

STATUTES OF THE NATIONAL PRE BREEDERS' ASSOCIATION OF SPAIN – ANCCE

CHAPTER I

GENERAL DISPOSITIONS

Article 1. Constitution, name and legal nature

The NATIONAL PRE BREEDERS' ASSOCIATION OF SPAIN (hereinafter ANCCE), is made up of breeders and owners of PRE (Purebred Spanish) Horses, constituted as a non-profit association, governed by these current Statutes and by Law 1/2002, dated the 22nd of March and any other legal dispositions currently in force

Article 2. Legal Capacity

The Association has the full legal capacity to work towards the accomplishment of its objectives with total independence, as well as being able to dispose of its own assets and exercise its rights.

Article 3. Territorial Reach

The Association shall carry out its activities within the Kingdom of Spain, independently of the nationality of its members, being able to functionally expand to any territory where its members reside, and acting through affiliate and authorized organizations/associations, establish the relevant collaboration agreements.

Article 4. Address

The Association has established its registered office in Sevilla (Spain), Cortijo del Cuarto (Cortijo Viejo), Bellavista, being able, by agreement of the Board of Directors, to move within this province and to create the branches, agencies and delegations considered necessary.

Article 5 - Duration

The Association shall have indefinite duration and its dissolution shall be subject to provisions laid out in these present Statutes and the corresponding legislation.

Article 6 - Emblem

The emblem of the Association shall consist of a PRE (Spanish Horse) in trot, with great impulsion, with a white and yellow silhouette over an irregular red

background, although this may be modified by agreement of the General Assembly.

CHAPTER II

AIMS AND OBJECTIVES

Article 7 - Aims and Objectives

The objective of the Association is to represent and defend PRE Horse breeders and owners, including the related economic and social sector where this activity is undertaken, as well as the development, promotion and preservation of the aforementioned breed.

Among other aspects, the following are included in the main objectives:

- Represent and handle the general interests of its members before all types of public and/or private individuals and bodies, institutions, Public Administrations and official organizations, both national and international.
- Advise and report to official organizations in the defense of the general interests of its members and the sector, drafting and presenting initiatives, recommendations and claims of its members before these same organizations.
- Establish consultancy, information and collaboration services to support members.
- Defend the common interests of the members before any organization, jurisdiction and instance, including illicit and unfair competition.
- Mediate and arbitrate as many questions between its members or between these and third parties, as are presented for consideration.
- Handle and organize the PRE Stud Book, performing all the necessary activities.
- Study the conformation and functionality of the PRE Horse, establishing zoo technical records, specifying types and characteristics, promoting definitions and providing orientation.
- Edit and publish magazines related to the objectives of the Association and equine husbandry in general.
- Organize and coordinate, at the regional, national and international level, competitions, exhibitions, auctions, gatherings or any other type of event aimed at the promotion of the PRE Horse.
- Draft, announce and ensure compliance with the Competition Rules and Regulations for dressage tests and exercises, for both stallions and mares, based on the fact that ANCCE has this capacity.

- Establish procedures for the training, approval and qualification of judges by creating the School of Conformation Competition Judges.
- Hold assemblies, seminars, congresses, conferences and any other type of meeting to study all of the various aspects of the breed.
- Design, promote and launch plans to defend the genetics and health of PRE Horses, as well as to improve the breed by means of the tests for the Selection Scheme and Improvement Plans.
- Establish and coordinate the criteria for breeders participating at Official Commissions established by the competent Ministry, and other administrations and public organizations.
- Promote the organization of training centers and courses for all types of professionals within the sector.
- Establish ties with other Associations, Sports Federations or similar bodies within the different regions of Spain and abroad, as well as with the individual breeders who participate in other national or international associations or organizations.
- Advise the Government and breeders in the correction of genetic errors or the assessment of aptitudes and functional tests.
- Promote and broaden the ties between the Association and the Royal Andalusian School of Equestrian Art and any other institution directly or indirectly related to the horse in general, and more specifically the PRE.
- Foster and promote the creation of PRE equestrian clubs.
- Foster and promote the presence and image of the PRE Horse at all national and international competitions, whatever the nature.
- In general, any other similar functions considered suitable by the General Assembly.

CHAPTER III

MEMBERSHIP

Article 8 – Membership Eligibility

All those persons or businesses whose activity is included in the aims and objectives of the Association may be members of the said Association, provided they own more than one mare approved as breeding stock, entered as such in the Breed Stud Book.

Likewise, public bodies, the private collective bodies and national horse breeders' associations of any nature, provided their aims and objectives are included and are not contrary to those established in these present statutes may be members of the Association. The Executive Committee may decide to

limit the number of members that may belong to the Association for each province, region, community, state or country.

A brand or trade name shall not be admitted and registered as a member, under any circumstance.

Article 9 - Becoming a Member

To become a member, the interested parties must present the Association with a correctly completed official application form, accompanied by those documents as established by the Executive Committee.

The Executive Committee, within the maximum period of sixty (60) calendar days following the presentation of the application, shall decide whether or not the interested party fulfills the necessary requirements. Should the application be denied, the interested party may appeal the decision within fifteen (15) days and only once before the Board who shall resolve the problem at the first meeting held.

Membership shall be ratified by the Board, informing the General Assembly of all new members. In all cases, final membership shall not take place until the new member has paid their membership or annual fee as established by the Association administrative department.

Article 10 - Membership Types

The following types of members have been established:

10.1 - Full Members

Those who fulfill the conditions and requirements indicated in articles 8 and 9 of these present Statutes can become Full Members.

10.2 - Associate Members

Those persons or businesses, public or private bodies or organizations, independently of their business sector, and who collaborate with the Association in the activities they carry out in pursuit of their objectives, may become associate members.

The extent and type of the collaboration and the membership requirements for associate members shall be determined by the Executive Committee in the respective admission agreements that, conforming to these Statutes, are established.

10.3 - Honorary Members

The General Assembly may appoint, when proposed by the Board upon the initiative of the Executive Committee, as honorary members, persons or businesses, public or private entities or organizations, who have demonstrated outstanding merits in favor of the Association and its objectives.

This appointment shall be limited to a single year as honorary member, although in extraordinary cases, the General Assembly can increase this period.

Associate and honorary members may attend the General Assembly or Work Commission meetings to which they are summoned, with voice but without vote.

Article 11- Representation

Corporate bodies, organizations and associations that are members of the Association shall participate in its activities and in the governing bodies by the appointed representative, designated to that effect as holder and/or substitute on the application form or by means of the relevant written notification.

Under no circumstance shall the same person be designated as the representative or delegate of more than three (3) members.

Article 12 – Membership Roster

The Association shall have a membership roster, which the General Director shall handle. This roster shall indicate whether members are active or no longer members. Likewise, this roster shall indicate, where relevant, any disciplinary actions imposed. Members may request and receive a certificate of their membership status.

