

ARTICLES OF ASSOCIATION

Elkarkidetza E.P.S.V. de EMPLEO

ARTICLES OF ASSOCIATION of the ENTITY Elkarkidetza E.P.S.V. de Empleo

CHAPTER I. GENERAL PROVISIONS

Article 1. Incorporation.

The Basque Nationalist Party, Euskadiko Ezkerra and the trade unions ELA/STV –Eusko Langileen Alkartasuna- and CC.OO. –Comisiones Obreras-, registered in the Autonomous Community of the Basque Country, met on 22 January 1986, in a Constituent Assembly, and promoted and incorporated, under Law 25/1983 of 27 October on Voluntary Social Welfare Entities, of the Basque Parliament and other applicable provisions, voluntarily and not for profit, this Voluntary Social Welfare Entity under the name Elkarkidetza Entidad de Previsión Social Voluntaria for the purpose of promoting welfare savings for employees of the Basque Institutions and Authorities and Public Sector Companies, Entities belonging to the Basque public sector, and any other entities that may succeed them in the obligations entered into with their personnel and relating thereto (hereinafter all of them and for the purposes of these Articles of Association are referred to collectively as "Institutions"). Subsequently incorporated into the governing bodies of the Entity, through the representatives at the time of the sponsoring members and numbered members who successively made up the Assembly and Governing Board, were the trade unions LAB –Langile Abertzaleen Batzordeak- and UGT –Unión General de Trabajadores- as well as the Political Parties PSE-PSOE –Partido Socialista de Euskadi-, PP -Partido Popular- and EH-BILDU.

Because of the constituent subjects at the time, and taking into consideration the nature and relationship of its members today, Elkarkidetza Entidad de Previsión Social Voluntaria is configured as a labour type voluntary social welfare organisation.

Article 2. Name. Legal form.

The voluntary social welfare organisation incorporated is known as “ELKARKIDETZA E.P.S.V. de EMPLEO”. It is governed by these Articles of Association and, in any matter not covered herein, by Law 5/2012, of 23 February, on Voluntary Social Welfare Entities –the “Law”-, Decree 203/2015, of 27 October, approving the Regulations concerning Voluntary Social Welfare Entities, and other legal provisions of any type that are in effect and apply to it. For the purposes of these Articles of Association, “Entity” will be understood as “ELKARKIDETZA E.P.S.V. de EMPLEO”, which may also be known by its name.

Article 3. Registered office.

The Entity's registered office is in Vitoria-Gasteiz, c/ Ramón y Cajal, 7-9, where its effective administration and management take place.

By agreement of the Governing Board, the branches, agencies, representative offices and delegations that the development of the activity make necessary or appropriate may be created, closed down or moved.

Article 4. Term. Activity start date.

The Entity is incorporated for an indefinite term having started its activity as Elkarkidetza on 1 January 1986, and it may be dissolved at any time in accordance with these Articles of Association and with the Law.

Article 5. Territorial and personal scope.

The Entity operates the welfare activity in the Autonomous Community of the Basque Country for granting the cover and allowances instrumented and regulated in these Articles of Association and in the Regulations, in favour of its members from the beneficiary Institutions and bodies.

Article 6. Corporate purpose.

The corporate purpose of the Entity is the protection of its members and beneficiaries against the contingencies of retirement, permanent disability, widowhood, orphanhood, death, serious illness and long-term unemployment through payment of an annuity, temporary pension, capital or mixed, in addition to those other benefits that may correspond to its members and beneficiaries by law.

Also, the management, administration and representation of the assets of the Entity to cover the allowances paid to the members.

To perform such other functions permitted by the regulations that may be necessary for it to achieve its corporate purpose and protective action.

Article 7. Corporate interest, good governance policy and key functions.

7.1 The Entity seeks to achieve the corporate purpose, understood as the common interest of all members of a labour type social entity in the form of welfare savings by managing assets linked to preferential payment of income in accordance with the value of the economic rights of the members, with the aim of generating a supplementary pension to the one that might be received from the public system.

7.2 The Entity wants its behaviour and that of the people linked to it to respond to and comply with both the current legislation and its policy of good corporate governance. To this end, the Governing Board will adopt written policies regarding risk management, internal audit and actuarial function, which will be included in this statutory commitment.

CHAPTER II. PERSONAL ELEMENTS

Article 8. Classes and types of members.

The following classes of members of the Entity are distinguished:

- Sponsoring members and
- Numbered members.

The numbered members may, in turn, have the status of active, on-hold or passive numbered member.

Beneficiaries will be those individuals who, due to their relationship with the originator, become holders of the allowance after occurrence of the contingency.

SECTION ONE.- SPONSORING MEMBERS

Article 9. Definition.

The Institutions belonging to the Entity will be sponsoring members.

Article 10. Entry requirements.

Institutions may join the Entity as sponsoring members when, subject to the agreement of their competent body, they request admission, stating their compliance with these Articles of Association by signing, where applicable, the relevant Membership Application, and after it has been accepted by the Governing Board of the Entity.

The maximum time limit for answering applications will be three months from the time of their presentation; once this period has ended without any express agreement being made, the application will be understood as accepted. Where applicable, the Governing Board's refusal will be explained.

Article 11. Cancellation.

Sponsoring members will have their membership cancelled for any of the following reasons:

- By express agreement of their competent body.
- Due to extinction and dissolution of the Entity.

Article 12. Rights and obligations.

The rights and obligations of the sponsoring members, which are derived from their social and economic participation, are as follows:

12.1. Rights:

- a) Take part in the meetings of the General Assembly, in the manner provided for in Chapter III of these Articles of Association.
- b) Elect and be elected for positions on the Governing Bodies, through the system established for this purpose in Chapter III of these Articles of Association.
- c) Be informed about the situation of the Entity. They may in any case request information, both in writing and verbally, and the Governing Board may not refuse this, unless it compromises the corporate interest of the Entity. The information will be made available by electronic means, through its publication on the Entity's website, www.elkarkidetza.eus, except for request for individual communication by email or by post, and except for what is decided for the agreements of the General Assembly.
- d) The other rights recognised for them in these Articles of Association, the allowances Regulations and other legislation that applies.

12.2. Obligations:

- a) Pay the contributions for which they are responsible and deduct from the salary slip and pay to the Entity the fees corresponding to their active numbered members.
- b) Report any changes that take place in the staff that are members of the Entity and that may have an effect on its operation.
- c) Comply with the agreements validly adopted by the Governing Bodies.
- d) Comply with the legal, statutory and regulatory requirements.

SECTION TWO.- NUMBERED MEMBERS

Article 13. Definition.

Numbered members shall be the staff employed by the sponsoring members of the Entity that are affiliated to it, admitted as numbered members in accordance with article 14 of these Articles of Association, without prejudice to the provisions of the Allowance Regulations.

