



FOMENTO DE FUNDACIONES

## STATUTES OF "FOMENTO DE FUNDACIONES (INTERNATIONAL FOUNDATION)"

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### I. INSTITUTION

#### **Article 1: Name and Nature.**

"FOMENTO DE FUNDACIONES (INTERNATIONAL FOUNDATION)" is a non-profit institution with the character of a private cultural Foundation, of general interest, and a permanent nature.

#### **Article 2.- Legal Personality and Capacity.**

The Foundation has its own legal personality and full legal capacity and capacity to act.

#### **Article 3.- Regulatory Framework.**

The Foundation shall be governed by Law 50/2002, dated December 26, on Foundations, by the will of its founders, set out in these bylaws and in its constituting document, by any provisions that, in interpretation and development of that will, the Board of Trustees shall freely determine, and ultimately, by the applicable law.

#### **Article 4.- Address.**

The Foundation is based in Madrid, Calle Jose Ortega y Gasset No. 29. The Board of Trustees may transfer the Foundation's address anywhere within the borders of Spain. The Foundation will develop its activity mostly abroad, directly or through other institutions. It may also operate throughout the entire territory of Spain.

### II.- OBJECT OF THE FOUNDATION

#### **Article 5.- Foundational Purposes.**

The Foundation pursues a triple purpose, although the three areas are embraced on a cultural level. First, the free fulfillment of physical and intellectual needs in order to promote and defend social and cultural values.



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Second, to serve as a vehicle, channeling funds for the purposes described above, raised either spontaneously or through public or private collection. And finally, the promotion and development of the recognized right to any natural person in Art. 34 of the Spanish Constitution to set up foundations for purposes of general interest. Regarding its first objective, the Foundation intends to undertake all actions that, within a framework of international action, in accordance with the opportunities encountered at each point in time, can lead to this objective and, including but not limited to, it may, in particular:

- Assist individuals or institutions, both national and international, devoted to scientific research or culture, especially those whose mission is to promote the organization of private initiatives.
- Grant awards to private or corporate merits and to the works or efforts of any industry or sector that are useful to humanity, especially those contributing to the promotion and dissemination of the values inherent in international cooperation.
- Help unsupported people in the world of culture, without excluding from this aid those in need or without a job, or those who are marginalized, for whatever reason, to try to achieve their social integration.
- Create, support, or assist the establishment of clinics, nursing homes, or rest homes for the sick, the elderly, the convalescent, or any people especially in need.
- Provide assistance in any way possible to study and research, being able, both in Spain and abroad, to create, or participate in sustaining of schools, university centers, student residences, as well as pay degrees, tuition, pensions, or institute scholarships for students, and provide teaching material. Regarding the second objective, the Foundation, including but not limited to, may:
  - Study projects submitted by promoters residing in Spain or abroad, achievable both in our country and elsewhere and especially in Latin American, African, and Asian countries, channeling all kinds of aid and collaborations to these projects, and even organizing fund-raising activities for this purpose.
  - Collaborate with non-profit governmental and non-governmental organizations that carry out development cooperation and solidarity-building activities for the peoples of the Third World.
  - Serve as a channel to allocate the resources received from natural or legal persons, national or foreign, for specific purposes, in Spain or abroad, with strict respect for the will of the donors.



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- Encourage economic collaboration, either through definitive, temporary, or fiduciary contributions, from all kinds of natural and legal persons, both domestic and foreign, so that existing Foundations or those promoted, can achieve the social purposes they pursue.

Regarding its third objective, the Foundation aims to:

- Conduct studies on the legal nature of the right of foundation and its role as a channel for the participation of the private sector in the pursuit of social purposes of general interest.

- Launch initiatives that facilitate the collaboration of all kinds of people in the social aims pursued by non-profit organizations.

- Initiate contacts with international organizations, in order to study the most effective way of cooperation of Spanish non-profit organizations in the social action programs undertaken by these organizations in the Third World.