Members are obliged to inform the Association, in writing, of any changes and updates in their personal information, as well as that of their representatives.

Article 13 – Membership Rights and Obligations

13.1- Rights

Full members have the right to:

- a) Attend and take part in, with voice and vote, the General Assemblies and other meetings of the governing bodies they are members of, abiding by the rules or instructions determined by these bodies with regards to the agenda and their celebration.
- b) Participate in the social activities and events organized by the Association, being subject to the corresponding regulations in each case.
- c) Elect the members of the governing bodies, representatives or specific executive posts within the Association, provided the said member has been a member for at least twelve (12) months, starting from the date of final admission as a member.
- d) Be eligible for the posts within the governing bodies, representatives or specific executive posts within the Association, provided the said member has been a member for at least five (5) years, starting from the date of final admission as a member.

- e) Use the common services established by the Association, as well as the professional, technical consultancy services available, upon the payment of the fee established by the Board.
- f) Request and receive information about the events organized by the Association.
- g) Participate in representation of and in commissions created i to study topics of general interest to the sector and the Association.
- h) Have knowledge of the content of the approved minutes of the General Assembly and the agreements adopted.
- i) Formulate written proposals and petitions with regards to matters of general interest to the members.
- j) Present complaints, before the Executive Committee, against the actions of the members of the governing body or those holding specific executive posts within the Association, employees or other members of any type with documents to justify the complaint.
- k) Defend, before the Executive Committee, the actions corresponding to the defense of their rights as members with documents to justify the defense.
- l) Any other action that could be established by law, in the statutes or the rules and regulations.

The exercise of the rights recognized in section a) shall be automatically withheld when the member fails to be in good standing in terms of the payment of their dues or if they have any other outstanding debts with the Association.

13.2 - Obligations

The following are the duties of members, and of their duly identified representatives:

- a) Accept and comply with these present Statutes, the agreements adopted by governing bodies and the applicable legal dispositions, acting according to association aims and objectives.
- b) Specifically delegate the representation of their horses before official organizations to the Association.
- c) Pay the dues, extraordinary fees and contributions established by the governing bodies of the Association, on time.
- d) Supply up-to-date information with regards to the questions related to the objective, activities and aims of the Association that are not of reserved nature, when required by the governing bodies.

- e) Avoid hindrance, whether direct or indirectly, in the activities of the Association.
- f) Diligently carry out the posts to which they are elected.
- g) Participate in the election of the members of the governing bodies.
- h) Act according to the aims and objectives that govern these statutes and comply with the instructions indicated by its governing bodies at competitions, tests, exercises, championships and other activities or events in which the Association participates.
- i) Inform the Association of all changes in information required in the membership application, especially in the context of representatives, as well as the closing of their business or ceasing to be a breeder or owner.
- j) Avoid making remarks, propaganda or public comments that discredit the honor and image of the Association.

Article 14 - Termination and Suspension of Membership

Membership may be terminated or suspended for the following reasons:

- 1) On their own behest, after prior communication to the Executive Committee; the said request shall be effective as of the date it is received by the Association.
- 2) Due to the closing of business activities or no longer being a breeder or owner.
- 3) For the non-payment of dues, whether ordinary or extraordinary, for a period equal to or exceeding one (1) year.
- 4) Based upon an agreement of the Association administration bodies, adopted according to these statutes.
- 5) Due to the death of the member, except by a specific agreement adopted by the Board, upon request by the legal heirs.

In all cases, any dues and/or fees accrued and unpaid by the member must be paid up to the date at which he/she ceases as a member.

The termination of membership, whatever the cause, shall bear the loss of all contributions, ordinary or extraordinary, to the Association, and of any rights regarding association wealth.

CHAPTER IV

DISCIPLINARY PROCEDURE

Article 15 - General Dispositions

When exercising disciplinary authority, the principles of legality, no retrospective actions, legal description, non-concurrence of disciplinary actions and of proportionality in the nature of the facts shall be respected, as shall the consequences of the accusation and the concurrence of circumstances that modify the responsibility.

The Association shall have a book of disciplinary actions, in which all actions shall be noted, once disciplinary action has been confirmed, including the infringement committed, full description, and the disciplinary actions imposed, as well as the persons responsible with their personal information. Likewise, the initiation of a disciplinary file shall be in writing for information purposes and to calculate the time periods of the procedure and prescription.

These present dispositions for disciplinary procedures shall apply to both members and their representatives, where relevant.

Also, these dispositions and the actions imposed shall extend to and affect, once the corresponding resolutions have been confirmed, the horses of the owners or breeders against whom the action has been taken, to safeguard the true effectiveness and implementation of the disciplinary actions imposed.

Article 16 - Misconduct

The failure of members to comply with statutory and regulation obligations, where relevant, may be considered described as minor, serious or severe misconduct.

16.1. Minor Misconduct

The following shall be considered minor misconduct:

- a) Delay in the payment of any monetary obligation within the first six (6) months of the year.
- b) Incorrect behavior towards the Association, to any of its members or the members of its governing bodies.
- c) Failure to inform the Association, within the acceptable time span and in the correct manner, those details and information that are required, or any changes in terms of to contact or representative-related information.
- d) Any behavior that is contrary to acceptable social behavior or to the spirit of these present Statutes.
- e) Any behavior contrary to the correct operation of the Board or Executive Committee.
- f) Cause minor damage to Association property.

g) Any other failure to comply with the statutes, regulations or instructions, considered by the Executive Committee as minor.

16.2. Serious Misconduct

The following are considered serious misconduct:

- a) Failure to comply with the agreements adopted by the governing bodies.
- b) Offensive and intimidating behavior towards the directors, judges, commissaries, organizers and other members during competitions, exhibitions and events of any nature organized by the Association.
- c) Failure to comply with the guidelines indicated by the President for the smooth running of the General Assembly and Board meetings.
- d) Make remarks, release propaganda or public comments that discredit the honor and image of the Association.
- e) Cause serious damage to Association property.
- f) The accumulation of two or more minor misconduct notifications.
- g) Failure to compliance with disciplinary actions imposed for minor misconduct.
- h) Perform activities that are incompatible with Association statutes.
- i) Failure to provide the data and tests required by the instructor of the disciplinary process, or the information or documentation that the governing body requests.
- j) The systematic failure to summons, within the statutory time periods and conditions, of the meetings of the Association governing bodies.
- k) Any other failure to comply with the statutes, regulations or instructions, considered by the Executive Committee as serious.

16.3. Severe Misconduct

The following are considered severe misconduct:

- a) Physical or verbal aggression, threats or serious insults to any member, members of the management bodies, or to judges, commissaries or those responsible for the organization of events.
- b) The repetition of two or more serious misconduct notifications.
- c) Failure to pay one (1) or more annual quotas or any established, mandatory payment.
- d) The imposition of disciplinary action or fines, whether judicial or administrative, in matters related to member breeding activities.