Staff employed is considered to be any person who provides services in the condition of civil servant, employment or statutory personnel, temporary personnel or superior or managerial body with any of the sponsoring members of the Entity.

They shall be active numbered members when they make contributions to the Entity, in accordance with what is set out in the Allowance Regulations.

In special cases, they shall be on-hold numbered members when, regardless of whether or not they maintain their civil servant, employment, statutory or service relationship with the sponsoring member, they have opted not to continue making contributions to the Entity.

Article 14. Entry requirements.

All persons employed by the sponsoring members that are admitted by the Governing Board of the Entity may join as numbered members of the Entity by completing the relevant Membership Application, without prejudice to the provisions of the Allowance Regulations. With regards to the Autonomous Community of the Basque Country, the Regulations governing its working conditions or service provision shall apply, together with the applicable Collective or Bargaining Agreement.

The maximum time limit for answering applications will be three months from the time of their presentation; once this period has ended without any express agreement being made, the application will be understood as accepted. Where applicable, the Governing Board's refusal will be explained.

The Membership Application will be handed over at the Institution to which the numbered member belongs, which must forward it to the Entity within one month. It may also be handed over at the Entity, which shall inform the relevant sponsoring member.

The Membership Application shall contain all truthful information required for determining the coverage that may be granted to the applicant according to their personal circumstances, the statement of whether they already have allowances granted for invalidity and all questions answered in full by the applicant.

The Membership Application shall indicate the documentation that has to accompany it in each case.

The right to enter as a numbered member may be exercised at any time from the moment of joining the Institution for employees linked by a civil servant, statutory, permanent employment or service relationship. Temporary staff shall have the right to join at the time when they are hired or once the period set out in their Collective or Bargaining Agreement has ended, and the Entity should be notified of this in order to approve it.

Article 15. Cancellation.

Numbered members will have their membership cancelled:

- When on-hold members have their status changed to passive members.
- On death.
- Due to expulsion in accordance with the provisions of Chapter VI of these Articles of Association.
- Due to extinction and dissolution of the Entity.
- Due to transfer of their rights, after their departure to another Social Welfare Entity according to the provisions of the next article.

Article 16. Rights and obligations.

On making the application for membership and following its acceptance by the Entity, the new member assumes the rights and obligations recognised in the Articles of Association and the Allowance Regulations, as well as those derived from the agreements revising them, particularly regarding the system of contributions and allowances that are decided on collectively through the representative and decision-making bodies of Elkarkidetza.

The rights and obligations of the members, which are derived from their social and economic participation, are as follows:

16.1. Rights:

a) Take part in the meetings of the General Assembly, in accordance with the provisions of Chapter III of these Articles of Association.

b) Elect and be elected for positions on the Governing Bodies, through the system established for this purpose in Chapter III of these Articles of Association.

- c) Be informed about their specific situation within the Entity. They may also request information about the Entity, both in writing and verbally, and the Governing Board may not refuse this, unless it compromises the corporate interest of the Entity. The information will be made available by electronic means, through its publication on the Entity's website, www.elkarkidetza.eus, except for request for individual communication by email or by post, and except for what is decided for the agreements of the General Assembly.
- d) Apply for a Certificate of Membership of the Entity and of their particular situation.
- e) Receive the allowances set out in the Articles of Association and the Allowance Regulations.
- f) Transfer their Economic Right to another Social Welfare Entity, primarily a labour one, and if not to any other social welfare plan, as long as the characteristics and conditions are complied with in respect of the method of collection of the allowances as previously set out in the Articles of Association of the Voluntary Social Welfare Entity of origin, and the regulations contain the same requirements for the transfer of their right and only in the event of cancellation from their Institution of origin.
- g) Transfer to Elkarkidetza E.P.S.V. de Empleo the Economic Rights that had been recognised for them in another Labour Social Welfare Entity in accordance with the conditions set out by the Governing Board.
- h) The other rights that have been recognised for them in the legislation, these Articles of Association and the Regulations.

16.2. Obligations:

- a) Pay the contributions for which they are responsible.
- b) Report any changes to their personal and family details within two months of the date on which they take place, as well as update any information required by the Entity for the correct operation and materialization of their rights.
- c) Comply with the agreements validly adopted by the governing bodies of the Entity.
- d) Comply with the legal, statutory and regulatory requirements.

SECTION THREE.- PASSIVE MEMBERS AND BENEFICIARIES

Article 17. Definition.

Passive members of the Entity shall be those individuals who, due to their having the right to receive the relevant allowances (retirement or incapacity), have had their status recognised by the Articles of Association and the Allowance Regulations of the Entity.

Beneficiary status is acquired by persons who, as the assignee of a numbered member or of a deceased passive member, becomes eligible for Economic Rights from the Entity in accordance with the order of priority established in the Articles of Association and the Allowance Regulations.

Article 18. Acquisition of status.

The acquisition of the status of passive member or beneficiary will take place when the triggering event determining the allowance occurs and when this has been recognised by the Governing Board of the Entity.

Article 19. Cancellation.

Passive members and beneficiaries will have their membership cancelled for the following reasons:

- Due to the allowance being terminated.
- On death.
- Due to expulsion in accordance with the provisions of Chapter VI of these Articles of Association.
- Due to extinction and dissolution of the Entity.

Article 20. Rights and obligations.

The rights and obligations of passive members and beneficiaries, which are derived from their social and economic participation, are as follows:

20.1. Rights:

- a) Receive the allowances in accordance with what is set out in the Articles of Association and the Allowance Regulations.

b) Be informed about their specific situation within the Entity. They may also request information about the Entity, both in writing and verbally, and the Governing Board may not refuse this, unless it compromises the corporate interest of the Entity. The information will be made available by electronic means, through its publication on the Entity's website, www.elkarkidetza.eus, except for request for individual communication by email or by post, and except for what is decided for the agreements of the General Assembly.

c) Apply for a Certificate of Membership of the Entity and of their particular situation.

d) Transfer their Economic Right, only in the case of extinction and dissolution of the Entity, according to the provisions of article 75.

e) The other rights that have been recognised for them in the legislation, these Articles of Association and the Regulations.

20.2. Obligations:

a) Forward all documentation required to activate the allowance.

b) Report any change to their personal and family details within two months of the date on which it takes place, as well as update any information required by the Entity for the correct operation and materialization of their rights.

c) Comply with the agreements validly adopted by the governing bodies of the Entity.

d) Comply with the legal, statutory and regulatory requirements.

SECTION FOUR.- COMMON STANDARDS

Article 21. Exercising of rights and breaches of obligations.

For exercising the rights that correspond to each of the personal components of the Entity, they must be up to date in their obligations towards it.

Breach of the obligations set out in the Articles of Association by the above-mentioned groups will involve, in addition to the responsibilities set out in Chapter VI of these Articles of Association, their full liability regarding the events and consequences derived from said breach.

The passive numbered member or beneficiary is the one responsible for the truthfulness of the information provided for generation of the allowances.

