

## CHAPTER I. **ESTABLISHMENT OF THE FOUNDATION**

### **Article 1- Name and nature**

The FUNDACIÓN INSTITUTO DE EMPRESA is a non-profit organisation whose assets are permanently dedicated to the achievement of the general interest aims set out in Article 6 of these Bylaws.

### **Article 2- Personality and capacity**

Following its entry in the Registry, the established Foundation shall have full legal personality and capacity to act and shall therefore be able to perform such acts as may be necessary for achieving the purpose for which it has been created subject to any provisions of law.

### **Article 3- Legal regime**

The Foundation shall be governed by the laws in force, by the wishes of its founder set out in these Bylaws and by any provisions which the board may establish for their interpretation and implementation.

### **Article 4- Nationality and address**

The Foundation has Spanish nationality.

The address of the Foundation is calle María de Molina, 13, 28006 Madrid.

The Foundation may change its address within Spanish territory and establish in it, as well as overseas, such Delegations as it may deem relevant, and shall notify the Protectorate thereof in the form envisaged in the applicable law.

### **Article 5- Scope of action**

The Foundation shall carry out its activities mainly within Spanish territory, without prejudice to its ability to carry out international activities.

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

### **Article 6- Aims**

The basic aim of the Foundation is to carry out any activities which may effectively contribute to the improvement of society through the promotion of the values of Instituto de Empresa, such as innovation, global vision, diversity, entrepreneurship and the humanities, for the improvement of society as a whole, through the promotion of and participation in initiatives aimed at improving the quality of education, the training of future leaders, applied research in ground-breaking areas, sustainability, technology development, culture, sport and social commitment.

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

- a) Create, participate in, sponsor and manage initiatives, centres, lectureships, observatories and research projects, whether of its own or in collaboration with third party individuals or entities.
- b) Create, participate in, sponsor and finance prizes, study grants and help of all types.
- c) Carry out cultural promotion activities returning to society what has been received from it.
- d) Organise, participate in, sponsor and finance all types of cultural, educational, sporting and scientific publications, exhibitions and displays.
- e) Organise, participate in, sponsor and provide funding for all types of training programmes, conferences and seminars.
- f) Organise, participate in, sponsor and finance technological projects, investments and developments or those which in some way promote innovation in the classroom and in education in general.

### **Article 7- Freedom of action**

The Foundation shall, bearing in mind the circumstances at any given time, enjoy full freedom to act in relation to any of the aims set out in the preceding article, in accordance with the specific objectives which the Board may consider to have priority.

### **Article 8- Implementation of aims**

The implementation of the aims of the Foundation may take place in various ways including, without limitation, the following:

- a) By the Foundation directly or through the provision of services by third parties.
- b) By creating, or cooperating in the creation of, other entities having an associative, foundational or corporate nature.
- c) By participating in, financing or cooperating in the development of the activities of other entities, bodies, institutions or persons of any kind, whether natural or legal, which may in some way serve the aims pursued by the Foundation.
- d) Carrying out economic activities whose aims are related to the aims of the Foundation, or are complementary or accessory to them, in accordance with the competition rules.

## **CHAPTER III. BASIC RULES FOR THE ALLOCATION OF RESOURCES TO THE ACHIEVEMENT OF THE AIMS OF THE FOUNDATION AND FOR THE DETERMINATION OF BENEFICIARIES.**

### **Article 9- Allocation of income**

1. At least the percentage established by the legislation in force shall be allocated to the aims of the Foundation, and the remainder shall be allocated to increasing either the Foundation's capital or reserves, as the Board may decide.
2. The Foundation may carry out the compulsory investment in activities referred to above within the maximum period established by law following the financial year in which it was obtained, which is currently four years.

### **Article 10- No obligation to allocate resources proportionately to aims**

The resources of the Foundation shall be considered to be free from specific quotas for the achievement of the aims of the Foundation set out in Article 6 of these Bylaws. As an exception to this rule, assets transferred by third parties for a specific aim of the Foundation shall be considered to be destined for the achievement of the purposes which the transferor may have indicated, in particular, funds for grants which Instituto de Empresa may offer.

### **Article 11- Selection of beneficiaries**

Potential beneficiaries of funding from the Foundation consist of, on the one hand, any natural or legal person who, lacking the adequate financial means and/or deserving them for any reason which is relevant in the opinion of the Foundation, displays commitment to society, education, innovation and, in general, the values of Instituto de Empresa which have been adopted by the Foundation; potential students, teachers, researchers and, in general, those associated with the activities of Instituto de Empresa, IE Universidad and any entities devoted to all fields of education, research and innovation and, on the other hand, those persons and groups and/or institutions which promote, develop or strengthen initiatives, whether individually or together with others, which are conducive to changing and improving society, and the education of future leaders.