- e) Protests or offensive actions during the meetings of the General Assembly or other Association governing bodies.
- f) Cause very serious damage to Association property.
- g) The abuse of authority or usurpation of powers or competencies without having the corresponding authorization from the Association governing bodies.
- h) Revelation of professional secrets or dissemination of confidential information known due to the office held within the Association.
- i) The incorrect use of the Association funds.
- j) Any other failure to comply with the statutes, regulations or instructions, considered by the Executive Committee as severe.

Article 17 - Disciplinary Actions

The following disciplinary action may be taken against any wrongdoing committed:

17.1 For minor misconduct

- a) Warning.
- b) A maximum six-month (6) temporary ban from participating in competitions, championships or other events organized by the Association.
- c) Suspension of membership rights for a maximum of six (6) months.

17.2 For serious misconduct

- a) A maximum three-year (3) ban from attending or participating in competitions, championships or other events organized by the Association.
- b) Suspension of up to three (3) years from occupying the office for which the said person was appointed.
- c) Suspension of membership rights for a maximum period of three (3) years.

17.3 For severe misconduct

- a) Temporary ban, ranging from three (3) to ten (10) years, from attending or participating in competitions, championships or other events organized by the Association.
- b) Suspension of membership rights for a period ranging from three (3) to ten (10) years.

- c) Removal from the office for which that person was appointed.
- d) Loss of membership.

Notwithstanding the above disciplinary actions, the Association may agree to the imposition of, in addition to the disciplinary action, the obligation to pay for the damages and harm caused. Any unpaid compensation shall lead to the suspension of all membership rights until payment has been made or the member is expelled, should payment not be made within the maximum term of one (1) year following the date of the resolution.

Both the acts of misconduct and the disciplinary actions that may be imposed for the same incident shall be cumulative.

Article 18 - Degree of Responsibility

The Executive Committee may apply, as circumstances modifying the responsibility of the defendant, those facts which, based on their criteria, affect the facts and among these, those listed below:

18.1 Aggravating circumstances

- a) Repetition within a period of three (3) years, starting from the confirmation date of the previously imposed disciplinary action.
- b) Taking advantage of the office held within the Association.

18.2 Mitigating factors

- a) Spontaneous regret.
- b) Having had sufficient provocation.

Article 19 - Procedure

The Executive Committee having knowledge, on its own accord or based upon the request of some of its members, of certain fact that could indicate failure to comply with these present statutes, may initiate the relevant disciplinary file.

The General Director shall, in all disciplinary procedures, act as examining magistrate or in substitution, the person he/she appoints, at the proposal of the Executive Committee.

The examining magistrate shall notify the person affected by the initiation of disciplinary actions and the accusation, giving them ten (10) calendar days as of the notification to present written allegations and the proof they deem pertinent, notwithstanding what the examining magistrate could propose or do. All notifications related to the disciplinary file shall be carried out by means of letter, fax, burofax* or e-mail to the addresses shown in the Association roster or, where relevant, to the address supplied by the defendant to this effect.

The file must be concluded within the thirty (30) calendar days following the reception of the written report of allegations presented by the defendant, by

means of the corresponding proposed resolution issued by Executive Committee and this shall be presented before the Board, who shall dictate resolution during the next meeting held. The resolution, which shall be considered final once the interested party has been notified, shall terminate the disciplinary procedure.

There shall be no appeal against the resolution made by the Board, except for those cases, where relevant, are presented before the competent ordinary jurisdiction.

If the disciplinary action consists of the loss of membership, this shall be ratified in the next General Assembly held; the application shall remain on hold until the said Assembly is held.

The Executive Committee may adopt the precautionary measures deemed suitable and proportionate to the charges, as well as suspend membership rights throughout the procedures for serious or severe misconduct.

Article 20 - Extinction responsibility

Disciplinary responsibility shall terminate for any of the following reasons:

- a) Expiration of the offence or of the imposed disciplinary action.
- b) Death, in the case of an individual person.
- c) The liquidation of the corporation in the case of a corporate body, entity or association.
- d) Compliance with the disciplinary action.
- e) Pardon, total or partial, agreed by the Board.

Article 21 - Expiration

21.1 All accusations shall expire after three (3) months, one (1) year and three (3) years, depending on whether it is a matter of minor, serious or severe misconduct, respectively, beginning on the day after the misconduct was committed.

This period shall be interrupted by the initiation of the disciplinary file, but if this process is paralyzed for a period of two (2) months due to causes not attributable to the defendant, the time period shall resume until such time as the procedure is restarted.

21.2 Disciplinary actions shall expire after a period of three (3) months, one (1) year and three (3) years depending on whether it is a matter of minor, serious or severe misconduct, respectively, the period begins on the day following the confirmation of the resolution imposed.

CHAPTER V

THE GOVERNING BODIES

Article 22 - Governing Bodies and Representation

The following are the governing bodies and representation of the Association:

- A) General Assembly
- B) Board of Directors
- C) Executive Committee

SECTION 1

THE GENERAL ASSEMBLY

Article 23 - Definition and Composition

The General Assembly is the supreme governing body of the Association and shall be constituted by all the members of the Association.

Article 24 - Competencies

The General Assembly is fully sovereign to discuss and to decide on any matter that affects to the Association, having, among others, the following functions:

- a) Approve the programs and action plans for the defense of the interests of the Association.
- b) Approve the budgets and the payment status of the said budgets, as well as the annual accounts and the balance sheets of each year.
- c) Ratify the dues to be paid by members, approved by the Board of Directors.
- d) Approve the annual activity report.
- e) Approve the Rules and Regulations for internal operations and other operational regulations including those for Stud Book operations, as well as the statutory modifications as proposed by the Board of Directors.
- f) Elect the members of the Board, and approve their management.
- g) Approve the federation with other associations or bodies of a similar nature.
- h) Adopt and approve agreements about the transformation, dissolution and liquidation of the Association and specific regulations.
- i) Adopt the agreements reached about the representation, administration and defense of the general interests of its members.

j) Ratify the decisions related to the formulation of appeals and legal actions taken before the corresponding administrative or judicial bodies.

k) Adopt agreements on the matters that the Board presents for consideration, due to their relevance and repercussion in the operation of the Association.

l) Ratify the decisions which, due to reasons of extraordinary urgency, have been adopted by the Board about matters of their exclusive competence, although they have already been executed.

m) Know who the new members are, and who is no longer a member.

n) Ratify the expulsion of the members due to disciplinary actions.

ñ) Any other competence that is attributed by law or by these present statutes.

The General Assembly may delegate its competencies to the Board or to the Executive Committee, except for those that are not to be delegated, according to what has been specified in these present Statutes or the currently effective legislation.