CHAPTER III. GOVERNING BODIES OF THE ENTITY

Article 22. Governing Bodies.

The Entity shall be governed by the General Assembly and shall be administered and represented by the Governing Board.

SECTION ONE.- GENERAL ASSEMBLY

Article 23. Composition and distribution.

The General Assembly is the supreme body for expressing the corporate intentions of the Entity and is elected for four years and made up of one hundred delegates representing its members and distributed as follows:

- Sponsoring members: fifty delegates, distributed, in turn, in the following way:
 - thirty representatives on behalf of the Association of Basque Municipalities (EUDEL).
 - five representatives on behalf of each of the three Basque Provincial Councils.
 - five representatives of the various collectives from the Local and Provincial Administration, distributed in proportion to the number of numbered members they have and weighted by the economic strength of the member collectives.
- Numbered members: fifty delegates, distributed in proportion to the number of delegates that the Trade Unions obtain in the Trade Union elections, weighted by the economic strength of the incorporated Institutions, excluding those that do not exceed the quantitative limit of 5%, and distributing the positions obtained among the rest of the trade union delegates.

Each delegate shall have one vote.

Article 24. Appointment and replacement of delegates.

24.1. The competent bodies of the Public Institutions cited in the previous article and of the Trade Union Confederations shall appoint the delegates that correspond to them and shall notify the Governing Board of this by the thirty-first of December in the year prior to the one in which renewal of the General Assembly is to take place.

The number of delegates corresponding to each Trade Union Confederation shall be designated by the Governing Board by the thirtieth of November in the year prior to the one in which the renewal of the General Assembly takes place, based on the data existing from the trade union elections that took place on the thirtieth of September in the same year.

Breach of the obligation of communication of the appointment of the delegates within the above-mentioned time limits shall lead to loss of the representation determined, and the Governing Board may distribute the vacancies that arise in accordance with the general criteria on designation and election of delegates.

24.2 The delegates may be replaced by the Institutions or Trade Union Confederations that they represent, and the latter shall inform the Governing Board of this, together with notification of the new appointment. Replacements shall be confirmed each year by the General Assembly.

Article 25. Powers of the General Assembly.

The General Assembly has the following powers in all cases:

- a) Approval and amendment of the Articles of Association of the Entity.
- b) Election, appointment and revocation of the members of the Governing Board.
- c) Ratification of the people who will fill the vacancies produced in the Governing Board, at its proposal.
- d) Election of the auditor or external audit company.
- e) Approval, where applicable, of the management of the Governing Board, the management report and the annual accounts, as well as the budget for the year in progress.
- f) Merger, split, federation and dissolution of the Entity.

Furthermore, the General Assembly has the power to deal with all matters that the Governing Board considers appropriate to submit for its deliberation and are thus included in the agenda.

Article 26. Types of Assembly Meetings.

The General Assembly may be called to an annual or extraordinary meeting.

The Annual General Meeting will be held once a year within the first four months after the date of closure of each financial year to examine and, where applicable, approve the management of the Governing Board, the management report, the annual accounts, the budget for the year in progress and any other matter that is within the power of the General Assembly and is therefore included in the Agenda of the call to meeting.

The Extraordinary General Meeting will be held whenever it is called by the Governing Board, either on its own initiative, or at the request of twenty per cent of the delegates of the Assembly.

Article 27. Call to meeting and constitution of the Assembly.

27.1. The General Assembly will be called to meeting by the Governing Board by means of a personal communication in writing sent to each delegate of the General Assembly with notice of at least ten working days and at most third calendar days prior to the date on which it is to be held, stating the place, date and time of the meeting and including a copy of the agenda and instructions for access via the corporate website www.elkarkidetza.eus to the supporting documentation for discussion and approval of the matters contained therein. This information may also be sent in writing to those delegates who request it.

Assembly delegates who represent ten per cent of the total votes will have the right to include a point in the agenda, as long as they request this with four days' notice prior to the meeting being held. This notice should be sent in writing to the Chair of the Governing Board, and the meetings of the General Assembly may not discuss any matters other than those included in the agenda.

27.2. The General Assembly is understood to be validly constituted on first call when half plus one of the delegates are present or represented and on second call irrespective of the number of attendees, to be held half an hour later.

Article 28. Universal Assembly.

Notwithstanding the foregoing, the General Assembly is understood as validly constituted as a Universal Assembly, as long as all of the delegates designated in representation of the members are present or represented at the Assembly and they unanimously agree that it should be held and on the matters to be discussed.

Article 29. Attendance and representation.

29.1. The delegates designated in representation of the members at the Assembly may be represented by another designated delegate. The representation should be conferred in writing and especially for each Assembly.

29.2 The members of the Governing Board should attend the General Assemblies and may delegate their representation to any other member of the Governing Board.

29.3 Attendance as guests at the meetings of the General Assembly is allowed for those directors, manager, technicians and other people who are responsible for the correct running of corporate matters and who, in the opinion and at the request of the Governing Board, are authorised by it for the purpose of clarifying, extending or specifying any

information that may be appropriate for the discussion and adoption of the corporate agreements.

Guests will have speaking rights but no voting rights at the meetings of the General Assembly that they attend, where applicable.

Article 30. Chair and Secretary of the General Assembly.

The General Assembly will be presided over by the Chair of the Governing Board or, in their absence, by the Vice Chair, acting as Secretary of the Governing Board, and in their absence, by those designated at the start of the meeting from among the delegates in attendance.

The discussions will be led by the Chair of the Assembly, who will maintain order in the running of the General Assembly and will ensure compliance with the legal formalities.

Article 31. Adoption of agreements.

31.1. The agreements of the General Assembly will be adopted by a vote in favour from half plus one of the votes cast. As a general rule, votes will be nominative, unless for reasons of the corporate interest a secret ballot is established in the agenda of the General Assembly, or is requested by the members representing ten per cent of the members present and represented at the meeting.

31.2. As an exception, for approval of the agreements of the General Assembly concerning the amendments of the Articles of Association, merger, split and dissolution of the Entity, a majority of two thirds of the votes cast will be required.

31.3 The validly adopted agreements of the Assembly oblige all members of the Entity, without prejudice to the provisions of Chapter VI for challenging the agreements.

Article 32. Recording of the corporate agreements in the Minutes.

32.1 The agreements of the Assembly will be recorded in Minutes that will be drafted by the Secretary and transcribed in the Minutes Book.

32.2 The minutes, which must include the list of attendees, may be approved at the Meeting after it has been held or, if not, within a period of thirty days, by the Chair and two of the members designated at the Assembly, one representing the sponsoring members and another the numbered members, who will sign them together with the Secretary.

32.3 The Minutes will be signed by the Secretary of the meeting with the Approval of the person who acted as Chair of the meeting.

32.4 The agreements of the General Assembly will be accredited by certification issued by the Secretary with the Approval of the Chair, both from the Governing Board, and their implementation will correspond, except for special delegation, to the Chair of the Governing Board.