- Collaborate with the Public Administration and relevant international bodies in the study of all kinds of legal provisions affecting the right of foundation, its regulation, and implementation.

- Encourage dialogue between foundations, especially those intended for similar purposes, to promote joint actions concerning both the Public Administration and international bodies, for the realization of the purposes listed above and all those which result in the better functioning and effectiveness of the work of the foundations.

- Mobilize volunteer leaders in Spain and other countries of the world for the development of private programs aimed at solving human problems, while organizing volunteer campaigns to collect financial resources for the support of these programs.

- Study the organization of voluntary activities to help others in the United States -being probably the country where this kind of approach is most developed- to disseminate it in other countries where it is not generally known.

- Exchange information and cooperation between national, foreign, and international organizations for raising voluntary funds intended for charitable purposes, establishing, where appropriate, occasional, or permanent bonds with them.



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### **Article 6. Beneficiaries.**

Any natural or legal persons may be beneficiaries of the Foundation without discrimination.

When, due to the nature of the services provided by the Foundation, the need arises to limit the number of beneficiaries, the determination and selection of these will be made by the Foundation's Board of Trustees, considering the merits, needs, financial capacity and possibilities of leveraging that the different applicants have.

Including, but not limited to, the beneficiaries of the foundational activity may preferably be:

- Persons or institutions that carry out cultural, social, financial, or business activities that deserve to be followed-up or receive attention.
- Those who need help to start, develop or complete a study or research project.
- Any other persons or institutions engaged, in any way, in the promotion, defense, or development of social and cultural values. Newly created foundations or those which can develop projects that, due to their nature, volume, or will of the donor, are more appropriate to be developed from a specific Foundation promoted for such purpose.
- Grants from the Foundation may or may not be refundable, depending on the characteristics of the project and the beneficiary. They may also take the form of the provision of guarantees, including security in rem, that enable beneficiaries to access funding under economic conditions and time-limits in accordance with their possibilities.

### **III REPRESENTATION, GOVERNANCE AND ADMINISTRATION**

#### **Article 7.- The Board of Trustees.**

The Board of Trustees has all the faculties and powers required by law for the effective fulfillment of the Foundation's purpose and, particularly, the performance of all kinds of legal acts and businesses of representation, governance, provision, and administration of the Foundation without any other limitations than those established by the provisions in force. Particularly, the Board of Trustees shall enjoy full autonomy in the performance of its functions, without prejudice to the powers granted to the Protectorate by such provisions.



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In the event of doubt or omission, and for the improved fulfillment of the Foundation's purpose, it is up to the Board of Trustees to interpret these Bylaws.

Special Boards of Trustees may also be created for a specific Fund or for certain assets that have been temporarily contributed to this Foundation but are called upon to be contributed to a more specific one. These specific Boards of Trustees shall be governed by the rules issued by the Board of Trustees of the Foundation, always in accordance with the legal and statutory regulations, and as long as they remain in this Foundation, at least two members of the Board of Trustees of the Foundation must be part of them.

### **Article 8.- Composition of the Board of Trustees.**

1. The Board of Trustees shall consist of a minimum of three and a maximum of nine members, who shall be called Trustees and shall elect, by an absolute majority, a Chairman from among their members. It shall also appoint a Secretary, a position which may be entrusted to a person outside the Board of Trustees, in which case, this person shall act in a non-voting advisory capacity and shall be responsible for certifying the resolutions of the Board of Trustees.

2. The Board may appoint an Executive Committee consisting of three members, to which all functions pertaining to it can be delegated, except for the approval of the Accounts and the Action Plan, the amendment of the Bylaws, the merger, and the liquidation of the Foundation, as well as those others that the Law itself establishes as non-delegable or those acts that require the Protectorate's consent. The responsibility for the appointment, where appropriate, of the positions to be held in this Committee, shall lie with its members.

Governing bodies of the Foundation will therefore be the Board of Trustees and, where appropriate, the Executive Committee.

