

ARTICLES OF ASSOCIATION
EUSKAMPUS FUNDAZIOA

TITLE I

NAME, GEOGRAPHICAL SCOPE, REGISTERED OFFICE AND PURPOSE

Article 1: Incorporation, name and term

Euskampus Fundazioa is a non-profit organization of foundational nature, whose assets are committed for an indefinite period of time to the achievement of its general interest aims.

The Foundation shall be governed at the discretion of its founding members and regulated by these Articles of Association, by the Basque Foundations Act (Ley 9/2016 de Fundaciones del País Vasco) of 2nd June, as well as its complementary regulations and other legal provisions in force which may be applicable.

Article 2: Legal rules, personality and capacity

The Foundation is a self-owning separate legal entity, since it was registered in the Registry of Foundations, and will have full legal capacity, being able to act, with no other restriction than those limitations established by its founding members at the act of incorporation, everything set forth in this Articles of Association and in the Law on Basque Foundations (Ley 9/2016 de Fundaciones del País Vasco) of 2nd June.

Therefore, and notwithstanding duly notification to the Foundation Commission, the Foundation will have full capacity for acting in the furtherance of its aims pursuant to the provisions of Art. 38 of the Spanish Civil Code. The Foundation may:

- a) Carry out economic activities of any type to pursue its aims or dedicate resources for such purpose;
- b) Acquire and dispose of any type of assets and rights and by any type of ownership and to enter into any act, business and contract; and
- c) Carry out any type of action under its articles of association and the applicable law.

Article 3: Geographical scope

The Foundation shall mainly carry out its activities in the Basque Country, notwithstanding the possibility of carrying out activities in other geographical areas where the Foundation may pursue its aims.

Article 4: Registered office

The Foundation will be based at Edificio del Rectorado, Universidad del País Vasco/Euskal Herriko Unibertsitatea, Campus de Bizkaia, Barrio Sarriena s/n, 48940 Leioa (Biscay). The Board of Trustees may freely agree to transfer this registered office, provided this is duly notified to the Registry of Foundations. Furthermore, the Board of Trustees may determine the headquarters of branches, delegations and offices, which may be created, if any, pursuant to any needs derived from the compliance with the Foundation aims.

Article 5: Term

The Foundation is set up for an indefinite term and its activities may start on the day of signing its deed of incorporation, after which the Foundation may carry out any action necessary to register, as well as any other action which may be deemed essential to preserve its assets and those requiring immediate action without prejudice for the Foundation. All the foregoing actions will be automatically deemed to be undertaken by the Foundation once its registration is made effective and therefore the Foundation will acquire its legal personality.

Article 6: Foundation aims

The purpose of the Foundation is to drive the social, economic and cultural transformation in the Basque Country and to place it at the international knowledge society forefront, including but not limited to the following actions related to such purpose:

- Contributing to create a training, research, transfer and innovation hub of national projection;
- Consolidating an international academic campus to project a quality public higher education model which will be integrated in the knowledge society;
- Promoting and channelling cooperation among different actors in the Basque Country (the members of the Basque Science, Technology and Innovation Network, companies, social players, etc.) and among these and international players in the fields of high-level training, research, value recovery and transfer of knowledge for the benefit of the entire society in an international context;

- Promoting the Basque Country as an international hub of science, technology, innovation, creativity and talent, aiming to enter into stable collaboration agreements with leading international entities, to encourage people's mobility and the creation of joint training, research and innovation programmes;
- Attracting and retaining talent from any part of the world, providing the necessary resources for their induction, integration and performance;
- Fostering, promoting and disseminating any type of activity related to the study, research and social promotion of science, technology, arts and humanities by itself or in cooperation with other bodies;
- Contributing to consolidate the University of the Basque Country (UPV/EHU) as a campus of international excellence strongly linked with the other public and private institutions in its environment and committed to people, playing an active role in the geographical development and the search for solutions to social, cultural and environmental challenges in the Basque Country;
- Encouraging any type of initiative in favour of greater connection between society and the bodies which are part of the Foundation; and
- Taking active part in the development and social projection of Basque culture and language to comply with the Foundation purposes.

In order to meet the aims described above, the Foundation may carry out activities of any type, including fund-raising activities for such purpose.

Euskampus Fundazioa, supported by the UPV/EHU, will act as the backbone connecting all the bodies which carry out activities in the different realms of knowledge with the participation of the University.