Article 33. Communication of the corporate agreements.

The agreements of the General Assembly of the Entity will be communicated to the members and beneficiaries within 30 days of their adoption by dispatch of individual written notification on paper and their publication on the Entity's website www.elkarkidetza.eus. Members who opt to receive communication of the agreements of the General Assembly by electronic means should request this from the Entity together with indication of the email address to which it has to be sent, prior to the General Assembly being held.

SECTION TWO – GOVERNING BOARD

Article 34. Appointment and composition.

34.1. The Governing Board will be responsible for the direct and immediate governance of the Entity. Its members will be appointed by the General Assembly from among the delegates appointed to represent the members in accordance with the distribution set out below.

34.2. The Governing Board will be made up of sixteen members distributed as follows:

- Sponsoring members: eight directors distributed as follows:
 - One member for each of the Basque Provincial Councils.
 - Four directors representing the Association of Basque Municipalities (EUDEL).
 - One director representing the rest of the collectives, who will be appointed according to the criteria established by the institutional members of the Governing Board.

His/her appointment will correspond to the delegates representing the sponsoring members at the General Assembly.

- Numbered members: eight directors distributed so that proportional representation is maintained of the representatives of the numbered members at the General Assembly. His/her appointment will correspond to the delegates representing the numbered members at the General Assembly.

The number of directors of the Governing Board and their distribution may be changed by the General Assembly, depending on the future incorporation of new Institutions. In any case the representation of the numbered members will keep the same distribution as set out in the previous paragraph.

In any case, the composition of the members of the Governing Board will be in line with the principle of balanced representation of men and women, taking into consideration their percentage presence in the Entity.

Article 35. Appointment, term of office and replacement.

35.1. The members of the Governing Board will be appointed for four years, and may be re-elected. They have to appoint a Chair, a Vice Chair and a Secretary.

The position of Chair will be appointed by and from among the members representing the sponsoring members.

The positions of Vice Chair and Secretary will be appointed by and from among the members representing the numbered members.

35.2. Directors may be replaced by the Institutions or Trade Union Federations that they represent, and the vacancies should be covered in the manner set out in article 34 of these Articles of Association, without prejudice to the Governing Board provisionally approving the appointment made by the Institution or Trade Union.

Article 36. Remuneration.

The exercising of the duties allocated to the members of the Governing Board is not remunerated.

However, remuneration will be paid to those members of the Governing Board that provide services to the Entity for the responsibilities or work of any kind that they carry out in it. The remuneration that they receive for this will be in accordance with the work that they carry out and not for their status as a member of the Governing Board, which is completely separate. This remuneration will be included, in any case, in the corresponding item of the annual budget of the Entity, and, consequently, submitted for the annual approval of the General Assembly.

Article 37. Nature of the meetings.

The meetings of the Governing Board may be ordinary and extraordinary, and they will be called by the Chair.

Ordinary meetings will generally be held at least once a quarter.

Extraordinary meetings will take place when agreed by the Chair at his/her own initiative or when requested by one third of the members, without this being able to exceed, in this case, six annual calls to meetings for each financial year.

Article 38. Call to meeting and constitution of the Governing Board.

38.1. Calling of meetings will be made by the Chair, by written communication sent electronically by email to each member of the Governing Board at least one week in advance of the date of it being held, and the relevant agenda will be attached.

The right to request the inclusion of a point on the agenda is granted to one third of its members, by written notice sent to the chair at least four days before the meeting is held.

38.2. For the Governing Board to be considered as validly constituted the attendance of half plus one of its members will be necessary.

38.3. Each member of the Governing Board may confer their representation on another member of the Governing Board, in writing and especially for each Board Meeting.

Article 39. Adoption and recording of agreements.

39.1 Agreements of the Governing Board will be adopted by simple majority of votes cast.

39.2 Each member of the Governing Board will have their own vote and, where applicable, that of the other members of the Board that they represent by delegation.

39.3 The agreements of the Board will be recorded in Minutes that will be drafted by the Secretary and transcribed in the Minutes Book.

39.4 The Minutes may be approved at the Board Meeting after it has been held or, if not, at the next Board Meeting that is held.

39.5 The Minutes will be signed by the Secretary of the Board with the Approval of its Chair.

39.6 The agreements of the Governing Board will be accredited by certification issued by the Secretary with the Approval of the Chair, and their implementation will correspond, except for special delegation, to the Chair.

Article 40. Duties and powers of the members of the Governing Board.

40.1. Chair:

The Chair will have the following powers:

a) Represent the Governing Board.

- b) Chair the meetings of the General Assembly and the Governing Board.
- c) Call and draft the agenda for the meetings of the Governing Board.
- d) Direct the administrative, technical and financial functions of the Entity.
- e) Any leadership, taxation and management duties assigned to him/her by the Governing Board.
- f) Resolution of complaints and claims from members that cannot be dealt with, where applicable, by the Governing Board.
- g) Recognise the right to allowances, reporting them for ratification at the first Governing Board meeting held after they are recognised.
- h) Any duties derived from these Articles of Association and other legal provisions.

40.2. Vice Chair:

The following will be duties of the Vice Chair:

- a) Replace the Chair in the event of absence, illness or any situation that requires it.
- b) Any duties assigned to him/her by the Governing Board.

40.3. Secretary:

The following will be duties of the Secretary:

- a) Draft the minutes of the governing bodies of the Entity with the Approval of the Chair.
- b) Certify the agreements of the governing bodies of the Entity with the Approval of the Chair.
- c) Keep the Minutes Book which will contain a record of the agreements of the governing bodies of the Entity.

40.4. Directors:

The following are duties of the directors:

- a) Perform any other duties entrusted to them, attend meetings of the Governing Board, take part in the deliberations and subsequent agreements adopted and provide due cooperation to the officers of the Entity.

Article 41. Obligations of the members of the Governing Board.

Each member of the Governing Board has the obligation to:

- a) Carry out the management of the Entity responsibly, reporting to the General Assembly.
- b) Maintain professional secrecy, due to their position, regarding matters known to the Governing Board.
- c) Attend the meetings of the General Assembly and the Governing Board. Unjustified absence from three meetings will lead to temporary removal for six months. Repeat offending will lead to definitive removal when the Board determines and agrees thus. The Institution or Trade Union represented will be informed for the appropriate purposes.

Article 42. Powers of the Governing Board.

