the event of dissolution, to the attainment of those and that have the consideration of beneficiary entities of patronage to the effects foreseen in Law 49/2002 on the Fiscal Regime of Non-Profit Entities and Tax Incentives for Patronage, or to public entities of a non-foundational nature that pursue aims of general interest.

- The addressee or addressees of the goods and relict rights will be freely chosen by the Board of Trustees.
- The extinction of the Foundation and changes in ownership of the goods to which it gives rise will be registered in the appropriate Registers.

*\* Courtesy translation. In case of differences between the wording of the Spanish version and the English version, the Spanish version prevails.*