Article 7: Beneficiaries

The Board of Trustees will dedicate the Foundation resources to the foundation aims in accordance with Art 29 of the Basque Foundation Act (9/2016) of 2nd June.

Any natural person or legal entities that benefit from the Foundation activities may be a beneficiary.

As part of its general interest aims, the Foundation actions shall be based on objectivity and impartiality criteria for the selection of its beneficiaries without any discrimination whatsoever.

Individuals or legal public or private entities willing to develop and cooperate with the Foundation's generic aims will be beneficiaries of the Foundation.

In any event, for the specific selection of beneficiaries, the Board of Trustees will take the following into account:

- a) The Foundation activity must benefit generic communities of individuals or legal entities. The above definition will include communities of workers in one or several companies and their families. In any event, the selection criteria for the communities of beneficiaries shall be based on fair and non-discriminatory criteria
- b) The founders or founding members, trustees, their spouses or individuals linked to them by relationships or their relatives up to fourth degree inclusive, and any other specific legal entity not pursuing generic interest aims, cannot be the main aim of the Foundation or the target of its performance.
- c) No person may invoke, whether individually or collectively, to the Foundation or its Board of Trustee, the right to enjoy the Foundation's benefits, before they were granted, nor impose its attribution to certain individuals.

Article 8: Publicity

The Foundation shall provide sufficient information about its purposes and activities so that they become known to any eventual beneficiaries or interested person.

TITLE II

FOUNDATION'S GOVERNING BODIES

Article 9: Foundation's governing bodies

1. The Foundation's Governing Bodies include the Board of Trustees and the Executive Committee among others.

2. The Board of Trustees is the governing body and representative of the Foundation.
3. Notwithstanding the foregoing, the Board of Trustees may appoint one or several Executive and Advisory Boards.

CHAPTER I

THE BOARD OF TRUSTEES

Article 10: The Board of trustees

10.1 The Board of trustees

The Foundation's Board of Trustees is supreme governing, administration and representation body and shall exercise all powers necessary to further the Foundation aims.

10.2 Composition and term

The Board of Trustees will consist of a minimum of 8 and a maximum of 42 members.

The members of the Board of Trustees may be individuals or legal entities. In the event of individuals, they must have full legal capacity to act and not be banned from holding public office to qualify as Trustees. Trustees who are legal entities shall appoint an individual who will represent them in the Board of Trustees.

Trustees may be ex-officio, appointed or elected:

Ex-officio Trustees: will be members of the Board selected by the Founders in the deed of incorporation.

The following will have Ex-officio status:

- The Rector and Vice-Rector with research competences in the UPV/EHU or an entity that may replace it.
- The Chairman of Fundación Tecnalia or any entity that may replace it, unless the Chairman delegates his/her power in the Managing Director of Fundación Tecnalia.
- The Chairman of Fundación Donostia International Physics Center or an entity that may replace it, unless the Chairman delegates his/her power in the Managing Director of Fundación Donostia International Physics Center.

Appointed Trustees: their appointment will depend on the person who designated them. Their appointment will be as follows:

- Two individuals or legal entities appointed by the Rector of the UPV/EHU or an entity that may replace it;
- One individual or legal entity appointed by the Chairman of Fundación Tecnalia or an entity that may replace it;
- One individual or legal entity appointed by the Director of Fundación Donostia International Physics Center or an entity that may replace it.

These Appointed Trustees will be designated for an indefinite period and may be withdrawn at any time by the person who appointed them. In any event, such withdrawal should always be accompanied with the subsequent designation of the person who will replace them.

Elected Trustees: individuals or legal entities appointed by the Board of Trustees to become part of the Board of Trustees, other than Ex-officio and Appointed Trustees.

These Elected Trustees will perform their duties for five (5) years and may be re-elected once or several times.

Honorary Trustees: individuals or legal entities who as a result of their especial contribution to the Foundation aims have earned this honorary status conveyed by the Board of Trustees.

Honorary trustees may only act as administrators for the matters submitted to them by the Board of Trustees. In this case, they will have the right to be heard but not to vote and their attendance will not be counted for quorum or decision-making majority calculation purposes.

The Board of Trustees, at the request of the Chairperson, may appoint Honorary Chairperson or Deputy Chairperson as well as Foundation benefactors.

10.3 Appointment of trustees and filling of vacancies

The first Board of Trustees will be appointed by the Founding members in the deed of incorporation.