The Governing Board, notwithstanding the exercise of those powers that are reserved for the General Assembly by law or by these Articles of Association, has the following duties:

- 42.1. Governance, administration and representation of the Entity.
- 42.2. Recognise the right to collection of allowances, without prejudice to the delegations made.
- 42.3 Draft the annual accounts and management report and present them to the General Assembly for approval together with the multi-annual strategic plan, management plan and annual budget.
- 42.4 Monitor the solvency and financial stability of the Entity.
- 42.5 Invest the funds prudently, professionally and responsibly. For this purpose, it will approve the investment plan of the Entity.
- 42.6 Contract the management and administration of the entity and its supervision, including among these duties, amongst others and without limitation, appointment, ratification or dismissal of the technical and administrative collaborations that are necessary for the development of the corporate purpose.
- 42.7 Actively ensure that the allowances recognised and being performed can be suitably addressed.
- 42.8 Propose amendments to these Articles of Association to the General Assembly, as well as approval and amendment of the Allowance Regulation.

42.9. Provisionally approve and propose to the General Assembly the amendment of the contributions in accordance with the provisions for each Institution, Body or Basque Public Sector Company, in the corresponding Collective Salary or Bargaining Agreements.

42.10. Admission of members.

42.11. Call meetings of the General Assembly, set their agenda and implement their agreements.

42.12. Comply with and ensure compliance with the Articles of Association and the Allowance Regulations. To this effect, resolve any queries put forward as a result of the application of these Articles of Association and the Allowance Regulations.

42.13. Set up Commissions or Delegated Bodies to support the management of the Entity.

42.14. Determine the amount of the economic sanctions for the committing of serious or very serious faults.

42.15. Prepare, approve and, periodically, review the written declaration of investment principles.

42.16. Approve the integration of the social welfare plans and validate and ratify their allowance regulations as well as any amendments thereto.

42.17. Resolve any appeals and claims lodged in accordance with these Articles of Association.

42.18. Oversee the relevant training of its members.

42.19. Comply with and ensure compliance with the regulations that apply, and, amongst other matters, specifically taxation and prevention of money laundering.

42.20. Act in the interests of its members, prudently, conscientiously and responsibly.

42.21. Adopt the written policies in relation to risk management, internal audit, and, where applicable, the actuarial and outsourcing function in accordance with the substantive rules that apply.

42.22. Determine the amount of administrative costs.

The Governing Board may by express agreement delegate the powers listed here to the Chair, except for those contained in points 42.3, 42.5, 42.8, 42.9, 42.11, 42.12, 42.13, 42.14, 42.15, 42.21 and 42.22.

SECTION THREE.- RESPONSIBILITY OF THE GOVERNING BODIES

Article 43. Administrative liability.

Without prejudice to the civil and criminal liability they could incur with respect to the Entity for breach of the provisions of these Articles of Association, the members of the governing bodies that by intent or gross negligence execute or allow operations that violate the provisions of the rules governing voluntary social welfare entities will incur administrative liability punishable in accordance with the provisions of Law 5/2012, of 23 February, on Voluntary Social Welfare Entities.

The sanctioning procedure establishing the rules to implement this liability will be the one in effect at all times in the Autonomous Community of the Basque Country on Administrative Procedure.

CHAPTER IV. ECONOMIC AND ASSET SYSTEM

SECTION ONE.- FINANCING OF THE ENTITY

Article 44. Economic resources.

The economic resources of the Entity will be made up of:

- a) The contributions that are to be made by the sponsoring members and the numbered members in accordance with the relevant Collective or Bargaining Agreements that affect each Institution.
- b) The yields obtained from investment of its reserves.
- c) Any other legitimate revenues.

Article 45. Administrative costs.

The administrative costs calculated each year by the Governing Board will not exceed the maximum limit established by the regulations, and they will be calculated in accordance with the parameters set out by law and the regulations that apply.

Article 46. Accounts.

The Entity will keep its accounts in accordance with the specific regulations, and, by default, with the ones set out in the Accounting Plan of Insurance Entities, in the Commercial Code, the General Accounting Plan and in other provisions of commercial law regarding accounts.

It will also keep the accounts ledgers required by the Commercial Code and in other provisions that apply.

The Entity will submit the annual accounts and the management report for external audit in accordance with the terms set out in the Audit and Accountancy Act and its implementing regulations.

SECTION TWO. FUNDS AND FINANCIAL GUARANTEES

Article 47. Classes

In order to guarantee the rights of the members, the Entity will constitute and maintain, in accordance with economic, financial and actuarial criteria and within the principles of solvency and financial balance, the following funds and financial guarantees:

a) Mutual fund.

The Entity has equity funds constituted on a permanent basis for the sum of €9,015,183.27 from financial year surpluses, and they are fully paid up.

b) Safety margin.

These are equity funds belonging to the Entity and they will be made up by annual allocation of the amount under surpluses as set out in the substantive rule applicable.

c) Solvency fund.

These are equity funds belonging to the Entity that have to meet the legal requirements that affect them at all times and the amount of which will be determined within the legal limits by the General Assembly, at the proposal of the Governing Board, for the purpose of meeting any possible deviations that may arise in the future in the actuarial scenarios used to calculate the allowances.

d) Technical provisions.

The technical provisions represent the value of the Entity's obligations. They are calculated using individual capitalisation financial and actuarial systems.

Considering the time of calculation of the obligation, the following can be distinguished:

- Technical provisions of assets for active and on-hold numbered members, which will be made up of savings contributions made and the results of the investments attributable to them, after deduction of the costs allocated to them.
- Technical provisions of liabilities for passive members and beneficiaries, the amount of which will correspond to the current value of future payments.

e) Other reserves and provisions determined by the regulations in each case.

At the proposal of the Governing Board the General Assembly will be able to set up other reserves for the correct operation of the Entity and the development of new allowances.

SECTION THREE. ECONOMIC RIGHTS

Article 48. Economic Rights.

Economic Rights define the capital set up to generate the allowances and determine their amount at the time of the triggering event.

Economic Rights are made up of savings and, where applicable, of the additional capital, as defined in the Allowance Regulations.

CHAPTER V. CONTRIBUTIONS AND ALLOWANCES

SECTION ONE.- CONTRIBUTIONS

Article 49. Contributions.

The contributions to be made both by the people employed and by the Institutions will be made in accordance with the annual bases approved and published by Elkarkidetza, divided into 14 payments in accordance with the provisions of the Institutional-Trade Union Agreement of the Local and Provincial Administration, and without prejudice to the provisions of the Collective Bargaining or Salary Agreements of the rest of the member Institutions of the Entity, having to be notified to the Entity for approval.

The amount of the bases will increase every year and their amounts, rounded off to two decimals, may not be lower than those of the previous year.

The annual increase to be applied to the bases will be the increase in the CPI of the Autonomous Community of the Basque Country between November in the year in progress and November in the previous year.

The contributions of the sponsoring members and the numbered members will be set in accordance with the relevant Collective Salary or Bargaining Agreements that affect each Institution.

The member contributions will be for an amount equal to those allocated by the Institution, i.e. the contributions will be equal, in accordance with what is established for each Institution according to their Collective Salary or Bargaining Agreement having to be notified to the Entity for approval and with what is set out in the next article concerning voluntary contributions.