The amount of the funding which the Foundation may decide to award beneficiaries in compliance with its aims may be provided directly to the beneficiaries or to the entities which carry out the funding on its behalf.

### **Article 12- Publicity regarding activities**

The Foundation shall make available sufficient information regarding its aims and activities in order for their ultimate beneficiaries and other interested parties to have knowledge of them.

## CHAPTER IV. GOVERNANCE OF THE FOUNDATION.

### THE BOARD.

#### Article 13- Nature

The Board is the Foundation's governing, representative and administrative body and shall perform its functions in accordance with the law and these Bylaws.

#### Article 14- Composition

1. The Board shall consist of lifetime members and *ex officio* members, as well as, eventually, elected members. The Board, which shall act in a collegiate manner, shall at all times consist of at least three members.
2. Don Diego del Alcázar Silvela, Marqués de la Romana is an original lifetime member, and, once they have acquired full legal capacity, Doña Isabela and Don Diego del Alcázar Benjumea shall be lifetime members, provided that they are not prevented from holding public office and that they accept membership in the manner prescribed by law.

Each lifetime member may appoint his or her successor, as a lifetime member, from among the persons related to them through blood or marriage.

3. The following are *ex officio* members:
  - a) The person at any given time holding the title of Marqués de la Romana, in the event that they have not previously been asked to form part of the government of the Foundation as a lifetime member; or the person who would have held such title in accordance with the law in force at the time the Foundation was established in the event that, in the future, noble titles are not recognised by law.
  - b) The person at any given time occupying the presidency of the International Advisory Board of Instituto de Empresa or any other member of this body, at the election of the President of the Foundation.
  - c) Those at any given time occupying the vice-presidencies of External Relations and Economic Affairs of Instituto de Empresa.
  - d) Those at any given time occupying the presidency and the position of Rector of IE Universidad.
  - e) The person at any given time occupying the presidency of the Alumni Association of Instituto de Empresa or any other member of its Board chosen by the President of the Foundation.
  - f) The person at any given time occupying the position of General Director of Alumni of Instituto de Empresa.
  - g) The person at any given time occupying the position of General Director of International Development of Instituto de Empresa
4. Elected members shall consist of those who may be so appointed in the deed of establishment of the Foundation and those who may subsequently be appointed by the Board acting on the proposal of the President or of at least two *ex officio* members.
5. The number of lifetime and *ex officio* members may be increased by decision of the Board acting on the proposal of its President. Honorary members, not forming part of the Board, may also be appointed in this manner.

## **Article 15- Term of mandate**

1. The mandate of lifetime members shall, in principle, last all their lives, until their resignation or the occurrence of a legal ground for terminating their mandate.
2. The mandate of *ex officio* members shall last until the position giving rise to their appointment as members of the Board ceases or until there is a legal ground for terminating their mandate.
3. Elected members shall perform their duties for a period of two years, save in the case of resignation, an exceptional reason based on law or the Bylaws, or early termination or extension of mandate agreed by the Board acting on the proposal of its President or of at least two *ex officio* members.

Lack of care or negligence in the performance of the position, in the opinion of the Board, shall constitute an exceptional reason based on the Bylaws, even if no specific damage is caused to the Foundation.

Termination on this ground shall require the consent of at least two thirds of the members of the board attending the session in which such agreement is adopted and which, in any event, shall include the favourable vote of a majority of the *ex officio* members attending the meeting.

4. The role of honorary member does not carry any mandate, therefore termination of the position may be decided by the Board at any time.
5. The resignation of a Board member shall take effect from the moment it is notified to the Protectorate and shall be carried out in the manner envisaged for the acceptance of such position.
6. In the event of a vacancy, the board may appoint a person to occupy the position.

## **Article 16- Acceptance of board membership**

The members shall commence the performance of their duties after expressly accepting the position by way of a public deed, private document bearing a signature legalised by a notary or appearance for that purpose at the Registry of Foundations or directly before the Board, and shall be accredited by way of a certificate issued by the Secretary bearing a signature legalised by a notary.

## **Article 17- Obligations and liability of the members**

The obligations of the members shall include, among others, ensuring the achievement of the aims of the Foundation, attending meetings which are convened, carrying out the role with the diligence of a legal representative, maintaining in good physical and productive condition the assets and securities of the Foundation and complying in their activities with the provisions of the law and of these Bylaws.

