

STATUTES OF THE INTERNATIONAL ASSOCIATION OF EDUCATING CITIES

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STATUTES OF THE

INTERNATIONAL ASSOCIATION OF EDUCATING CITIES

TITLE I

Name

CHAPTER I

Constitution and Purpose of the Association

<u>ARTICLE 1</u>.- The "Asociación Internacional de Ciudades Educadoras" – hereon, IAEC - is constituted for an indefinite period of time as an independent entity and in accordance with current legislation in force in Spain. (in English, International Association of Educating Cities and in French, Association Internationale des Villes Educatrices).

<u>ARTICLE 2</u>: The IAEC shall be governed by these statutes and other regulations pursuant hereto, and by Spanish legislation in force in respect of any other matters not expressly set down hereunder.

<u>ARTICLE 3</u>.- The IAEC is a non-profit Association of local governments and a legal entity under Spanish law, and has full power to carry out its purposes and administer and dispose of its assets.

<u>ARTICLE 4</u>.- The IAEC is constituted as a permanent structure for collaboration amongst the governments of the cities interested in compliance with the principles set down in the Charter of Educating Cities, which is attached hereto as Appendix I, and which forms an integral part of these statutes.

The purposes for which the IAEC is constituted are:

- a) To proclaim and champion the importance of education in the city.
- b) To publicise the educative axes of the political projects of the member cities.
- c) To promote, inspire, foster, and assure compliance with the principles of the Charter of Educating Cities (Declaration of Barcelona) by the member cities, and provide advice and information to the members on fostering and implementing the same.
- d) To represent the Members in the undertaking of the purposes of the association, in relating to and collaborating with international organisations, states, territorial entities of all kinds, so that the IAEC can be a valid,

significant interlocutor in the processes of influencing, negotiating, decisionmaking and the drafting of documents.

- e) To establish a relationship and collaboration with other associations, federations, bodies or territorial networks and, especially, with cities, in similar, complementary or competing areas of action.
- f) To cooperate in all territorial areas within the framework of the purposes of the Association.
- g) To boost the membership in the Association of the cities of the world.
- h) To boost the deepening of the Educating City concept and its specific applications to the policies of cities through exchanges, encounters, shared projects, congresses and all types of activities and initiatives that reinforce the links between the member cities, in the area of the bureaus, territorial networks, thematic networks and other bodies.

ARTICLE 5. - The IAEC shall undertake its activities in all the countries in the world.

The registered office of the Association is located in Calle Avinyó 15 - 08002 Barcelona (Spain). The change of registered office within Spain¹ will require the unanimous adoption of a resolution by the full Executive Committee and must be announced at the first General Assembly held thereafter for its ratification. This change shall be filed with the National Registry of Associations, by means of a certificate attesting to the respective resolution.

The Association will promote to the greatest extent possible the use of information and communication technologies for its organization and functioning.

<u>ARTICLE 6.</u>- The Association shall be entitled to constitute itself as a federation or confederation and unite with third parties in federations, confederations, bodies or unions, by virtue of a express resolution to this effect adopted by a two-thirds vote by the competent body.

CHAPTER II

On the members of the IAEC, their rights and obligations.

<u>ARTICLE 7</u>.- All the cities in the world can join the IAEC through their local governments, in accordance with the procedure set down in the Internal Regulations.

<u>ARTICLE 8</u>. - The rights of the members of the IAEC are as follows:

- a) To participate in the direction and management and in the activities of the IAEC.
- b) To attend the meetings of the General Assembly with voice and vote,

¹ The change of registered office is only possible in Spain, since the IAEC is an entity constituted under Spanish legislation, which requires all Associations registered in Spain to have their registered office there.

- c) To elect the members of the Executive Committee.
- d) To present their candidacy to any office in the governing bodies of the IAEC.
- e) To request information on the activity of the Association, the management of the Executive Committee, and on the accounts and administration of the IAEC, in accordance with the provisions set down in the Internal Regulations.
- f) To have access to the International Documents Bank of Educating Cities to consult information and contribute new experiences and have their own website in the portal of the Association in order to report on the activities of the city in line with the Charter.
- g) To obtain information on the activities of the IAEC.
- h) To present their candidacy for the organisation of an International Congress of Educating Cities.
- i) To obtain guidance and advice from the Association in the roll out and implementation of the principles in the Charter of Educating Cities (Declaration of Barcelona).
- j) To be heard prior to the adoption of (disciplinary) sanctions and be informed of the facts that have given rise to such measures. The resolution which, as the case may be, determines the future adoption of these measures must be grounded.