In any case, 90% of the contributions will be earmarked for savings and the remaining 10% for making up the additional capital in the contingencies of death and invalidity.

The obligation to make the contribution will begin on the day of registration with the Entity.

The contribution of fees by the sponsoring member and the numbered member will end when the corresponding allowance comes into effect.

When two months have passed without payment of the contributions being made, the risk coverage will remain on hold, unless the Entity accepts exceptional circumstances that justify the validity of such coverage.

In cases where the contribution is not paid, the right to collection of the additional capital will not be generated. While payment of the contribution is maintained, it will generate the right to collection of the additional capital for those risks not expressly excluded at the time of registration.

Article 50. Voluntary contributions.

Without prejudice to the above provisions, those members who cannot reach a period of 40 years of paying contributions to Elkarkidetza on retirement, who have suffered gaps in their contributions during their working lives or where the basic amount contributed is lower than their salary may ask to make an individual monthly voluntary contribution to be incorporated into their Economic Rights, the annual sum of which may not exceed €4,000.

This voluntary contribution, which will be understood as an enhanced commitment of the member, may only be modified for annual periods and will be increased and distributed in accordance with what is set out in the previous article.

In any case, 90% of the contributions will be earmarked for savings and the remaining 10% for making up the additional capital in the contingencies of death and invalidity.

SECTION TWO.- ALLOWANCES IN GENERAL

Article 51. Classes of allowances

The Entity will grant the following allowances:

- a) Retirement.
- b) Permanent Incapacity.
- c) Widowhood.
- d) Orphanhood.
- e) Death.
- f) Serious illness.
- g) Long-term unemployment.

Article 52. Allowance system.

The allowances will be paid by collection of income or capital calculated on the basis of the Economic Right and, where applicable, the additional capital existing at the time of becoming eligible for the allowance in accordance with what is set out in the Allowance Regulations.

Receipt of the allowance in the form of capital will take place when the income authorised in accordance with the stipulations of the Regulations does not reach the minimum amount of the monthly pension approved by the Governing Board and published by Elkarkidetza for each year.

The minimum monthly pension amount established comes to 100 euros, and its amount will be increased every year and its amount, rounded off to the nearest whole number, may not be lower than that of the previous year.

The annual increase to be applied to the minimum monthly pension will be the increase in the CPI of the Autonomous Community of the Basque Country between November in the year in progress and November in the previous year.

Article 53. Compatibility of allowances.

The allowances of the Entity are compatible with those that may be allocated to passive members and beneficiaries through other private or public entities, or the Social Security.

Article 54. Right to allowances.

Each numbered member of the Entity and, where applicable, those people who may be eligible on their behalf will have the right to the allowances set out in these Articles of Association, as long as they meet the requirements that are set out in the Allowance Regulations for each allowance and in the conditions defined, unless there is seizure or legal or administrative impediment, in which case, the provisions of the relevant writ shall apply.

In any case, once the triggering event has occurred, acknowledgement of the right to collection of the allowance and its payment will be made before the final day of the month after month in which the application was presented.

Article 55. Retirement Allowance.

55.1. When the contingency of retirement has occurred as specified in the Allowance Regulations, the retirement allowance will give the numbered member the right to receive a financial allowance.

The retirement allowance will consist of the payment of a temporary income until the age of 90 plus a life annuity from that age calculated at the time of becoming eligible for the allowance according to the Economic Right accumulated at that time. This life annuity will include for the beneficiary of widowhood a life annuity of 100% of the retirement income.

The beneficiary of widowhood of the retired person is their spouse, except for a duly accredited legally separated spouse, as well as their partner “more uxorio” even if there is no matrimonial connection, as long as at least one year of cohabitation can be accredited.

Anyone who has been convicted by final judgement for committing intentional homicide in any of its forms or of injury will lose their status of beneficiary of widowhood when the victim of said crime was the originator of the allowance.

If the retired person dies, the person who is the beneficiary of widowhood will retain the right to collect the same allowance.

If the retired person dies before the end of the period of payment of the temporary allowance without there being a beneficiary of widowhood, or if that person dies, the children, or, by default, the heirs of the numbered member may choose between:

- maintaining the right to collect the same income until the end of the period, i.e. the date on which the numbered member would have reached 90 years of age, or

- receiving a lump sum made up of the income pending receipt for a certain period up to the numbered member's 90th birthday, plus the technical interest used to calculate the income.

Distribution of the amounts listed in the previous paragraph is made in equal parts between the children or, where applicable, the heirs.

For the purposes of this allowance, the heirs of the numbered member are the persons named as heirs, or, by default, the legal heirs.

55.2. The amount of 25% of the total savings may be received as a lump sum, as long as the resulting income, calculated with the remaining Economic Right, exceeds the minimum amount established for collection in the form of income. If this income is less than the minimum amount established for collection in the form of income, only the amount above the minimum monthly pension established may be received in the form of capital.

The amount of the pension in the form of capital may never be higher than the savings corresponding to the individual contributions of the member at the time of becoming eligible for the allowance.

If applicable, once the amount of the pension in the form of capital is established, the numbered member will be entitled to request a lower amount.

Article 56 Permanent incapacity allowance.

56.1. When the contingency of permanent incapacity has occurred as specified in the Allowance Regulations, the permanent incapacity allowance will give the numbered member the right to receive a financial allowance.

The permanent incapacity allowance will consist of the payment of a temporary income until the age of 90 plus a life annuity from that age calculated at the time of becoming eligible for the allowance according to the Economic Rights accumulated at that time. This life annuity will include for the beneficiary of widowhood a life annuity of 100% of the permanent incapacity income.

The Economic Rights corresponding to active numbered members will include the economic right and the additional capital, and for numbered members on hold the Economic Right will not include the additional capital.

The beneficiary of widowhood of the disabled person is their spouse, except for a duly accredited legally separated spouse, as well as their partner “more uxorio” even if there is no matrimonial connection, as long as at least one year of cohabitation can be accredited.

Anyone who has been convicted by final judgement for committing intentional homicide in any of its forms or of injury will lose their status of beneficiary of widowhood when the victim of said crime was the originator of the allowance.

If the disabled person dies, the person who is the beneficiary of widowhood will retain the right to collect the same allowance.

If the disabled person dies before the end of the period of payment of the temporary allowance without there being a beneficiary of widowhood, or if that person dies, the children, or, by default, the heirs of the numbered member may choose between:

- maintaining the right to collect the same income until the end of the period, i.e. the date on which the numbered member would have reached 90 years of age, or
- receiving a lump sum made up of the income pending receipt for a certain period up to the numbered member's 90th birthday, plus the technical interest used to calculate the income.

Distribution of the amounts listed in the previous paragraph is made in equal parts between the children or, where applicable, the heirs.

For the purposes of this allowance, the heirs of the numbered member are the persons named as heirs, or, by default, the legal heirs.