Notwithstanding the right granted to Founding members in the prior Art. 10.2, the Board of Trustees will be entitled to appoint new elected trustees by appointing or withdrawing members, by agreement adopted by absolute majority of those attending in person or by proxy, and in any event with the favourable vote of the majority of ex-officio trustees attending in person or by proxy.

Any Trustee appointed must expressly accept the position according to one of the formulae provided by Art. 16 of the Act. Such acceptance will be recorded in the Registry of Foundations.

Those appointed as Trustees who become members of the Foundation once the Foundation is incorporated, may make a contribution to the Foundation which will be determined by the Board of Trustees and will not be permanent.

In the event of vacancies for the positions due to death, incapacity, disqualification, declaration of presumed death, removal or incompatibility, resignation, dismissal or any other circumstance which may lead to replacing or dismissing these individuals, the vacancies will be filled by the person responsible and vested with the power to do so as per Art 10.2 of these Articles of Association, and must be filled within a period of 6 months.

The Board of Trustees must maintain a minimum number of trustees as specified in Art. 10.2 herein to validate the agreements.

The suspension of trustees may be agreed as a precautionary measure by a court or Judge when liability action for not performing their function as envisaged by the Law is initiated against them.

Legal entities which are part of the Board of Trustees must be represented by an individual. In the event of the person being appointed as a member of the Board holding a public or private position, he/she will be entitled to appoint another person to act on his/her behalf.

The replacement, disqualification and removal of trustees will be filed with the Registry of Foundations.

Article 11: Composition of the Board of Trustees

11.1 Chairperson

The Chairperson of the Board of Trustees is the person holding the supreme representation of the Foundation and will perform the duties set forth by the applicable foundation regulations and in particular:

- a) Calling the meetings of the Board of Trustees;

- b) Inviting those deemed appropriate to attend the meetings;
- c) Chairing meetings and directing and moderating the discussions, putting the agreements to vote and declaring the results of the votes;
- d) Executing or enforcing the execution of agreements, carrying out any type of act and signing any public or private document as may be necessary for such purpose;
- e) Representing the Foundation before any kind of person, legal entity, authority and public administrations or bodies;
- f) And in general managing the Foundation implementing as many measures as may be considered appropriate, performing any kind of acts and signing any document as may be required to achieve the purposes entrusted; and
- g) Any other power specified herein.

The Chairperson of the Foundation shall always be the Rector of the University of Basque Country (UPV/EHU) and the position will be ex-officio.

11.2 Deputy Chairperson

The Deputy Chairperson will be the person appointed by the Founding Members or, failing such, by the Board of Trustees among its members through absolute majority agreement among members attending in person or by proxy, and in any event with the majority vote of the Ex-officio Trustees attending in person or by proxy.

The Deputy Chairperson, or by default the oldest member of the Board of Trustees, shall perform the Chairperson duties in the event of a vacancy, absence or sickness of the position holder, as well as in any other case as determined by the Board.

If the Chairperson delegates his/her vote, the person appointed will perform his/her functions and will have the casting vote in the event of a tie.

11.3 Secretary

The Secretary may or may not be a member of the Board of Trustees, in which case will have the right to be heard but will not have voting rights. The first Secretary will be appointed by the Founding Members, or failing such, by the Board of Trustees by agreement adopted by absolute majority of those attending in person or by proxy, and in any event with the majority vote of Ex-officio Trustees attending in person or by proxy.

The Secretary shall keep the Foundation's documents and duly record the Board of Trustees' meeting minutes in the Minutes Book, issue certifications approved by the Chairperson, or whoever may act on his/her behalf, regarding resolutions adopted by the Board of Trustees and issue any report necessary, as well as perform any other duty inherent to the role of Secretary foreseen herein or expressly assigned.

The Secretary shall be assisted and replaced for the meetings by a Deputy Secretary who will be appointed in the same way as the Secretary. The Deputy Secretary shall perform any duties assigned to the Secretary in the event of a vacancy and absence or illness of the position holder. In the absence of the Secretary due to illness, leave or vacancy, he/she shall be replaced by the youngest member of the Board of Trustees or the person appointed by the Board of Trustees.

11.4 Treasurer

The Board of Trustees may appoint a Treasurer among its members to perform the duties allocated by the Board of Trustees.