Article 25 - Types

The General Assembly may meet in ordinary or extraordinary sessions.

The ordinary General Assembly shall meet once a year within the first six (6) months of the year, for the approval of, among other subjects, the annual budget and of the annual accounts from the previous year.

The General Assembly shall hold an extraordinary meeting when agreed to by the Board of Directors or upon written request by at least, one third (1/3) of the full members, with a legitimated signature of all these and stating the agenda to be covered. In this last case the Board shall have a maximum of two (2) months to call the assembly.

Article 26 - Summons

The Summons shall be carried out by agreement of the Board, signed by the President who may delegate his/her signature and send it to the Secretary, by means of written notification sent by mail, fax, Burofax* or e-mail to each of the members, to the addresses that appears in the Association roster within fifteen (15) calendar days prior to the planned date, stating the location, date and time the meeting is to be held, with a minimum period of at least half an hour between the first and second summons.

Article 27 - Right to information

In the fifteen (15) days prior to the General Assembly, all the members have the right to request explanations, details or information about the matters included on the agenda.

Article 28 - Agenda

The agenda established by the Board shall figure on the summons, including the matters to be covered, as well as other matters proposed in writing by at least a third (1/3) of the full members, at least ten (10) days prior to the date of the meeting.

Only matters indicated on the final agenda may be covered at the meetings.

Article 29 - Presidency and General Assembly Podium

The President of the Association shall preside the General Assembly. Should he/she not be available, by the 1st or 2nd Vice-president, where relevant, or by the full member who is elected for the occasion.

The Secretary at the General Assembly shall be the secretary of the Association. Should he/she not be available, the office shall be covered by a member elected by the Assembly for each specific session.

The General Assembly Podium shall include the President, at least one of the two Vice-presidents, the General Director and the Secretary. These shall have competencies and ample powers to establish the rules and regulations for and handle the actual Assembly meetings. They shall also have the capacity to organize and limit the interventions of members, deciding at each meeting how votes shall be cast, count those attending, and the criteria to be followed when taking the minutes, as well as any other procedural aspects that may arise during the meeting.

Article 30 - Constitutional Quorum

The General Assembly, whether ordinary or extraordinary, shall be constituted when, at the first summons, with the presence or valid representation of the majority of the members.

The constitution of the General Assembly shall be valid at the second summons, whatever the number of attendees.

The Board of Directors and the Executive Committee may invite as many people as they deem suitable to attend the meetings, who shall attend with voice and without vote.

Article 31 - Voting Rights and the Adoption of Agreements

Only full members have the right to vote, with one vote for each member.

All agreements of the General Assembly shall be adopted by simple majority of the attendees, present or represented, with voting rights, taking effect immediately and binding for all the members.

To adopt agreements about changes in the Statutes, federation or association to other Associations, alienation or encumbrance of the assets, the approval and modification of the rules and regulations for internal procedure, the approval and modification of the Stud Book operational regulations and

dissolution and liquidation of the Association, two thirds (2/3) of the members with voting rights, present or represented, must approve the motion.

Article 32 - Representation and Proxy Votes

Except for the exception foreseen in these statutes for elections, members may delegate their representation and vote, in writing, to another member, by means of the proxy model supplied by the Association along with the summons.

The proxy vote shall be indicated for each meeting, with no maximum limit of proxy representations to a single member. All proxies must be presented and delivered to the Assembly Podium before the meeting begins.

Proxies shall be ineffective in the event that the member granting the proxy attends the said meeting, unless the count of attendees has been configured and concluded previously due to the decision of the General Assembly Podium.

Article 33 - Minutes

Minutes shall be taken at all the meetings, and shall contain all agreements adopted which may be approved:

- a) By the General Assembly after the session has been held.
- b) Partially, with regards to those agreements which, due to their urgency, must be drafted and formalized by the General Assembly immediately after its celebration.
- c) Within a maximum period of two (2) months following the celebration of the Assembly, at meetings held by the President, the Secretary and two auditors specifically appointed at the Assembly.
- d) By the General Assembly at the next meeting held.

SECTION 2

THE BOARD OF DIRECTORS

Article 34 - Definition and Nature

The Board of Directors is a governing body to govern, administer, handle and manage the Association.

Article 35 - Composition

35.1 - The Board of Directors is made up of the following members:

- a) Association members:

Association members on the Board of Directors are those P.R.E. associations that are members of ANCCE, linked to a specific geographic area and that cover at least one province.

Each association member that fulfills the requirements established in Article 65.2 and that has been a member for at least five (5) years, shall have one (1) person on the Board by direct appointment.

The number of association bodies making up the Board of Directors shall remain unalterable during the full term of office, independent of whether during that period of time there is an association that fulfills the five (5) year requirement established in this present statute.

b) Elected members:

The elected members of the Board of Directors are those members elected to the said office by the General Assembly, according to the Election Procedures established in these statutes. All must fulfill the requirements laid out in Article 65.2.

Under no circumstance may the elected members of the Board of Directors be public bodies, collective bodies, whether of a private nature and/or associations.

35.2 - The total number of members on the Board of Directors shall depend on the number of association members fulfilling the requirements of Article 65.2 when the General Assembly is summoned, and when elections are held, and the composition shall remain unalterable through the term of office.

The Election Board is competent to determine the total number of elected and association members that shall make up the Board of Directors.

Each Board shall always have the proportion of three (3) elected members for each two (2) association members. If the number of these latter were odd, two (2) elected members shall correspond to the extra association member.

35.3 - Members of the Board of Directors shall take office at their first meeting, which shall be summoned within a maximum of seven (7) calendar days as of the date elections were held.

Likewise, at this first meeting, the 1st and 2nd Vice-presidents and the Secretary of the Board shall be chosen, at the proposal of the President designated as the elected candidacy.

35.4 - The members of the Board with voice shall be represent their own behalf or as representatives of a corporate body, entity or association designated to occupy the office with voice.

Article 36 - Duration

The term of office for the Board shall be four (4) years; its members be reelected indefinitely.

Should there be a vacancy among the elected members, those remaining may designate, either directly at the proposal of the President, another member for their substitution for the remaining term of office. This type of appointment must be ratified at the next General Assembly held. Should the member to be substituted belong to the association fraction, it shall be the elected members, at the proposal of the President, who shall agree to the substitution in keeping with the mandates laid out in the previous Article.