56.2. The amount of 25% of the total savings may be received as a lump sum, as long as the resulting income, calculated with the remaining Economic Right, exceeds the minimum amount established for collection in the form of income. If this income is less than the minimum amount established for collection in the form of income, only the amount above the minimum monthly pension established may be received in the form of capital.

The amount of the pension in the form of capital may never be higher than the savings corresponding to the individual contributions of the member at the time of becoming eligible for the allowance.

If applicable, once the amount of the pension in the form of capital is established, the numbered member will be entitled to request a lower amount.

Article 57. Widowhood allowance due to death of the active or on-hold numbered member with a beneficiary of widowhood.

57.1. Widowhood allowance due to death of the active or on-hold numbered member will consist of payment of a financial allowance to the beneficiary.

The widowhood allowance due to death of the active or on-hold numbered member will consist of the payment of a temporary income until the age of 90 plus a life annuity from

that age calculated at the time of becoming eligible for the allowance according to the Economic Rights accumulated at that time.

The Economic Rights corresponding to active numbered members will include the economic right and the additional capital, and for numbered members on hold the Economic Right will not include the additional capital.

The beneficiary of widowhood of the deceased person is their spouse, except for a duly accredited legally separated spouse, as well as their partner “more uxorio” even if there is no matrimonial connection, as long as at least one year of cohabitation can be accredited.

Anyone who has been convicted by final judgement for committing intentional homicide in any of its forms or of injury will lose their status of beneficiary of widowhood when the victim of said crime was the originator of the allowance.

If, before the end of the period of payment of the temporary allowance the beneficiary of widowhood dies, the children, or, by default, the heirs of the numbered member may choose between:

- maintaining the right to collect the same income until the end of the period, i.e. the date on which the beneficiary of widowhood would have reached 90 years of age, or
- receiving a lump sum made up of the income pending receipt for a certain period, up to the beneficiary of widowhood 's 90th birthday, plus the technical interest used to calculate the income.

Distribution of the amounts listed in the previous paragraph is made in equal parts between the children or, where applicable, the heirs.

For the purposes of this allowance, the heirs of the numbered member are the persons named as heirs, or, by default, the legal heirs.

57.2. The amount of 25% of the total savings may be received as a lump sum, as long as the resulting income, calculated with the remaining Economic Right, exceeds the minimum amount established for collection in the form of income. If this income is less than the minimum amount established for collection in the form of income, only the amount above the minimum monthly pension established may be received in the form of capital.

The amount of the pension in the form of capital may never be higher than the savings corresponding to the individual contributions of the member at the time of becoming eligible for the allowance.

If applicable, once the amount of the pension in the form of capital is established, the beneficiary of the active or on-hold deceased numbered member will be entitled to request a lower amount.

Article 58. Orphanhood allowance due to death of the active or on-hold numbered member with a beneficiary of orphanhood.

58.1 The orphanhood allowance due to death of the active or on-hold numbered member will consist of the payment of capital or a temporary income, as applicable, to the beneficiary until they reach 25 years of age, as long as no right exists to the widowhood allowance.

Beneficiaries are the children of the deceased person, as long as there is no widowhood allowance.

58.2 The capital corresponding to this allowance will be calculated at the time of becoming eligible for the allowance according to the Economic Rights accumulated at that time distributed in equal parts between all of the children of the numbered member. Each orphan under the age of 25 will receive the amount that corresponds to them as a temporary income until they reach that age.

The Economic Rights corresponding to active numbered members will include the economic right and the additional capital, and for numbered members on hold the Economic Right will not include the additional capital.

If the beneficiary of orphanhood dies before the end of the period of payment of the temporary allowance, the heirs of the numbered member may choose between:

- maintaining the right to collect the same income until the end of the period, i.e. the date on which the orphan would have reached 25 years of age, or
- receiving a lump sum made up of the income pending receipt for a certain period, up to the orphan's 25th birthday, plus the technical interest used to calculate the income.

Distribution of the amounts listed in the previous paragraph is made in equal parts between the heirs.

For the purposes of this allowance, the heirs of the numbered member are the persons named as heirs, or, by default, the legal heirs.

Article 59. Allowance due to death of the active or on-hold numbered member without a beneficiary of widowhood or orphanhood.

59.1 The allowance for the death of the active or on-hold numbered member consists of payment of capital in favour of the heirs of the member when their death takes place without giving rise to widowhood or orphanhood allowances.

59.2 The capital corresponding to this allowance will be calculated at the time of becoming eligible for the allowance according to the Economic Rights accumulated at that time.

The Economic Rights corresponding to active numbered members will include the economic right and the additional capital, and for numbered members on hold the Economic Right will not include the additional capital.

Article 60. Serious illness allowance.

The serious illness allowance specified in the Regulations will consist of receipt, while the situation lasts, of a monthly income of up to five times the average of the last twelve individual and attributed contributions, charged to their Economic Right until it has expired.

During the period of receiving these allowances, the obligation of making contributions to the Entity will still apply for active numbered members.

Article 61. Long-Term unemployment allowance.

The long-term unemployment allowance specified in the Regulations will consist of the receipt, while the situation lasts, of a monthly income equivalent to the allowance remuneration for the contribution level of the member, unless the latter has requested a lump sum payment of the allowance for the specific purpose of creating jobs, charged to their Economic Right until it has expired.

CHAPTER VI. DISCIPLINARY SYSTEM FOR MEMBERS AND SYSTEM FOR CHALLENGING THE AGREEMENTS OF THE GOVERNING BODIES

SECTION ONE.- FAULTS AND PENALTIES

Article 62. Faults.

Numbered members and their beneficiaries will incur liability for committing the faults set out in this section.

Article 63. Types of faults.

Faults may be minor, serious or very serious.

63.1. The following are minor faults:

a) Failure to comply with statutory provisions, regulations or rules of operation by inexcusable ignorance.

b) Not informing the Entity of a change of address.

63.2. The following are serious faults:

- a) Not informing the Entity of any change in their circumstances or those of their beneficiaries that may affect the allowances to be received.
- b) Repeat offending regarding the minor faults defined in the previous section of this article within a two-year period.

63.3. The following are very serious faults:

- a) Concealing, simulating, provoking or worsening voluntarily or maliciously any type of illness or accident that generates or might generate allowances or expenses for the Entity.
- b) Defrauding or voluntarily providing the means that lead to such an outcome to the detriment of the interests of the Entity.
- c) Repeat offending regarding any of those listed in section 2 of this article within a two-year period.

Article 64. Penalties.

The penalties that may be imposed for the faults listed in the previous article may be, generally, as follows:

64.1. For minor faults, verbal or written warning.

64.2. For serious faults:

- a) Public admonition with the degree of publicity established by the Governing Board for the penalty to serve as an example.
- b) A fine, the amount of which will be determined by the Governing Board, with a maximum of one year's contributions.
- c) Partial suspension of the allowances for a period no longer than one month.