The Treasurer may be allocated the following duties:

- 1.- Collect and safeguard the Foundation's funds;
- 2.- Present and sign the income statement; and
- 3.- Keep Inventory books, accounts, budget and general ledger

Article 12: Gratuity

The Trustee position is not remunerated. However, Trustees receive payment for any duly justified expenses incurred during the performance of their role.

The Board members may delegate their representation in another member. Proxy representation will be granted in writing for each meeting, and each member may only represent one member.

Article 13: Internal operation

The Board of Trustees shall meet at least twice per year. One of them during the first semester of the year to approve the budget settlement of the previous year, the Inventory, the Activity Report, the Balance Sheet and Income Statement under the terms set forth herein; and the other in the last quarter to approve the revenue and expenditure Budget for the following year.

The Board of Trustees will hold an extraordinary meeting if requested by a third of its members or if decided by the Chairperson.

Article 14: Call

Calls to the Board of Trustees meetings will be served by the Chairperson, by written communication sent to each member with fifteen calendar days' notice before the date of the meeting.

The notice calling to the meeting will include the place, venue, date and time of the Meeting, as well as any items included in the Agenda for the meeting agreed by the Chairperson.

In the event of an Extraordinary Meeting called by one third of the Board of Trustees members, the Agenda shall necessarily include any items proposed by them.

Article 15: Establishment and decision-making

The Board of Trustees will be validly held when half plus one of its members are present.

Resolutions shall be validly adopted by majority vote of the trustees attending in person or by proxy, and the Chairperson will have the casting vote in the event of a tie.

Notwithstanding the foregoing, for the Amendment of its Articles of Association, merger or dissolution of the Foundation, and the appointment and removal of members of the Board of Trustees, the absolute majority of votes from the Trustees attending in person or by proxy will be required, as well as the favourable vote of the majority of ex-officio trustees attending in person or by proxy.

The Board of Trustees may meet connected by videoconference systems or any other kind of communication channels as long as they enable to recognize and identify the attendants, and permanent communication between the attendants regardless of their location, as well as the ability to intervene and cast votes real-time are guaranteed. In such event, the meeting will be deemed held at the venue where the person chairing the meeting is located.

Exceptionally, the Board of Trustees may adopt resolutions without a meeting as long as the right to information and vote are protected, vote reception is duly registered and vote authenticity is guaranteed. The resolution is understood to be adopted at the place of residence of the legal entity and on the date of reception of the last vote validly cast.

Article 16: Competencies of the Board of Trustees

The scope or action of the Board of Trustees includes anything related to the governance of the Foundation and in particular, the following exclusive and permanent duties allocated to the Board of Trustees:

- a) Approve the Inventory, the Balance Sheet , Income Statement and the Annual Report of the previous year, as well as settle the revenues and expenses budge for the year;
- b) Approve the revenue and expenses budget for the following year as well as its explanatory memorandum and action plan;
- c) Pass resolutions regarding the amendment of Articles of Association, merger, dissolution and liquidation of the Foundation;
- d) Appointment of members of the Executive Committee as may be applicable; and
- e) Approve any agreements which may require the authorisation or communication with the Foundation Commission or exceed the ordinary management by the Foundation.

In order to facilitate the achievement of the Foundation aims, the Board of Trustees may delegate all its powers and duties to the Executive Committee who will not assume them exclusively and permanently and shall act as the Board of Trustees delegate under the terms specified herein and the applicable legal provisions.

CHAPER II

THE EXECUTIVE COMMITTEE

Article 17: The Executive Committee

The Board of Trustees delegates its authority to the Executive Committee, which will consist of a minimum number of 5 and a maximum number of 8 people.

In any event, five members of the Executive Committee will be:

- The Rector of the University of the Basque Country (UPV/EHU) or an entity that may replace him/her;
- The Chairperson of Fundación Tecnalia or an entity that may replace him/her;

- The Chairperson of Fundación Donostia International Physics Center or an entity that may replace him/her; and
- Two members of the Board of Trustees, be it an individual or a legal entity expressly appointed by the Rector of the UPV/EHU or an entity that may replace him/her. These members will perform their duties as members of the Executive Committee for an indefinite period and may be replaced at any time by the Rector of the UPV/EHU. In any event, such replacement shall always be accompanied with the subsequent appointment of the person who may replace it.

If applicable, the three other members of the Executive Committee will be appointed by a majority of the Trustees attending in person or by proxy.