<u>ARTICLE 9</u>. - The members of the IAEC shall have the following obligations:

- a) To respect, promote and develop the principles of the Charter of Educating Cities in their area of influence.
- b) To attend the acts of the IAEC and comply with the resolutions adopted by the General Assembly and the Executive Committee.
- c) To promptly pay the dues established. The consequences of failing to do so are described in the Internal Regulations.
- d) To bring their actions into line with the legal and/or statutory rules of the IAEC, and comply with the other obligations pursuant thereto.

Likewise, the members of the IAEC undertake to:

a) Maintain the collaboration necessary in the interest of the proper functioning of the IAEC.

- b) Participate in the preparation of reports and other documents necessary for the Association.
- c) Inform the Secretariat in writing, using the means and format determined by the Executive Committee, at least once per year of the initiatives, activities, programs, etc. of the city itself or those carried out in collaboration with other member cities, in accordance with the Internal Regulations.
- d) To access the website of the IAEC, <u>www.edcities.org</u>, in order to: (i) know the regulations of the IAEC (law, statutes, regulations, etc.) in force at all times; (ii) be informed of the calls for the Assembly, (iii) access the minutes adopted by the Assembly; (iv) keep abreast of the activities and other news of the Association
- e) Exercise the functions and representation entrusted to them by the governing bodies of the IAEC.

<u>ARTICLE 10</u>. - The causes for voluntary resignation or expulsion from the IAEC are as follows:

- Resignation: express declaration from the city itself in writing to the Executive Committee, in the same manner as set down for joining the Association in the Internal Regulations.
- Expulsion: expulsion as a member from the Association due to noncompliance with the statutory obligations and commitments and especially due to the default on payment of the dues of the IAEC, in accordance with the provisions of the Internal Regulations.

TITLE II

On the organisation and the functioning of the IAEC.

<u>ARTICLE 11</u>.- The governing bodies of the IAEC are the General Assembly and the Executive Committee.

CHAPTER I

On the Assembly or General Assembly

<u>ARTICLE 12</u>.- The General Assembly is the supreme body of IAEC and is made up of all the member cities. The members of the Assembly are the representatives of the different member cities and they form part of the Assembly by virtue of their irrevocable rights as members. Each city shall have the right to a single vote and shall express itself through a spokesperson who must be accredited as such, in accordance with the provisions of the Internal Regulations.

The decisions of the Assembly shall be binding on all the member cities, including those that have cast their ballot against the resolution, or spoiled their ballot, or have abstained and/or have not attended.

ARTICLE 13.- Functions of the General Assembly.-

- a) Election of the President.
- b) Election or substitution of the members of the Executive Committee, as per the provisions of these Statutes.
- c) Decision or ratification of the new members to and leavers from the IAEC proposed by the Executive Committee.
- d) Modification of the statutes of the IAEC and adoption of the Internal Regulations, and other rules pursuant thereto.
- e) Adoption of the reports on activities, which are presented by the Executive Committee and monitoring of the undertaking of the same.
- f) Adoption of the management of the Executive Committee.
- g) Adoption of the action proposals to achieve the objectives of the IAEC, set down in the Action Plan, presented by the Executive Committee.
- h) Adoption of the annual dues.
- i) Adoption of the profit and loss accounts for the year, and adoption of the budgets and their control.
- j) Agreeing to the merger, winding up and liquidation of the IAEC.
- k) Agreeing to the association, federation and any other form of union with third parties
- I) Adoption of any modification to the system of organisation and functioning of the IAEC, including the change to a federation or confederation.
- m) Deciding on whether to declare the Association to be a Public Interest Entity.

ARTICLE 14. - Meetings

The meetings of the General Assembly will be either ordinary or extraordinary. The ordinary meetings must be held once per year; the extraordinary meetings, under the conditions set down by law, are subject to a call by the Executive Committee, or when they are proposed in writing by the Committee itself, the President or a number of members no less than two thirds of the IAEC.