Article 37 - Competencies

The Board of Directors shall have the following powers and functions to:

- a) Control Association management and administration, its resources and all of its services, following the guidelines for to achieve its objectives.
- b) Monitor of the implementation of and compliance with the agreements of the General Assembly.
- c) Carry out those duties indicated or delegated by the General Assembly.
- d) Summons the General Assembly, establish the Agenda at the proposal of the Executive Committee.
- e) Ratify the creation of commissions, specialized committees and working groups to draft studies and proposals about the breed.
- f) Report, advise, issue verdicts and formulate proposals and petitions about the interests of the breed.
- g) Establish membership dues.
- h) Ratify Presidential agreements for the appointment of representatives and members of the Executive Committee
- i) Carry out the disciplinary procedure according to the mandates laid out in Chapter IV of these statutes.
- j) Adopt agreements related with the notification and resolution of any type of appeal and actions before any body or jurisdiction.
- k) Draft and present the budget, balances and settlements of accounts for approval by the General Assembly.
- l) Draft and propose action plans before the General Assembly, and perform and direct already approved plans.
- m) Propose, for the consideration of the General Assembly, the annual activity report.
- n) Ratify the agreements to accept new and cancel memberships.
- ñ) Ratify acquisition agreements and usage of assets adopted by the Executive Committee.

- o) Interpret these Statutes, covering any lapse.
- p) Appoint and/or remove, at the proposal of the Executive Committee, the General Director and the Technical Director of the Stud Book, as well as ratifying their contract agreements reached by the said Committee.
- q) Appoint the auditors of the Association.
- r) Adopt agreements about matters that are the competency of the General Assembly in the event of extreme urgency, taking all this into account at the first session held.
- s) Any other aspects that are not specifically reserved by these statutes for the General Assembly.

The Board of Directors may delegate its powers to the Executive Committee or the General Director, except for those considered non-delegable, according to these Statutes or the currently laws.

Article 38 - Meetings, Summons and Agenda

38.1 - The Board shall meet at least four (4) times a year, but a meeting may be summoned at any moment at the wish of the President or a written request signed by at least a quarter ($\frac{1}{4}$) of its members.

38.2 - The summons shall be carried out by the President, who may delegate his/her signature and forward it to the Secretary, by means of a written notification sent by mail, fax or e-mail to each of its members, a period of five (5) calendar days prior to the planned date, indicating the location, date and time of the first and second summons, at least half ($\frac{1}{2}$) an hour between both summons.

In the event of an emergency, as viewed by the President, the summons may take place forty-eight (48) hours in advance.

38.3 - The summons shall include the Agenda, indicating the matters to be covered. Nevertheless, at the proposal of the President, new points may be included at the beginning of the session, when there is no opposition from the majority of the attendees.

Article 39 - Constitutional Quorum

The Board shall be constitutionally valid, when half ($\frac{1}{2}$) plus one (1) of its members or representatives are present at the first summons, and whatever the number of attendees at the second summons.

The meetings may be attended by those people who have been invited in advance by the President, to offer advice during the deliberations or matters to be covered.

Article 40 - Adoption of Agreements

The agreements shall be adopted by simple majority of the members present or represented, with each of the members of the Board having one (1) vote and the President having the casting vote in the event of tie.

Article 41 - Proxy Vote

The members of the Board may delegate their representation to another member of the Board; this must be expressed in writing for each session. The proxy must be presented at the beginning of said session or mailed, faxed or e-mailed in advance.

The President may accept, bearing in mind the circumstances of the case, the attendance and voting of the members by videoconference.

Article 42 - Minutes

The minutes shall be taken for each session; they shall be approved at the same or in the following meeting of the Board and signed, at least, by the President and the Secretary, and shall be filed in the corresponding Book.

Article 43 - Character and Responsibilities of the Office

Holding an office shall be voluntary, personal and unpaid; the members of the Board shall carry out their duties with the due diligence of a legal representative and comply, in all their actions, with the mandates laid out in the currently effective legal dispositions, these Statutes and any other Association regulations.

Members of the Board are responsible before and shall respond to the Association, to any loss or damage caused by actions contrary to the Law or the Statutes or due to negligence. Only those who have specifically opposed the decision of such actions or have not participated in adopting the agreement shall be exempt of responsibility.

Article 44 - Termination of Office

Members of the Board shall cease to hold their office for the following reasons:

- a) Death or inability, in the event of an individual person.
- b) Express renouncement or resignation.
- c) Expiration of the term in office.
- d) Agreement by the General Assembly in the case of and elected members and by the Board in the case of association members.
- e) Dissolution or liquidation, in the case of a corporate body.
- f) Loss of membership.

g) Due to the application for disciplinary actions or as a precautionary measure according to the mandates laid out in the disciplinary procedures.

Article 45 - Combined Resignation and Management Agent

Should two thirds (2/3) of the members of the Board resign at the same time, these shall not be able to abandon or to cease in their functions until the new Board has been elected. They are, therefore, obliged to convene an Extraordinary General Assembly immediately, the summons for which may be sent out by any of its members, the Secretary or even, in the event of impossibility or refusal, by the General Director.

If the ceasing of functions of the Board of Directors takes place in a block, a Management Board shall be constituted, made up of three (3) members who have been members of the Association for the longest time, who shall assume the functions of mere administrative management of the Association. This Management Board shall immediately convene an Extraordinary General Assembly for the election of a new Board, which must be held within no more than three (3) months from the date the Board ceases in its functions.

SECTION 3

THE EXECUTIVE COMMITTEE

Article 46 - Definition and Nature

The Executive Committee is the governing body that delegates part of its functions and responsibilities in the hands of the Board of Directors to facilitate a more agile implementation of decisions and a more effective administration and management of the Association. This shall be carried out in keeping with the current dispositions, these Statutes and other Association regulations.

Article 47 - Composition

The Executive Committee shall be made up of seven (7) members who shall be appointed by the president from among the members of the Board, which must ratify this appointment.

The President and Secretary shall be the same as for the Board; the other members occupying the office of members with voice

Article 48 - Duration

The members of the Executive Committee shall be chosen for a four (4) year renewable term, which shall coincide with the duration of their term as a member of the Board.

Article 49 - Competencies

The functions and powers of the Executive Committee include:

- a) Carrying out as many functions as are related to the administration of the Association responding before the Board and carrying out any orders they give.
- b) The dismissal and removal of its members at the proposal of the President.
- c) Safeguarding Association funds and assets.
- d) Drafting the annual budget for income and expenses, the balance and abstract of the accounts, for presentation before the Board and approval by the Assembly.
- e) Deciding the collection of invoices/fees and ordering of payments.
- f) Agreeing the admission and removal of members, and establishing the number of associations that may belong to the Association based on territoriality criteria.
- g) Performing studies to improve the breed, as well as proposals for the selection schemes and improvement plans for the breed, market studies, reforms in the rules and regulations, health agreements, etc., to be presented for approval by the Board.
- h) The preparation of studies to train Conformation Competitions judges.
- i) Giving instructions for the improvement of the Stud Book operations; this shall be subject to their supervision and responsibility.
- j) Drafting the Rule and Regulations for Stud Book operations.
- k) Proposing the appointment and/or removal of the General Director and of the Technical Director of the Stud Book before the Board, as well as agreeing upon their contract agreements.
- l) Creating special commissions or technical committees, determining their objectives, operations and appointing of members, and reporting to the Board.
- m) Approving the salary policies proposed by the General Director.
- n) Present proposals and reports to the Board.
- ñ) Any other aspect that is specifically delegated by the General Assembly or the Board and those aspects established in these statutes.