Article 18: Composition

The Chairperson of the Executive Committee is the Chairperson of the Board of Trustees. In any event, such person shall only have a casting vote in the event of a tie.

The Secretary may or may not be a member of the Executive Committee. The Secretary will keep the minute books and will issue minute certificates with the approval of the Chairperson or the person who may replace him/her.

Article 19: Call, meeting and decision-making

The Executive Committee shall meet as many times as the Chairperson shall deem appropriate. The Chairperson shall call the meeting at least twice a year or when requested by at least two members of the Committee.

The notice calling to the meeting will include the agenda, the place, date and time of the Meeting, and will be communicated to each member at least three working days prior to the date of the meeting. In the event of an expressly declared emergency in the call notice, this period may be reduced.

Notwithstanding the foregoing, no prior call will be required and the Executive Committee will be validly formed to deal with any matter when all its members are present and unanimously agree to hold the meeting and the corresponding agenda.

The meeting may be attended in person or by proxy. Any member may be represented by another member by means of the corresponding proxy delegation, which will always be specific for each event.

The quorum required to hold the meeting will be half plus one of the members (in the event of an odd number, the number after half plus one; i.e. If 7, it will be 5), and the agreements will be adopted by the majority of the attendees, in person or by proxy.

Article 20: Competencies of the Executive Committee

The Executive Committee as a governing body and if agreed by the Board of Trustees, may undertake all the duties and powers related to the Foundation governance, representation and administration which are not exclusively and permanently allocated to the Board of Trustees.

Article 21: Executive Directorate and competencies

The Executive Director will be appointed by the Executive Committee at the proposal of the Chairperson. The agreement shall be adopted by absolute majority of the members attending the meeting in person or by proxy.

The Executive Director shall not form part of the Executive Committee but may attend the Board of Trustees and the Executive Committee meetings and will have the right to be heard but will not have voting right.

The appointment of the Executive Director may be revoked by the Executive Committee provided the majority vote of members attending in person or by proxy is obtained.

The Executive Director duties will be determined by the Executive Committee from time to time, who will grant any power as may be considered necessary. In any event, the Executive Director shall have sufficient power to perform the duties allocated to this position, including but not limited to the management and performance of agreements and directives adopted by the Foundation bodies; performing as many arrangement duties as may be required to better achieve the Foundation aims and goals; preparing and proposing action plans; managing personnel policies; arranging the Foundation accounts and finance, among others.

CHAPTER III

EXECUTIVE BOARDS, ADVISORY BOARDS AND PERSONNEL AT THE SERVICE OF THE FOUNDATION

Article 22: Executive boards

The Board of Trustees and the Executive Committee may establish one or several Executive Boards with the powers determined by them from time to time.

Executive Boards will be made up of members of the body which establishes them.

Under no circumstances may the approval of accounts and budget, or any act exceeding ordinary management or requiring communication to or authorisation of the Foundation Commission be undertaken.

Article 23: Advisory Boards

The Board of Trustees or the Executive Committee may appoint Advisory Boards to provide opinion and evaluate any matters submitted to it.

The Advisory Boards actions shall not be binding for the Foundation Governing bodies.

The Advisory Board members may be appointed by the Board of Trustees or by the Executive Committee among persons or entities at its discretion, considered able to contribute to achieve the Foundation purposes.

Article 24: Personnel at the service of the Foundation

The Foundation shall be organised appropriately in order to achieve its aims. The Foundation personnel shall directly report to the Executive Director and the Executive Committee will be responsible for any appointment deemed necessary for the better performance of the Foundation activities.

The Executive Committee, through its Executive Director, may entrust the management or the performance of other activities in representation of the Foundation to those individuals considered appropriate in exchange of the correct compensation according to their duties and observing the legal provisions in force at all times.

CHAPER IV

THE ROLE OF JOINT COLLABORATORS

Article 25: The role of joint collaborators

The Foundation may admit any individual or legal entity as joint collaborator who may contribute to the achievement of the Foundation purposes thanks to their knowledge, dedication, experience and contribution.

Article 26: Acceptance as a joint collaborator

Upon request by the interested person, i.e. an individual or a legal entity wishing to collaborate in the Foundation as Joint Collaborators, only those admitted by the Board of Trustees may acquire such status.

The Board of Trustees shall determine from time to time the objective conditions specifying the level of commitment to be undertaken by the Joint Collaborator through an agreement.