The meetings of the General Assembly will be presided over by the city that holds the Presidency of the IAEC. Failing this, this city will be replaced first of all by the city that occupies the Vice-Presidency, or by the city that has sat the longest on the Executive Committee.

ARTICLE 15.- Calls

Both the ordinary and extraordinary General Assembly shall be called by the Executive Committee by issuing a call in writing at least 20 calendar days in advance of the date it is to be held. The calls must at least contain the date, time and place of the meeting, and the agenda, and will be addressed to the member city at the domicile recorded to such purpose by the Association.

The final list of the member Cities will be closed 30 natural days prior to the date of the General Assembly.

The documentation must be made available to the members of the IAEC fifteen calendar days prior to the General Assembly.

The additional matters that the member cities present will be included in the agenda, provided that they have been submitted to the Executive Committee by the established deadline, in accordance with the provisions of the Internal Regulations.

The Minutes of the meeting (statements of the deliberations, text of the resolutions adopted and results of the balloting) will be sent to all the members of the General Assembly within three months. The Executive Committee shall decide at all times how the notifications shall be made, in accordance with the provisions of the Internal Regulations. Posting the minutes on the website of the IAEC will constitute official communication of the same. The cities shall have one month to address their comments to the Secretariat. Said comments must refer to the points in the Minutes that do not faithfully and loyally reflect the resolutions of the Assembly.

The Minutes of the preceding meeting will be ratified at the commencement of the next meeting of the General Assembly.

<u>ARTICLE 16.</u>- The General Assembly shall be validly consisted on first call if at least one half of its members are present or if they are represented as per the provisions of article 17.

The Assembly shall also be validly constituted on second call, irrespective of the quorum in attendance. The meeting on second call must be held fifteen minutes after the first call and in the same place, and must be included in the announcement of the call.

<u>ARTICLE 17.</u> At the meetings of the General Assembly, each member city shall have one vote. If a city cannot attend the meeting, the members of the IAEC can delegate their vote to another member the Association. The maximum number of proxy votes that a city can receive shall not exceed ten.

The balloting will generally be undertaken by a show of hands. The President shall be entitled to propose a secret ballot if he or she deems this to be necessary; this can only be proposed upon request by at least one fourth of the members.

<u>ARTICLE 18</u>: Except for the adoption of those resolutions which expressly require a special quorum for their adoption, all resolutions will be adopted by a simple majority vote of the member cities present, or duly represented at the Assembly, on the matters listed on the agenda.

However, the expulsion of a member or the winding up of the Association, or the merger, union or integration into an already existing organisation or one created to such purpose, or the modification of the statutes or of the Charter of Educating Cities, will require a two thirds majority of the ballots cast by the members present at the Assembly.

CHAPTER II

On the Executive Committee

ARTICLE 19.- The functions of direction, management, execution and representation of the IAEC pertain to the Executive Committee, made up of the number of members as determined by the General Assembly, which cannot be less than 11 or more than 15.

The Executive Committee will be made up of: ordinary members, associated members and founding members.

- Ordinary members: insofar as possible, the Executive Committee will be made up of at least one member city from each continent. The ordinary members can be: (i) member cities of the IAEC that have been elected directly by the Assembly after having presented their candidacies and; (ii) cities representing territorial networks and/or bureaus.

- Associate members: the cities organising the last and forthcoming Congress. Their mandate begins as from the time they are designated by the Executive Committee and terminates four years later. The maximum number of associate members will be 2, and they shall have the right to attend the meetings of the Executive Committee with voice but not vote.

- Founding members: these are the member cities that have sat on the Executive Committee since the signing of the Collaboration Protocol for the Constitution of the IAEC, i.e., Barcelona, Rennes and Turin. The duration of their mandate is permanent.

The Executive Committee will be made up of the following offices, which will be decided by the Committee itself, except for the President, who is elected by the General Assembly:

- President
- Vice-President

- The office of the Secretariat
- Treasurer
- Members

The Presidency of the Executive Committee will be exercised by the city which occupies the Presidency of the IAEC.

The same city shall be entitled to hold the office of the Secretariat and any other office at the same time, but it will never have more than one vote.