The members shall be liable to the Foundation for any loss or damage that they cause as a result of acts in breach of the Law or of the Bylaws or for those acts performed negligently. Those who have voted against the decision, and those who prove that, not having taken part in its adoption and implementation, they were unaware of its existence or, being aware of it, did all that they reasonably could to avoid the damage or, at least, expressly opposed themselves to it, shall not be liable.

## **Article 18- Non-remunerative nature of board membership and contractual relationship between board members and the Foundation**

1. Board positions shall be positions of trust and impartial performance.
2. Consequently, members shall receive no remuneration for the performance of their duties. Nevertheless, they shall be entitled to the reimbursement of their duly justified expenses incurred by virtue of the position or in the performance of their duties.

Notwithstanding the previous paragraph, the Board may agree upon adequate remuneration for those board members who provide services to the Foundation, including those pertaining to an employment relationship, which are different from those implied by the performance of duties which they have as members of the Board, with the prior authorisation of the Protectorate.

3. Members shall be able to enter into contracts with the Foundation, whether in their own name or on behalf of a third party, with the prior authorisation of the Protectorate.

### **Article 19- Board positions**

1. The Board shall have a President, a Vice-President and a Secretary.
2. The Presidency shall be occupied for life, and until the occurrence of a termination reason based on law or the Bylaws, by Don Diego del Alcázar Silvela, Marqués de la Romana, who may appoint his successor, and so on successively. In the event of impossibility, the successor shall be appointed by a majority of the Board.

The President shall, by delegation of the Board and without prejudice to the Board's ultimate control, have all the powers of the latter which may be legally delegated, in accordance with the provisions of Article 23.10 of these Bylaws.

3. The Vice-President shall be appointed by the Board acting upon the proposal of at least two ex officio members.
4. The Secretary shall be appointed by the members of the Board and may or may not be a member. If it is not, then the Secretary shall act with a say but no vote in the adoption of decisions.

### **Article 20- The President**

The President shall be responsible for representing the Foundation before all persons, authorities and public or private entities; shall convene all the meetings of the Board, preside over them, chair their debates and, as the case may be, implement its decisions, being able to carry out any kind of act and sign all documents which may be necessary for this purpose.

### **Article 21- The Vice-President**

The Vice-President shall perform the duties of the President when the position is vacant or in the event of absence or illness, and may also represent the Foundation in those circumstances agreed upon by the Board.

### **Article 22- The Secretary**

The Secretary shall be responsible for the custody of all documentation relating to the Foundation, taking the minutes at Board meetings, issuing certificates and reports which may be necessary and for anything expressly delegated to him/her. In the event of illness, absence or vacancy of the position, the youngest member of the Board shall perform the duties of Secretary.

### **Article 23- Authority**

The authority of the Board shall cover everything relating to the government and administration of the Foundation, with no exception; the interpretation of these Bylaws and the resolution of all legal and circumstantial matters which may arise.

The following are, purely by way of example and without limitation, some of the attributes and powers of the Board, without prejudice to any relevant administrative authorisations:

1. To represent the Foundation in all types of relationships, acts and contracts, with state, regional, provincial or municipal governmental authorities; courts and tribunals, corporations, entities, companies, banks, including the Bank of Spain and state-owned Banks, national and foreign natural or legal persons of all kinds, exercising all rights, actions and objections and pursuing all formalities, procedures and appeals in relation to proceedings, files, claims and trials involving or concerning the Foundation and granting such powers it may deem necessary to this effect.
2. To exercise high level inspection, supervision and guidance of the work of the Foundation and approve management plans and periodic action plans of the Foundation.