Article 27: Withdrawal of joint collaborators

The Foundation's Joint Collaborators will be withdrawn in the following cases:

- a) By agreement of the Board of Trustees due to a breach in the contractual commitments stipulated in the agreement regulating the relationship with the Foundation or upon agreement expiration;
- b) Due to wind-up or liquidation (in the event of legal entities), death, incapacity or disqualification (in the case of individuals); and
- c) any other cause envisaged by law.

TITLE III

THE FOUNDATION'S ENDOWMENT

CHAPTER I

CAPITAL AND ASSETS

Article 28: Foundation's Endowment

The Foundation endowment shall be made up of:

- a) assets committed upon incorporation of the Foundation;
- b) assets and rights received afterwards by the Board of Trustees to commit them permanently to the Foundation purposes;

the Foundation endowment shall be made up from time to time by all its assets and rights subject to economic valuation;

the Foundation may have any asset that compose the endowment and assets of the Foundation, provided that all arrangement and administration activities comply with the applicable

regulations and any yield or rent are allocated to the purposes, in accordance with these Articles of Association.

Article 29: Financing

The Foundation will have the following financial resources:

- a) Subsidies provided by the State, Autonomous bodies, Regional institutions, Provincial and Local Councils as well as any individual or legal entity;
- b) Yield from the Foundation own assets;
- c) Subsidies, donations, inheritance and legacies;
- d) Income resulting from services or activities performed by the Foundation;
- e) Contributions and ordinary and extraordinary fees paid by founding members; ordinary and extraordinary fees and contributions voluntary made by the Board of Trustees' members;
- f) Any other income obtained by the Foundation as a result of any other activity; and

In addition to its annual income, the Foundation may receive annual fees paid by those appointed as Trustees which will be allocated to the performance of the foundation activities.

Article 30: Changes to capital and assets

The Board of Trustees may at any time and as many times as required, according to the economic background, make as many changes, transformation and conversions to the Foundation capital as it may deem necessary, with the exclusive aim of preventing a reduction of capital effective value or purchasing power, even if nominal value is maintained. The Foundation Commission must be informed of any acts of disposal or encumbrance on the goods or rights forming part of the founding endowment, or that are directly ascribed to the fulfilment of the Foundation's aims, And in particular:

- a) Those related to assets of rights which are part of the founding endowment or directly linked with the compliance with the Foundation aims;
- b) Those consisting of transfer or encumbrances of part of the Foundation's endowment, except for the founding endowment, exceeding 20% of the Foundation's assets according to the latest annual balance sheet approved in the event of foundations subject to the obligation of submitting accounts audits; and of 40% for the other Foundations.

Article 31: Custody of the Foundation's estate

The following rules shall be observed in the custody and safekeeping of the Foundation's estate:

- a) Property and rights making up the estate must be in the name of the Foundation, included in its Inventory, and inscribed, where applicable, in the relevant Registers;
- b) The Foundation's real estate and real rights shall be entered in its name in the Property Register; Any other assets subject to registration shall be entered in the relevant Registers;
- c) Cash and securities, titles to property, deposit certificates and any other documents accrediting ownership, possession, use, enjoyment or any other right to which the Foundation holds title, shall be deposited in its name and at the institutions specified by the Board of Trustees in the Foundation's name;
- d) All other movable property shall be held as determined by the Board of Trustees;

All real estate assets and rights shall be registered in the Book of Inventories which will be kept by the Board of Trustees Secretary and any specific details required to identify and describe such entries shall be made under the supervision of the Secretary.

CHAPTER II

ECONOMIC AND ACCOUNTING SYSTEM

Article 32: Financial year

The financial year matches the calendar year, except for the first year which will start with the commencement of activities carried out by the Foundation.

The Foundation shall prepare a budget for each financial year presenting revenues and expenses in a balanced way.

Such budget will be submitted to the Foundation Commission for approval on the final quarter of each year together with an Explanatory Memorandum.

Article 33: Economic-accounting obligations

The Board of Trustees shall prepare the Inventory, the Balance Sheet and the Income Statement reflecting the asset, economic and financial position of the Foundation, as well as an Activity Report presenting the activities of the Foundation during the previous year in sufficient detail

to explain and justify compliance with the founding aims and legal provisions. The settlement of the revenues and expense Budget for the previous year will also be submitted in accordance with the applicable legal requirements.