The Executive Committee shall be entitled to invite to its meetings any other member of the Association or any other natural or legal person, providing that it considers it to be necessary in light of the specificity of the matter to be dispatched. Said guest shall have voice solely when he or she is given the floor.

<u>ARTICLE 20</u>.- The ordinary members of the Executive Committee shall exercise their offices during a period of four years and shall be entitled to be re-elected consecutively, although the partial renewal of the Committee will be encouraged.

The election of the members of the Executive Committee will be carried out by the General Assembly by means of half the votes plus one of the members in attendance. The members elected will take possession of their offices after having accepted it, in accordance with the Internal Regulations of the Association.

All members of the Executive Committee shall be entitled to leave office voluntarily before their statutory term expires by presenting their resignation in writing, justifying their reasons for doing so, or, as a result of their expulsion approved by the General Assembly. Their resignation can be debated and approved by any Assembly even if it does not appear on the Agenda.

The vacancies in the Executive Committee will be covered by the first General Assembly that is held.

<u>ARTICLE 21</u>.- The Executive Committee has the following powers:

21.1.- In terms of representation:

- a) To designate, from amongst its members, the offices of Vice-President, Treasurer and the Secretariat.
- b) To ratify the General Secretary.
- c) To represent the IAEC and undertake its administration, execute the decisions made by the General Assembly in accordance with the rules, instructions and the general directives established by said General Assembly.
- d) To adopt the resolutions that are necessary in relation to the appearance of the IAEC before public bodies and in order to exercise all types of legal actions and file all pertinent appeals.
- e) To make the decisions necessary regarding the legal representation and defence of the interests of the members.

- f) To provisionally resolve any matters not included in these Statutes or in the Internal Regulations and report on the same at the next General Assembly.
- g) To exercise the competencies not expressly assigned under these Statutes or in the Internal Regulations that the governing bodies expressly delegate to the Executive Committee.
- 21.2.- In relation to the Congresses.
 - a) To select the city to host the subsequent International Congress and General Assembly from amongst the candidacies received.
 - b) To select the themes of the congresses and verify that their organisation coincides with the objectives of the Association. If not, the Executive Committee reserves the right to withdraw the support of the IAEC.
- 21.3.- In regards to the various responsibilities and activities.
 - a) To propose the Action Plan to the General Assembly.
 - b) To undertake and execute the resolutions adopted by the General Assembly.
 - c) To analyse, assess and disseminate the reports of the cities and the different bureaus, networks or other bodies (Art. 29).
 - d) To validate all the publications of the Association.
 - e) To create working groups in order to achieve, as efficiently and effectively as possible, the objectives of the IAEC; to authorise the events which these groups plan to undertake; and to appoint a member of the Executive Committee as the person responsible for each working group.
- 21.4.- In regards to the General Assembly.
 - a) To call the General Assemblies and assure that the decisions they adopt are respected.
 - b) To propose the holding of Extraordinary General Assemblies when deemed necessary.
 - c) To propose to the General Assembly the defence of the interests of the IAEC.
 - d) To prepare the activity reports, and draft the evaluation report upon completion of the Action Plan.

- e) To propose to the General Assembly the dues for membership in the IAEC, and justify them.
- 21.5.- In regards to the budget.
 - a) To present the balance sheet, the annual accounts and prepare the budgets for the following year.
 - b) To carry out the measures necessary before public bodies, entities and other persons in order to obtain grants and other subsidies and the use of premises and buildings.
- c) To open current accounts and savings accounts, draw funds, acquire and dispose of the assets of the IAEC, in accordance with the provisions of article 35.
- 21.6.- In regards to Administration.
 - a) To delegate to the Secretariat those activities deemed necessary to the ordinary functioning of the Association.

21.7.- Furthermore, to exercise all those competencies not expressly attributed under these Statutes or in the Internal Regulations.

<u>ARTICLE 22</u>.- The Executive Committee, after being called by the President or by the person to whom he or she delegates such a decision, will meet in ordinary session as frequently as decided by its members, which shall be no less than once per year. The Committee shall meet in extraordinary session when convened as such by the President or when requested by at least half of its members.

<u>ARTICLE 23</u>.- The Executive Committee shall be validly constituted when called in accordance with the notice periods set down in the Regulations, and providing that half the members are in attendance on first call, and any of them on second call.

The members of the Executive Committee must attend all the meetings that are called.