3. To interpret, develop with the relevant complementary law and adopt decisions on the amendment of the Bylaws of the Foundation, provided it is in the interests of the Foundation and the better achievement of its objectives.
4. To establish general guidelines for the distribution and application of the available funds among the aims of the Foundation.
5. To grant general or special powers of attorney.
6. To select the beneficiaries of the Foundation's aid, designating any relevant tribunals, juries or experts.
7. To approve the budgets, the relevant reports, as well as the financial statements and annual accounts which need to be delivered to the Protectorate.
8. To change the address of the Foundation and decide upon the opening and closing of its delegations.
9. To adopt decisions relating to the dissolution or merger of the Foundation in the event that it is impossible to achieve its aims.
10. To delegate its powers to one or more members of the Board, except the approval of the accounts and the action plan and those acts which require the approval of the Protectorate. In this regard, and without prejudice to the provisions of Article 16.2 above, it may create a Board Executive Committee having the composition, authority and decision-making regime it deems convenient.
11. To adopt decisions relating to the acquisition, sale and encumbrance – including by way of mortgage, pledge or antichresis – of real or personal property for or by the Foundation, entering into the relevant contracts.
12. To accept the acquisition of property or rights for the Foundation or for the achievement of a specific aim included in the object of the Foundation, provided that it freely considers that the nature and amount of the property and rights acquired is adequate or sufficient for the fulfillment of the aim towards which the property or rights, or their income, are to be applied.
13. To enter into all types of financial transactions with public and private entities, including loans, as well as to guarantee third parties.
14. To decide upon the acquisition and sale of securities which make up the portfolio of the Foundation.
15. To charge and receive rent, income, dividends, interest, utilities and any other products and benefits from the assets of the Foundation, as well as all amounts owing to the Foundation by any natural or legal person.
16. To exercise the voting or economic rights of the Foundation as holder of shares and other securities, and in this sense to concur, deliberate and vote, as it sees fit, through the representative it may appoint, at general meetings, assemblies, syndicates, associations and other bodies belonging to the relevant companies or issuing entities, using all its legal powers as holder, agreeing, granting or entering into such acts, contracts, conventions, propositions and documents which it may deem to be convenient.
17. To make all necessary payments, including capital calls and those relating to expenses required to raise, administer and protect the funds of the Foundation at all times.
18. To agree upon the performance of works it deems convenient for achieving the aims of the Foundation, deciding for itself the appropriate form and supplies of all types, whatever their quality and importance, being absolutely free to use any procedure for it, whether by way of direct acquisition or by auction or tender.
19. To exercise all rights, actions and objections, pursuing all formalities, procedures and appeals in relation to proceedings, files, claims and trials involving or concerning the Foundation and granting such powers as it deems necessary to this effect, including answering interrogatories and testifying in legal proceedings.
20. To generally exercise all of the powers of use, administration, preservation, custody and defence of the Foundation's assets, in or out of court.

21. To appoint a Director or Manager who shall attend the meetings of the Board or, if so appointed, of the Executive Committee, with a say but no vote; and the remaining managerial, technical or junior level personnel who provide their services to the Foundation under an employment contract. Also to decide upon their removal.
22. To freely grant and revoke, upon the proposal of the President of the Board, the position of honorary member of the Foundation to the persons or entities whom it considers to have sufficient merit.
23. In general, any other action it should take for the administration and government of the Foundation, at all times in accordance with the provisions of the law.

The President shall implement its decisions, without prejudice to the fact that such decisions may expressly appoint another or other board or boards.

#### **Article 24.- Meetings and adoption of agreements**

1. The Board shall meet at least twice a year, once in each calendar half-year, and as many additional times as the President may convene or as at least one third of its members may request.
2. Notices of meetings, setting out the Agenda, as well as the place, date and time of the meeting, in both first and second calls, shall be issued in writing and usually at least five days in advance. Notice is not required if all the members, finding themselves together, decide to hold a Board meeting.
3. The Board shall be validly constituted when, upon first call, at least half of the members plus one are present and, upon second call, at least three members are present, of whom at least one is a lifetime member and another is an *ex officio* member. The President or Vice-President may be substituted by the oldest member, and the Secretary by the youngest member, in the case of their absence.
4. Save as provided for in Articles 15.3, 34 and 35 of these Bylaws, decisions shall be adopted by a simple majority of votes, with the casting vote of the member presiding the meeting.
5. The Secretary shall take the minutes of meetings, which shall be signed and approved by all of the members present. These minutes shall be entered in the relevant book and shall be signed by the Secretary with the approval of the President.

#### **Article 25.- Obligations of the Board**

In acting, the Board shall abide by the laws in force at any given time and by the wishes of the founder set out in these Bylaws.

The Board shall be responsible for achieving the aims of the Foundation and administering the assets and rights of the Foundation, fully maintaining their performance and usefulness.

The Board shall make available sufficient information regarding the aims and activities of the Foundation in order that its ultimate beneficiaries and other interested parties have knowledge of them.

## **CHAPTER V. FINANCIAL REGIME**

#### **Article 26- Endowment**

The endowment of the Foundation shall consist of:

- a) The initial endowment.
- b) The assets and rights which, during the existence of the Foundation, are contributed as such by the founder or by third parties, or which are permanently assigned by the Board to the aims of the Foundation.

## **Article 27- Assets**

The assets of the Foundation may include all types of assets and rights located anywhere, in particular:

- a) Real property and rights, entered in the Property Register in the name of the Foundation.
- b) Transferable securities, which shall be deposited in the name of the Foundation in banking or savings establishments.
- c) Personal property, title deeds, deposit receipts or any other documents evidencing ownership, possession, use, enjoyment or any other right of the Foundation.