The Executive Committee may specifically delegate some of its competencies in the hands of the General Director, except for those that may not be delegated, according to these present Statutes or the currently effective law.

Article 50 - Meetings, Summons and Agenda

50.1 - The Executive Committee shall meet at least eleven (11) times a year, in addition to meeting at any other time at the wish of the President or by means of written request, signed and sent to the President or the General Director by a third (1/3) of its members. In such a case the meeting must be summoned within no more than ten (10) days from the receipt of the request.

50.2 - The summons shall be made by the Secretary or by the General Director with his/her signature and mailed, by means of a letter, fax or e-mail sent to each of the members, at least three (3) calendar days prior to the date the meeting is to be held, indicating the place and time the meeting shall take place, with a single summons.

In the event of urgency, as seen by the President, the summons may be made forty-eight (48) hours in advance.

50.3 - The summons shall include the Agenda, with all the topics to be covered. Nevertheless, at the proposal of the President, new points may be included at the start of the session, unless there is opposition from the majority of those present.

Article 51 - Constitutional Quorum

The duly summoned Executive Committee shall be considered to have valid quorum whatever the number of attendees, present or represented.

The meetings may be attended by those people who have been invited in advance by the President, to offer advice during the deliberations or matters to be covered.

Article 52 - Adoption of Agreements and Proxy Vote

The agreements shall be adopted by simple majority of the members present or represented, with each of the members of the Board having one vote and the President having the casting vote in the event of tie.

The members of the Executive Committee may delegate their representation to another member of the Executive Committee; this must be expressed in writing for each session. The proxy must be presented at the beginning of said session or mailed, faxed or e-mailed in advance.

The President may accept, bearing in mind the circumstances of the case, the attendance and voting of the members by videoconference.

Article 53 - Minutes

The minutes shall be taken for each session; they shall be approved at the same or in the following meeting of the Executive Committee and signed, at least, by the President and the Secretary, and shall be filed in the corresponding Book.

Article 54 - Character of the Office

The office shall be unpaid; nevertheless the Committee itself may approve an economic compensation for its members with regards to allowance, travel expenses, living expenses, accommodation or other expenses incurred due to the responsibility of the office This agreement must have the ratification of the Board of Directors.

Members of the Executive Committee are responsible before and shall respond to the Association, to any loss or damage caused by actions contrary to the Law or the Statutes or due to negligence. Only those who have specifically opposed the decision of such actions or have not participated in adopting the agreement shall be exempt of responsibility.

Article 55 - Termination of the Office

The members of the Executive Committee shall cease to hold their office based on the decision of the majority of its members at the proposal of the President and, for the same reasons, causes and circumstances as laid out for the members of the Board of Directors.

Article 56 - Vacancies

The same rules shall be applied as those laid out for the Board.

Article 57 - Combined Resignation

In the event of the combined resignation of the Executive Committee, the Board shall take the relevant decisions in this respect, electing the new members to replace the previous for the rest of the term in power.

SECTION 4

EXECUTIVE POSTS

THE PRESIDENT

Article 58 - Election, Command and Vacancies

The office of President shall be held by one (1) of the elected members of the Board, and must be designated as such on the corresponding election list.

The term in office shall be four (4) years, renewable for another term in office, with a maximum period of eight (8) years in office, whether continuous or not.

Should the office of the Presidency become vacant, the first Vice-president, and failing this, the second Vice-president shall occupy the office for the remainder of the term for which he/she was elected. Should both be unable to take over

the office, the Secretary must summon the Board within no more than ten (10) calendar days, to elect one (1) of its elected members to the office of President.

Article 59 - Powers

The duties of the President include the following:

- a) Legally and officially represent the Association at all levels, and on behalf of the Association, carry out all types of legal or extrajudicial actions, granting powers to these effects.
- b) Appoint the members of the Executive Committee from among those making up the Board and propose their dismissal before the Executive Committee.
- c) Summons, preside and moderate, with full powers, the meetings of the General Assembly, the Board of Directors and the Executive Committee.
- d) Authorize, with his/her signature, the minutes of the meetings and other documents drafted by the Association.
- e) Render and order Association business and banking and operations, being able to delegate these tasks to the General Director.
- f) Order and authorize payments jointly with the General Director.
- g) Promote those initiatives that facilitate the activities and objectives of the Association.
- h) Appoint consultants to attend the meetings of the governing bodies to provide advice.
- i) Authorize the attendance of guests with voice, but without vote, at the General Assembly meetings.
- j) Grant public and private documents as required by the legal nature of the minutes drafted by the Association, being able to delegate the granting and undersigning to the general Director.
- k) Ensure compliance with these statutes, the internal Association rules and regulations and the agreements adopted by governing bodies.
- l) Have the casting vote in the event of a tie in all the governing bodies over which he/she presides.
- m) In general, all other functions established in these statutes, and that correspond to the office of the President.

The President may, either occasionally or permanently, delegate one or several of his/her powers to the General Director.

Article 60 - Termination

His /her termination may take place due to the following reasons:

- a) At his/her own behest.
- b) By agreement of the Board adopted by a majority of two thirds (2/3) of its members.
- c) At the end of his/her term in office.
- d) Due to removal from the office as a disciplinary action (impeachment) imposed in a disciplinary file.
- e) Due to death or dissolution, depending on whether this is a individual person or corporate body.
- f) Due to loss of membership.

THE VICE-PRESIDENTS

Article 61 - General Disposition

There shall be two Vice-presidents and they shall substitute, in the established order of preference, the President in the event of absence or illness, taking on his/her full functions.

Also, in the absence of the Secretary, they shall be authorized to issue certifications and take the minutes of the meetings for the governing Association bodies.

The second vice-president shall be responsible for the supervision of the economic administration and Association assets.

The termination of the Vice-presidents shall take place for the same reasons foreseen for the President.

THE SECRETARY

Article 62 - General Disposition

The Board shall designate the Association Secretary from among its elected members.

The following are the functions of the Secretary:

- a) Sign the minutes of the meetings of the governing bodies.
- b) Be responsible for and safeguard the Books of the Association.

- c) Sign and mail the summons for the meetings of the governing bodies, as delegated by the President.
- d) Issue certificates of the approved agreements and any other certifications.
- e) Any other aspects inherent to the office of the Secretary.

GENERAL DIRECTOR

Article 63 - General Disposition

The Board, at the proposal of the Executive Committee, shall appoint the General Director, who may neither be a member or a breeder with breeder code that is registered in the Stud Book.