Those functions of the Board of Trustees that are mainly technical shall not be assumed by the Trustees whose appointment has an honorary nature.

The Board of Trustees shall elect a Chairman from among its members, by an absolute majority, and shall also elect a Secretary, although the latter may or may not be a member of the Board. The Chairman shall be the legal representative of the Foundation and shall convene, preside over, and direct all kinds of meetings and, with his/her casting vote, shall settle any ties that may arise. The Secretary shall act as such in meetings, shall draw up minutes of the sessions, and be responsible for the administrative management of the Foundation. In the event of a vacancy, absence, or physical impossibility, he/she shall be temporarily replaced by the youngest Trustee.



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### **Article 9. Duration of positions and filling of vacancies.**

The position of member of the Board of Trustees shall have a maximum duration of five years. If appointed for a different term, the agreement of the Board of Trustees must state it and indicate the number of years to which the appointment is extended; all this without prejudice to those who have been appointed for an indefinite period, by the decision of the founder or thereafter. The Board of Trustees may, by an absolute majority, designate the persons to fill the vacancies that occur, or agree to reduce the number of its members to the minimum provided for in the preceding article. It may also extend its number to the maximum indicated in that Article and agree on the corresponding appointments and replacements. Vacancies will occur due to the following causes:

- Due to death or resignation of the holders, if they were natural persons, or to termination if they were legal persons.
- Due to unworthiness, incapacity, or impossibility to perform the duties, appreciated by two-thirds of the remaining members of the Board of Trustees.
- On other grounds provided by law. The Trustees shall enter into office after having expressly accepted the position in a public document, in a private document with a notarized signature, by means of an appearance made for that purpose in the Registry of Foundations. Likewise, the position may be accepted before the Board of Trustees, attested through a certificate issued by the Secretary, with a notarized signature.

### **Article 10.- Unpaid nature of the positions.**

The positions in the Board of Trustees shall be of trust and honorary; accordingly, their holders shall perform them free of charge. They shall, however, be entitled to reimbursement of travel expenses and all other duly justified expenses incurred by them in the performance of their function.

### **Article 11.- Chairman.**

The Chairman of the Board of Trustees shall represent the Board, convene its meetings, preside over them, direct its debates, and shall, with his casting vote, settle any ties that may arise. He shall be obliged to convene the Board of Trustees whenever at least one-third of its members request it in writing and indicating the matters to be discussed.



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### **Article 12.- Secretary.**

The Secretary shall be responsible for: a) Bureaucratic services and document filing, and with his/her signature shall guarantee the authenticity of the records and certifications authorized. (b) All functions related to the economic management of the Foundation, and in particular Treasury and Accounting functions. In the event of a vacancy, absence, or physical impossibility, he/she shall be temporarily replaced by the youngest Trustee.

### **Article 13.- Meetings of the Board of Trustees.**

The Board of Trustees shall meet as often as it deems appropriate and mandatorily for the approval of the accounts and the action plan. The minutes of these meetings, their certifications, and in general all the documentation that the Secretary endorses with his/her signature, shall be approved by the President.

### **Article 14.- Constitution.**

In order for the Board to be validly constituted, both on an ordinary and extraordinary basis, the attendance of all the Trustees shall be required; on second call, its constitution shall be valid if the majority of them attend.

### **Article 15.- Revisions and agreements.**

1- The Board of Trustees will be validly constituted when the majority of its members attend and shall adopt its resolutions by a majority vote. In the event of a tie, the vote of the Chairman shall be decisive.

2- Notwithstanding the provisions of the previous articles, the Board of Trustees shall be understood to be convened and shall be duly constituted to discuss any matter provided that all its members are present, and the attendees unanimously accept the holding of the meeting.

3- Meetings may be held by electronic means, without physical presence, taking sufficient guarantees to convene and identify the Trustees, ensuring real-time communication, and the unity of the act. This possibility shall be included in the Call for the Board, and it shall be deemed to have been held at the Foundation's address.