## **Article 28- Investment of the Foundation's capital**

- 1. The Foundation's capital shall be invested in the most appropriate way for obtaining returns such as interest, income, periodic dividends and similar.
- 2. The Board may at any time, and as often as necessary, in accordance with what the financial climate may recommend, make such changes as it may deem necessary or convenient to the investments of the Foundation's capital, provided it notifies the Protectorate thereof.

## **Article 29- Income**

The financial means for the achievement of the Foundation's aims shall be obtained from:

- a) Returns on equity.
- b) Income from the sale of shares, bonds and other securities, including share subscription rights which the Foundation does not exercise, provided this is not re-invested.
- c) Subsidies, donations, bequests, including those with encumbrances, which may be received without a specific purpose for increasing the Foundation's endowment.
- d) Amounts received by the Foundation in return for its services and activities.
- e) Financial means which the Foundation may obtain from any public or private body, whether in Spain or overseas.
- f) Other funds which are gathered and which may be used for the achievement of the aims of the Foundation.

## **Article 30- Assignment**

The assets and income of the Foundation shall be considered to immediately and automatically, without requiring the involvement of any person, assigned to achieving the aims of the Foundation.

## **Article 31- Preparation of budget, accounts and report on activities**

In the first six months following the end of the financial year, the Board shall approve the annual accounts consisting of the balance sheet, income statement and report, including the information legally required, as well as an inventory of equity items.

The documents mentioned and, if any, the auditor's report, once approved by the Board of the Foundation, shall be sent to the Protectorate within 10 working days of their approval to be examined and subsequently deposited with the Foundations Registry.

The Board shall also prepare and send to the Protectorate, in the last three months of each financial year, an action plan for the next financial year.

## **Article 32- Financial year**

The financial year of the Foundation shall commence on 1 January and end on 31 December each year.

The Foundation shall keep all those books required to be kept by the legislation in force and those which may be convenient for the good order and performance of its activities, as well as an adequate control of its accounts.

In its financial management, the Foundation shall be governed by the principles and criteria established by the legislation in force in its financial management.



## CHAPTER VI. **AMENDMENT OF THE BYLAWS OF THE FOUNDATION**

### **Article 33- Adoption of the decision**

1. These Bylaws may be amended by agreement of the Board, provided that it is in the interests of the Foundation. An amendment should be made when the circumstances which prevailed at the time the Foundation was established have changed in such a way that it cannot act satisfactorily in accordance with the Bylaws in force.
2. The adoption of a decision amending the Bylaws shall require a voting quorum of at least two thirds of the members in attendance at the meeting, including all of the lifetime members and at least two *ex officio* members.
3. The amendment of the Bylaws agreed by the Board shall be notified to the Protectorate.
4. Nevertheless, if the intended amendment affects the essence of the Foundation's aims, the regime governing the appointment or succession of the lifetime members or their powers, there shall be deemed to have taken place, by the mere fact of the Board agreeing an amendment of the Bylaws on such terms, a specific, automatic and objective reason for the dissolution of the Foundation, which may not be rectified by authorisation of the Protectorate.

## CHAPTER VII. **MERGER OF THE FOUNDATION WITH OTHERS**

### **Article 34- Suitability and requirements**

In addition, provided it is in the interests of the Foundation and the relevant agreement is reached with another or others which pursue similar objectives, the Board may agree to merge the Foundation with other foundations, with the minimum quorum established in Article 35.

## CHAPTER VIII. **DISSOLUTION OF THE FOUNDATION**

### **Article 35- Causes**

In addition to the ground for dissolution envisaged in Article 33 of these Bylaws, the Board may approve, with a voting quorum of at least two thirds of the members who attend the meeting, including all of the lifetime members and at least two *ex officio* members, the dissolution of the Foundation, when the object of the Foundation can be considered fulfilled or impossible to achieve, whether for material or financial reasons or for any other reasons established by law, subject to the ratification of the agreement by the Protectorate.

### **Article 36- Winding up and adjudication of remaining assets**

1. The dissolution of the Foundation, unless caused by a merger with another foundation, shall trigger the commencement of a winding up procedure, which shall be followed by the Board acting as winding up Committee.
2. The assets and rights resulting from the winding up shall be assigned to another foundation or non profit entity which pursues general interest aims similar to those of the dissolved Foundation and whose assets, in turn, are, even in the event of dissolution, assigned to the achievement thereof.
3. The wound up assets and rights may also be assigned to public bodies, entities or institutions of any kind which pursues general interest aims.
4. The recipient or recipients of the remaining assets and rights shall be freely chosen by the Board in accordance with the legislation in force and the above clauses.
5. The dissolution of the Foundation and the resulting changes in ownership shall be entered in the relevant Registers.