The conditions of his/her contract, duration, payment and other circumstances shall be agreed by the Executive Committee, and shall be ratified by the Board.

He/she must attend the meetings of the governing bodies, with voice, but without vote.

Article 64 - Powers

The General Director shall be responsible for the day-to-day administration and management of the Association, having the following powers:

- a) Hire and supervise Association staff and the services; be responsible for the administrative operation of Association. He/she shall propose the salary policies before the Executive Committee.
- b) Organize, from the functional and administrative point of view, the meetings of the governing bodies; coordinate the drafting/preparation of the documentation that is submitted for his/her consideration.
- c) Safeguard the funds; supervise the accounting as well as order and authorize collections and payments; do the necessary banking. The Executive Committee shall establish the limits and conditions for banking, including signature and representation powers.
- d) Safeguard the social and accountancy documentation of the Association, coordinating this activity with the Secretary.
- e) Hear disciplinary files agreed to by the Board.
- f) Receive and process all communications from members for the Association.
- g) Aid the Board, the Executive Committee and the President to perform their tasks, as well as any specialized Commissions that may be created.

h) Notify the Executive Committee of the applications for membership and leaving of members, as well as handling their files.

i) Design and draft the annual activity report, the budget for income and expenses and the document of budgetary implementation for presentation before the Executive Committee and the Board.

j) Represent the Association before any public or private body and administrative or legal organization, by delegation of the President.

k) Implement, by delegation, the social agreements authorizing the public notarized deeds, whether public or private documents, issued for that purpose.

l) All other functions that are delegated by the Board, the Executive Committee or directly by the President from among his/her functions, in keeping with these Statutes and the Law.

CHAPTER VI

ELECTION PROCEDURES

Article 65 - General Dispositions

65.1 The General Assembly shall elect the elected members of the Board by free and secret vote.

65.2 To be elected as a member of the Board, the following aspects must be met:

a) Be a full member for at least five (5) years prior to the date the elections are to take place.

b) Enjoy full membership rights according to the statutes.

c) Be fully up-to-date with all Association economic obligations (payment of dues, etc).

d) Not to be currently involved in a disciplinary file for alleged serious or severe misconduct.

e) Not to be disqualified due to incompatibility, disqualification or legal prohibition.

65.3 To be eligible to vote in elections, the full member must have been a member for at least twelve (12) months prior to date of their definitive admission as member, and have complied in full with all economic obligations, including the payment of the dues for the year the elections take place.

Article 66 - Summons

Elections shall be held every four (4) years and must be summoned to take place within the first six (6) months of the electoral year, although they can take place earlier in the event of combined resignation of more than two thirds (2/3) of the members of the Board or in the other cases foreseen in these statutes.

The summons of the General Assembly in which the elections shall be held shall be by agreement of the outgoing Board, at least two (2) months in advance of when the said elections are to be held, complying with the formalities foreseen in these statutes, and may coincide with the celebration of the Ordinary General Assembly.

Article 67 - Board of Elections

67.1 Simultaneous with the summons for elections, the outgoing Board shall name the Board of Elections that shall be competent to decide and to resolve the questions, interpretations and other aspects that arise in relation to election procedures and running of the elections.

Among others, they shall have the following functions:

- a) Establish, publish and control of the electoral census.
- b) Establish of the number of association and elected members of each Board of Directors as foreseen in Article 35.
- c) The admission, rejection and proclamation of candidacies.
- d) Supervise voting process as votes are cast and count the votes.
- e) The resolution of claims that may be made with regards to the various election activities.
- f) All those aspect that arise from the very nature of the post.

67.2 The Board of Elections shall be made up of three (3) members and one (1) reserve, who shall take, by internal vote, the offices of President, Secretary and member with voice of the said Board of Elections, being aided in their functions by Association staff and by the association legal council, where relevant.

No-one presenting their candidacy may be a member of the Board of Elections.

67.3 The Board of Elections shall be constituted on the same day as the summons for elections. It shall remain active until the votes have been counted and subsequent proclamation of elected officials has concluded.

67.4 The Board of Elections shall be summoned by its President, either on his/her own initiative or at the request of one of its members.

67.5 The agreements adopted by the Board of Elections may be appealed before said Board within the period of two (2) calendar days from their publication in the Association web-site or their notification to the interested

party. The Board of Elections shall resolve the appeal within the maximum of three (3) calendar days from receiving the said appeal. There shall be no appeal against these agreements.

67.6 The Board of Elections must inform the members the beginning of the election process and its calendar, publish and send the candidacies, as well as the informative documentation and all that is necessary material for voting by mail, where relevant.

The Board of Elections may to send out its communications and receive any claims and appeals from the members, by fax, e-mail and the Association web-site.

Article 68 - Candidates

68.1 The candidacies of the elected members must be presented in closed lists mailed to the headquarters by certificated mail, fax, burofax* or by any other form of certified notification that registers their presentation before the Association, within the maximum period of thirty (30) calendar days following the date on which the Board of Elections communicates the commencement of the electoral period.

The proposal for the office of President must be included in the candidacies, which shall be linked to the subsequent appointment.

68.2 Once the deadline has been met, the Board of Elections must publish, within a period three (3) calendar days, the valid presented and admitted candidacies, by publishing it on the notice board of the registered office and on the Association web-site.

68.3 In the case of a single candidacy, the Poling Station Committee, during the General Assembly, shall proclaim the appointment of the President and the new Board directly, without the necessity of holding an election.

68.4 Following the proclamation of the candidacies, it is understood that the election campaign is underway, with each list being able to make use of the means they deem most suitable, and at their own cost, to publicize their candidacy.

The Board of Elections shall ensure mutual respect among the candidacies and towards the Association and its members.

Article 69 - Procedure

69.1 The Board of Elections shall act as the Poling Station Committee during the General Assembly.

69.2 Two representatives from each candidacy may act as auditors, as would be the criteria of the Poling Station Committee, with voice but without vote in the decisions of the Poling Station Committee.

69.3 The Board of Elections shall determine the voting census list and shall publish it on the Association web-site within a maximum of seven (7) days following its constitution.

69.4 The Board of Elections shall designate the Notary, to whom the votes by mail shall be sent, determining the guidelines that must be given to deposit the votes and perform this task.

69.5 The collection of votes may be carried out prior to the General Assembly with the Board of Elections determining its schedule, organization and development.

Article 70 - Voting

70.1 Voting, which shall be personal, not delegable and secret, may be carried out in person or by mail, with one (1) vote from each full member.

70.2 The right to vote, when voting in person, shall be accredited before the Poling Station Committee, who shall verify the inclusion of each person on the voting census list by displaying a legally acceptable identity document.

The voting ballot shall be deposited in a closed urn, supervised by the Poling Station Committee.

70.3 Any voter who wishes to vote by mail must request this right, in writing, from the Board of Elections, which shall send them the credential for this, together with the official envelope and the necessary documentation.