### **Article 16.- Authority.**

The authority of the Board encompasses all matters concerning the representation, governance, and administration of the Foundation, with no exception, the interpretation of these Bylaws, and the resolution of all legal and circumstantial events that may occur. Including but not limited to, the functions and powers of the Board of Trustees are the following:



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- a) To fulfill the will of the Founders and the Bylaws of the Foundation.
- b) To hold the supreme representation of the Foundation in all kinds of relations, acts and contracts and before the State, Autonomous Regions, Provinces, Municipalities, authorities, centers, and units of the Administration, Courts, Tribunals, Magistrates, Corporations, Organizations, Societies, legal persons and individuals of all kinds, exercising all rights, actions, and exceptions, and following through all its stages, instances, incidents and appeals, any and all procedures, processes, claims, and trials that may fall within the sphere of competence or interest of the Foundation, granting for this purpose the powers deemed necessary.
- c) To accept or refuse for the Foundation, in compliance with the legal precepts, acquisitions of assets or rights transferred by any title on a permanent, temporary or fiduciary basis; perform all kinds of acts and contracts for the acquisition, possession, administration, donation, trust, alienation and encumbrance of movable and immovable property, including those relating to the constitution, modification and total or partial cancellation of mortgages, redemption, and deliverance of real rights and other acts of strict ownership, without prejudice to the powers which, in accordance with the laws, correspond to the Protectorate.
- d) To collect and receive rent, income, and dividends, interest, profits, and any other products or benefits from the assets comprising the Foundation's assets.
- e) To make all necessary payments, including those of capital calls and the necessary costs to collect, administer and secure the funds that the Foundation always relies on.
- f) To exercise directly, or through the designated representatives, all rights accruing to the Foundation as the holder of shares and other transferable securities belonging to it; and in this regard, attending, deliberating and voting, as appropriate, at the General Meetings, Assemblies, Associations or issuing institutions, exercising all the legal powers attributed to the aforementioned holder, concluding, granting and signing the acts, contracts, agreements, proposals and documents deemed appropriate.
- g) To operate in Spain or abroad, with all types of credit and savings institutions, doing as much as the respective legislation and banking practices allow; open, follow, dispose of, use and cancel in the Bank of Spain, in any city or any other bank or credit or savings institution, domestic or foreign, ordinary current or credit accounts, with a personal guarantee, value guarantees or trade receivables, and safety boxes, signing for this purpose checks, money orders, transfers, and other documents, and collecting checkbooks. Approve and contest accounts, debts,



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loans, payments, balances, and settlements; buy, sell, subscribe, redeem, and pledge securities or coupons and collect their interest, dividends, and amortization, modify, transfer, cancel, withdraw, and make deposits of cash or provisional or definitive securities.

h) To carry out, in general, all functions for the administration, conservation, custody, and defense of the Foundation's assets.

i) To delegate, with the limitations and requirements established by law, one or more of the foregoing powers whenever it deems appropriate to one or more persons by granting and revoking the relevant powers for this purpose.

j) To appoint or separate administrative, auxiliary, junior level, and any other personnel and determine their salaries, fees, and gratuities, all subject to the provisions in force.

k) To draw up and forward to the Protectorate the corresponding action plan for the following year in the last three months of each financial period.

l) To approve the annual accounts within the legally established deadlines and with the contents established by law.

m) To amend these Bylaws in order to better fulfill the will of the Founders.

n) Any other powers and functions conferred upon it by these Bylaws or resulting from the Board of Trustees or inherent therein, regarded as the body of authority and representation of the Foundation.

o) To allocate the surpluses of the financial period to the endowment or reserves, as well as to transfer income of any kind to the endowment of the Foundation.

p) To appoint new Trustees, as well as replace or remove them.