64.3. For very serious faults:

- a) Partial or complete suspension of the allowances for a period no longer than six months.
- b) Repayment of overpaid amounts and a fine which will be applied by resolution of the Governing Board, and in view of the seriousness of the fault committed may reach an

amount up to ten times higher than such amounts, and may also, where appropriate, lead to their expulsion from the Entity.

c) In cases where the fault is not subject to economic valuation, a fine will be imposed, the amount of which will be determined by the Governing Board with a maximum of two years' contributions, and may also, where appropriate, lead to their expulsion from the Entity.

d) Expulsion.

SECTION TWO.- PROCEDURE AND APPEALS

Article 65. Case File.

All documents in the faults case file will be completed in duplicate, with one remaining in the Entity archive together with the member's file, as follows:

65.1. The first classification of the faults will correspond to the Chair of the Entity, who will inform the affected person in writing together with the proposed penalty. The person concerned may make a deposition within ten working days of the date of notification. Once this period has ended, the Chair, with or without a deposition, will make a decision in the first instance.

65.2. The person concerned may appeal against the penalty before the Governing Board in writing, and the latter will confirm or change the classification and penalty definitively without any subsequent appeal. The Governing Board will make the decision at the first board meeting held after receipt of the document.

65.3. In the event that the penalty imposed is expulsion, the party subject to penalty may appeal in writing in the final instance before the General Assembly within one month after the notification of the penalty. The General Assembly will reach a decision when its next meeting is held. Under no circumstances will the lodging of an appeal suspend the effectiveness of the penalty in this case.

Article 66. Time limits.

The time limits for presenting the appeals set out in the previous article, after communication of the corresponding faults, will be as follows:

- Fifteen working days for minor faults.
- Eighteen working days for serious faults.

- Twenty-one working days for very serious faults.

Minor faults will expire four months after they were committed; serious faults after six months, and very serious faults after twelve months.

Article 67. Enforcement.

All penalties, except for expulsion, will take effect from the day after the corresponding period of appeal has ended, without the person concerned having made use of this right, or from the day after the corresponding fault was adopted by the competent body and it became definitive.

Article 68. Cancellation.

Each year, the Governing Board may cancel the penalties imposed, annulling the entries of the penalties passed on the members and reinstating them as compliant with their duties to the Entity.

SECTION THREE.- CHALLENGING OF AGREEMENTS OF THE GOVERNING BODIES

Article 69. Legal arbitration.

Challenging of the agreements of the General Assembly and, where applicable, the Governing Board of the Entity that are against the law, oppose the articles of association or harm, to the benefit of one or more members or third parties, the interests of the Voluntary Social Welfare Entity or of its members or beneficiaries, unless they have been left without effect or validly substituted by others, prior to the lodging of the claim, shall be resolved definitively, with waiver of any jurisdiction that might correspond to them, before the Arbitral Commercial Tribunal of Bilbao, which is allocated the administration of the arbitration and the appointment of the arbitrator, who will be a sole arbitrator and will resolve the dispute by Law, all according to the Regulations and statutes of the above-mentioned Arbitral Tribunal, also agreeing express submission of the Members and the Entity to the arbitral award dictated by said Tribunal.

Article 70. Action of challenge.

70.1. The action of challenge of the agreements of the governing bodies of the Entity will expire within a period of one year, unless it concerns agreements that due to their circumstances, cause or content were to be contrary to public order, in which case the action will not expire or be subject to a statute of limitation.

70.2. The expiration period will be calculated from the date of adoption of the agreement.

Article 71. Legitimation.

Any of the members, beneficiaries and members of the governing bodies that accredit a legitimate interest are qualified.

SECTION FOUR.- AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND REGULATIONS

Article 72. Amendments to the Articles of Association and Regulations.

72.1 Amendments to the Articles of Association shall be the responsibility of the General Assembly of the Entity by resolution adopted by two-thirds majority of the votes cast.

72.2 Amendments to the Allowance Regulations shall be the responsibility of the Governing Board of the Entity by agreement adopted by simple majority of the votes cast.

72.3 The effectiveness of an amendment to the Articles of Association and Allowance Regulations will require administrative authorisation from the Department of Treasury and Finance of the Basque Government or the body replacing it, where applicable, as well as registration in the Register of Voluntary Social Welfare Entities of the Basque Country.

CHAPTER VII. RESOLUTION OF CONFLICTS WITHIN THE ENTITY

Article 73. Claims from members.

73.1 Members and beneficiaries will present to the Governing Board any complaints or claims in relation to their interests and rights recognised in the Articles of Association and the Allowance Regulations and other substantive rules that apply.

73.2 Complaints and claims will be presented in writing before the Governing Board stating the reason for them and specifying the matters on which a decision is called for, accompanied by the documents and evidence considered appropriate.

Article 74. Period for submission and resolution.

74.1 The period for submission of the complaint or claim shall be one year from the date on which the event took place that originated the complaint or claim.

74.2 The complaint or claim shall be resolved within a period of 15 days from the date of its arrival at the Entity. Once this period has ended without there being an express resolution, it will be understood to have been rejected and the administrative, arbitral and judicial routes will remain open.

For the purposes of resolving claims by the Governing Board, it is stated that in accordance with the express delegation provided for in the Articles of Association in favour of the Chair, the latter will be responsible for resolving them when the Governing Board is unable to meet within the period for conflict resolution. Notwithstanding this Delegation, it will be considered to all intents and purposes that the resolution has been adopted by the Governing Board.

74.3 The resolution will, in any case, be motivated and contain the fundamentals of legal application of the statutory, regulatory and substantive rules, notifying the interested party within 10 days of its adoption.

This resolution shall be binding for the Entity, regardless of the right of the interested party to take further action on the same question whether administrative, judicial or arbitral.

CHAPTER VIII. DISSOLUTION AND EXTINCTION OF THE ENTITY

Article 75. Causes of dissolution.

75.1 The Entity will be dissolved when any of the following causes occurs:

- a) Conclusion of the corporate purpose or manifest impossibility of its conclusion.
- b) Extinction of the collective of members and beneficiaries.
- c) Stoppage or interruption of the welfare activity without justified cause for two consecutive financial years.
- d) Full merger or split
- e) Agreement of the Extraordinary General Assembly in accordance with the majority stated in these Articles of Association.
- f) Impossibility of completing a rebalancing plan within the time and conditions determined in the substantive rule that applies

75.2 In any case, dissolution and liquidation occurs when the Administration revokes authorisation for the exercise of the activity of the Entity in accordance with the substantive rules.

Article 76. Procedure for liquidation, asset allocation and earmarking of funds.

Once the dissolution of the Entity has been agreed, the liquidation procedure shall be conducted in compliance with the formalities and procedures under the substantive rules that apply, allocating the assets as provided therein.

However, the excess, if there is any, once the legal provisions for allocation of assets have been completed, will be distributed proportionally among active and on-hold numbered members.