Article 34: Presentation, deposit and publication of annual accounts

The Foundation Board of Trustees shall submit to the Basque Registry of Foundations the yearly financial statements which shall be duly signed and comply with the requirements of the regulations in force regarding accounting of non-profit organisations, within 30 days following the accounts approval.

The Foundation's annual accounts will comprise the balance sheet, the income statement, the annual report as well as the settlement of the action plan of the previous financial year. Furthermore, the Board of Trustees shall submit the audit report in accordance with the provisions set forth in the Basque Country Foundations Act.

The accounts shall reflect the asset, economic and financial position of the Foundation, the activities and financial management of the Foundation during the previous year in sufficient detail to explain and justify compliance with the founding aims and legal provisions.

The fiscal year shall correspond to the calendar year.

The Foundation will prepare an Action Plan, in which the activities and goals planned for the following year are reflected in a balanced way, for each financial year. The Plan will be sent to the Foundation Commission on the last quarter of each year, together with the Explanatory Memorandum.

CHAPTER III

RULES FOR THE APPLICATION OF INCOME AND REVENUES TO THE FOUNDATION PURPOSE

Article 35: Application of income and administration expenses

The Foundation shall periodically prepare a schedule of activities aimed at achieving its purposes, and to such end, a plan including the performance and agreed methods and allocation will be drafted.

In order to achieve the Foundation's purposes, the Foundation shall commit, excluding contributions made as founding endowment, at least 70% of the net income obtained from any economic activities carried out and the revenues and within a period of three years from the date they are obtained, deducting the expenses incurred to achieve such income except those related to the comply with the foundation aims.

This period commences at the start of the financial year in which the respective income and revenues have been obtained and the three years following to the end of that financial year.

Contributions made as equity endowment, at the date of the Foundation establishment or afterwards, will be excluded from the above requirement.

Any other income shall be allocated to increase the foundation estate once administration expenses are deducted, which shall not exceed the highest of the following amounts: 5% of equity, or 20% of the financial year surplus, unless express authorisation from the Foundation Commission is obtained at a justified proposal from the Foundation in accordance with any legal and statutory provisions in force.

Contributions made as equity endowment, at the date of the Foundation establishment or afterwards, will be excluded from the above requirement.

TITLE IV

AMENDMENT, TERMINATION AND WIND-UP

Article 36: Amendment and merger

The Board of Trustees may pursue the amendment of these Articles of Association provided that such is in favour of improved compliance with the Foundation aims. Pursuant to Art. 15 herein, the amendment must be agreed by the absolute majority vote of the attendees in person or by proxy, and in any event by the majority votes from the ex-officio trustees attending in person or by proxy.

The Board of Trustees may propose to merge with one or various other foundations whenever in pursuance of the foundation purpose. The merger agreement shall be adopted by the absolute majority vote of the attendees in person or by proxy, and in any event the majority vote from ex-officio trustees attending in person or by proxy will also be required.

Article 37: Termination

The wind-up of the Foundation will take place:

- a) Upon expiration of the term established in its creation;
- b) When the purpose for which it was established is fully achieved;
- c) In the face of an impossibility to achieve the foundation purpose notwithstanding the Basque Foundation Act provisions regarding the amendment of articles or association, merger and wind-up;
- d) As a result of a merger or demerger;
- e) When the causes foreseen in the public deed of incorporation are met; and
- f) For any other cause foreseen in the applicable Law.

Article 38: Termination procedure

In the event described in section a) of the above article, the Foundation shall be dissolved as provided by law.

In the event of the paragraphs b) and c) of the previous article, the Foundation will require the agreement of the Board of Trustees ratified by the Foundation Commission. In the event of a lack of agreement from the Board of Trustees or of ratification by the Foundation Commission, the Foundation shall be dissolved by court order, instigated by the Foundation Commission or the Board of Trustees, as appropriate.

In the event of paragraph 3) of the previous article, a justified court order will be required.

The termination agreement must be adopted by at least 2/3 of the members of the Board of Trustees.

The termination agreement, if any, and the justified court order, shall be registered in the Basque Registry of Foundations.

Article 39: Dissolution

The assets and rights resulting from the dissolution will be transferred at the criteria of the founding members as expressed in the deed of incorporation, to general interests similar to those of the Foundation and decided by the Board of Trustees, including the University of the Basque Country (UPA/EHU) in preference of any other.

Otherwise, they will be turned over by the Foundation Commission to other foundations or bodies pursuing similar ends and preferably having their registered offices in the Basque Country