### **IV.- ASSETS AND FINANCIAL REGIMEN**

#### **Article 17.- Assets**

The assets of the Foundation may include all kinds of assets, rights, and obligations subject to economic valuation located anywhere and with no other limitations than those imposed by the provisions in force. The Board of Trustees shall be responsible for the administration and disposition thereof, in the way established in the Bylaws, and subject to the provisions of the legislation in force. The endowment of the Foundation consists of:



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- a) The initial endowment detailed in the founding deed.
- b) The assets and rights of financial content that during the existence of the Foundation are contributed in such capacity by the founder or by third parties, or that are affected by the Board of Trustees on a permanent basis, for foundational purposes.
- c) Assets intended for the endowment of a future foundation and which, as long as they are not to be contributed to that foundation, shall not be used for any purpose directly, but kept as foundational endowment provisionally in this Foundation, and in the future in the endowment of another foundation or non-profit institution. They can only contribute to that concept.

### **Article 18.- Assignment of assets, profit, and revenues.**

1. The assets, profit, and revenues of the Foundation shall be construed as affected and assigned, in a direct and immediate way, without the involvement of people, to the realization of the objectives of social and cultural nature for which the Foundation is established, without prejudice to the provisions for the Protectorate in the legislation in force.

2.- Without prejudice to the foregoing, the Foundation shall, in the form and with the exceptions legally established, allocate to the realization of its foundational purposes at least 70% of the revenue or any other net income which, after deduction of expenses and taxes, it obtains, within a maximum period of four years from the closing of the financial period of its obtaining.

### **Article 19.- Modification of investments.**

The Board of Trustees may, at any time and as often as necessary, in order to adapt to what the financial circumstances might recommend, make the modifications, transformations, or conversions of the investments of the Foundation which make up both the endowment and the assets. To do so, the authorization of the Protectorate shall be sought when prescribed by law.

### **Article 20.- Asset guarantee measures.**

The following rules shall be observed to ensure the protection of the assets and rights of the Foundation:

- a) Securities and cash shall be deposited in the name of the Foundation in the financial institutions designated by the Board of Trustees.



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b) Other movable property, property titles, deposit receipts, and any other document certifying ownership or possession, use or enjoyment, or any other right held by the Foundation shall be safeguarded by the Board of Trustees or by a person designated by the Board. The Foundation shall appear as the owner of all the properties and rights that make up its assets, including those of fiduciary origin, being recorded in the inventory, and promoting their registration in the relevant public registers.

### **Article 21. Financial period.**

The financial period shall be annual and shall coincide with the calendar year.

### **Article 22.- Drawing up of annual accounts.**

The Chairman, any of the Trustees or anyone designated by the Board of Trustees, shall draw up the annual accounts within three months from the end of the financial period with the contents established in the provisions in force at any time.

## **V.- AMENDMENT, MERGER, AND DISSOLUTION.**

### **Article 23.- Amendments.**

The Board of Trustees may promote the amendment of these Bylaws whenever appropriate in the interests of the Foundation as well as in other cases provided by law. The amendment agreement requires the favorable vote of two-thirds of its members.

### **Article 24.- Procedure.**

The bylaw amendment agreement should be notified to the Protectorate and once the legal terms and deadlines have been met, it must be formalized in a public deed and registered in the Registry of Foundations.

### **Article 25.- Merger.**

The Board of Trustees may propose its merger with another Foundation, following the procedures set out in Law.

### **Article 26.- Dissolution.**

The dissolution of the Foundation will be decided by the Board of Trustees unanimously when evidence that it is impossible to fulfill the foundational purposes is proved or due to any other cause provided for in the legislation in force.



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**Article 27.- Liquidation and allocation of the remainder.**

In the event of the extinction or dissolution of the Foundation, the Board of Trustees may allocate assets and rights resulting from the liquidation to foundations or private non-profit institutions, both Spanish and foreign, that pursue similar purposes of general interest and whose assets are affected, even in the event of dissolution, to the attainment of those purposes.

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