The voter by mail shall send the official envelope, which shall include their credential, a photocopy of their identity document or of the designated representative before the Association, where relevant, and the sealed envelope with their vote.

To be accepted, the envelopes must be received by the designated Notary up to the day before the elections are held, and remain in the custody of the Notary, who shall not accept any votes received outside of this period. The Notary shall appear at the Assembly, presenting these votes before the Poling Station Committee, so that they can perform the relevant verifications, after which the voting envelopes received shall be introduced into the urn.

70.4 Once the voting has finished, the Poling Station Committee shall immediately proceed to count the votes. This shall be public.

Those ballots containing more than two candidacies, have corrections and those that fail to clearly express and indicate the intended vote, in opinion of the Poling Station Committee, shall be considered null.

70.5 The components of the candidacy that has obtained the greatest number of votes shall be proclaimed the winner. In the event of a tie, another Assembly shall be summoned, with the elections between the tied candidacies being the sole point on the agenda, within at least ten (10) days and a maximum of thirty (30) days, starting from the date on which the first Assembly took place.

70.6 The Poling Station Committee shall draft the minutes explaining the undertakings to the voting process; these minutes shall include the results of the elections, with the votes obtained by each candidacy, the null votes and any incidents that may have arisen.

Article 71 - Accepting Office and the Transfer of Power

71.1 The new President shall summon the first meeting of the new Board of Directors to take office, appoint the association members and the elect the various offices. This meeting shall take place within the maximum period of seven (7) calendar days following the date the elections were held.

71.2 The outgoing Board shall cease in its functions following the proclamation of the new Board. Nevertheless, its President shall continue in his/her office until the newly elected members take office, to proceed and facilitate the transfer of power.

CHAPTER VII

OBJECTION TO AGREEMENTS

Article 72 - General Disposition

Without prejudice to the annulment of the social agreements that are contrary to the Law that could be formulated, the members may refute any of the agreements made by the governing bodies that contrary to these statutes, within a period of thirty (30) days starting from the date they are adopted, before the Board and by means of a reasoned and motivated written report sent to the President.

The Board of Directors must decide about the objection presented within a period of thirty (30) days after having received the formal objection; where relevant, the agreement adopted must be ratified at the next General Assembly.

CHAPTER VIII

CHANGES IN THE STATUTES

Article 73 - General Disposition

These statutes may be changed by the General Assembly, at the proposal of the Board, by means of an agreement adopted by the majority of two thirds (2/3) of the members, either present or represented.

CHAPTER IX

FINANCIAL FRAMEWORK

Article 74 - Financial Assets

The Association shall have full independence to dispose of and administer the assets to carry out the objectives and activities of the Association. These include

- a) The membership dues, as well as any extraordinary fees agreed by the General Assembly.
- b) The products and income from goods, interests from bank accounts and other financial products.
- c) The subsidies, legacies and donations that the Association could legally receive from members or third parties.
- d) The revenues obtained by means of legal activities carried out within the framework of the statutory objectives, as well as from the agreements, contracts and arrangements established with third parties.
- e) The voluntary donations from members, which shall be considered as collaboration.
- f) The contributions that bodies, companies or individuals make, at the proposal of the Board, which shall be considered as sponsorship.

Article 75 - Dues

The establishment of the membership fees, where dues or ordinary and extraordinary fees must be approved by the Board and ratified by the General Assembly. All fees may be reviewed from time to time as the Board deems suitable.

The payment of the membership dues must be made in a single payment within the fifteen (15) days following the acceptance of the application for membership. The payment of any other fees shall take place according to the rules established by the Board.

The loss of membership does not confer any right to the return of any dues, fees or contributions already paid.

The failure to pay dues shall generate the corresponding interests, established annually by the General Assembly.

Article 76 - Fiscal Year

The fiscal year shall coincide with the calendar year. Association accounts shall be approved annually at the conclusion of the corresponding year.

Article 77 - Accountancy Obligations

The Association must keep an accounting ledger that faithfully shows the assets, results, the financial situation of the organization and the activities carried out.

For each fiscal year, an income and expense budget must be prepared, which shall be approved by the Board and ratified by the General Assembly.

Article 78 - Audit

Accounting shall be audited by an independent firm, as required by law, based on the agreement of the Board or when requested by, at least, one third (1/3) of the full members, by means of a written requests with the legitimated signature of all, sent to the President.

CHAPTER XI

DISSOLUTION AND LIQUIDATION

Article 79 - Dissolution

The Association shall be dissolved for the following causes:

- a) By agreement of two thirds (2/3) of those members present or represented, at a General Assembly summoned for this reason.
- b) Due to legal imperative.
- c) Due to judicial resolution.

Article 80 - Liquidation and Applications of Surplus

In the event of dissolution, the Executive Committee shall be constituted as a Settling Commission, which shall proceed to pay any pending debts, to cancel any currently effective contracts, to liquidate the belongings and any outstanding obligations the Association may have.

To apply the surplus or to cover an eventual deficit, the relevant proposals shall be presented before the Assembly and shall abide by the agreements adopted.

The resulting amount shall be donated to a charitable organization or association with similar objectives, to be determined by the General Assembly.

CHAPTER XII

FINAL DISPOSITIONS

Article 81 - Internal Regulations

All those aspects contained in these Statutes may be carried out by means of Internal Rules and Regulations, which shall be proposed by the Board and approved by the General Assembly.

Article 82 - Specialized Commissions

The Board, at the proposal of the Executive Committee, may appoint, either temporary or permanent in nature, Advisory or Work Commissions, which shall be made up of the number of members that shall be determined at the time, acting under the direct supervision of the Executive Committee and the General Director.

The President may invite the members of these committees to attend the meetings of the governing bodies to offer advice or to explain conclusions.

Article 83 - Legal Consultants

The Association shall be assisted by the technical and legal services necessary for its operation and running, with the General Director being responsible for their contracting and dismissal.

TRANSITORY AND FINAL DISPOSITIONS

FIRST - All those members who became members prior to these current statutes came into effect must send the Executive Committee, within a maximum period of six (6) months following their approval by the General Assembly, the details of those individual person designated to represent them.

SECOND - The current statutes shall go into effect from the moment of their approval by the General Assembly, except for articles 35 and 47, which relate to the make-up of the governing bodies, which shall be borne in mind for the election process, going into effect starting from the date of the General Assembly at which the elections take place and the new Board is chosen.

THIRD: - The non-retroactive principle of the regulations shall govern the application of these current statutes. Thus, those dispositions whose contents limit or restrict in any sense the rights of the members as laid out in Article 13.1 shall not apply to those members who were full members of the association prior to the coming into effect of these statutes.

* Burofax: in Spain, a Burofax is sent through the national postal system and therefore certifies that the fax has been received; this certificate of receipt is valid in a court of law.