<u>ARTICLE 24</u>.- The Executive Committee shall adopt its resolutions by simple majority vote of the members present at its meetings. However, it must decide on the offices of Vice-President, Treasurer and Secretariat from amongst its members by half the votes of those present plus one.

CHAPTER III

On the President and Vice-President

<u>ARTICLE 25</u>.- The President of the IAEC shall also exercise, at the same time, the Presidency of the Executive Committee. His or her election shall be undertaken at the General Assembly by virtue of a vote in favour of two thirds of the members present thereat, upon the proposal the Executive Committee. The duration of his or

her mandate will be four years, and renewal can be indefinite, except when two thirds of the members demand a change.

The functions of the President are as follows:

- a) The direction and representation of the IAEC,
- b) The Presidency and chairing of the debates, both of the General Assembly and the Executive Committee.
- c) The execution of the resolutions of the General Assembly and the Executive Committee.
- d) Proposing the meetings of the General Assembly and the Executive Committee, to be called by the respective body.
- e) The adoption of the minutes.
- f) The exercising of the functions pertaining to this office, which have been delegated to him or her by the General Assembly or the Executive Committee.

In the event of a tie in a vote by the General Assembly or the Executive Committee, the President will cast the tie-breaking ballot.

The city that holds the Presidency will be substituted by the Vice-Presidency or the longest-serving Member city on the Executive Committee, correlatively in that order.

CHAPTER IV

On the Secretariat and General Secretary

<u>ARTICLE 26</u>.- The city that holds this office is elected by the Executive Committee by means of half the votes plus one of the members present at the same. The duration of this office will be four years, but renewal can be indefinite, except when a change is instigated by two thirds of the members of the Executive Committee.

The Mayor of the city that holds the office of the Secretariat shall designate a person that will be called the General Secretary, who shall be ratified by the Executive Committee.

The Secretariat will dispose of an administrative office to be directed by the General Secretary. The person that holds the office of General Secretary will be the ordinary representative of the Association.

The administrative office will be located in the same city that occupies the Secretariat, and the Secretariat will be responsible for the same. The headquarters of the administrative office will be located in Barcelona, but can be located in another city upon the express request of the city of Barcelona.

The new headquarters will be chosen from amongst the candidate cities, members of the Executive Committee. In the event that a member of the Committee stands as a candidate, the election will be held by the General Assembly, which will elect a city by means of a simple majority of the attendees from amongst the candidate cities. The city that is elected will form part of the Executive Committee, even though this would mean increasing the number of members of the same by one.

<u>ARTICLE 27</u>.- The following functions pertain to the Secretariat:

- a) The day-to-day management of the IAEC and, principally, compliance with the action program agreed by the Executive Committee.
- b) Assuring the custody of the documents and files of the IAEC.
- c) Recording, drafting and signing the minutes of the General Assembly and the Executive Committee.
- d) Coordinating the meetings of the Executive Committee.
- e) Drafting and authorising the certificates that must be expedited, keeping the IAEC Members Registry.
- f) Administering and managing the grants and dues of the IAEC.
- g) Providing logistic and administrative support to the cities organizing the Congresses of the IAEC.
- Maintaining correspondence with and providing periodical information to the member cities and undertaking all types of initiatives addressed to recruiting new cities.
- i) The maintenance and operations of the International Documents Bank of Educating Cities.
- j) The undertaking of all the tasks that are delegated to it by the Executive Committee.
- k) To hire the employees of the IAEC.

CHAPTER V

On the Treasurer

<u>ARTICLE 28</u>.- The Treasurer shall manage and the control the resources of the IAEC and prepare the budget, the balance sheet, and, in general, the annual accounts, to be presented to the Executive Committee, which shall in turn submit them for adoption by the General Assembly.

The Treasurer will keep the cash book and sign the Treasury documents. The disposal of the assets of the IAEC is set out in article 35 of these Statutes.

CHAPTER VI

Bureaus, Thematic Networks, Territorial Networks and other Bodies

<u>ARTICLE 29</u>.- In order for the IAEC to progress and in order to reinforce exchanges, cooperation, shared projects and collective experiences based on the principles of the Charter of Educating Cities, the Executive Committee will encourage the creation of Bureaus, Territorial Networks, Thematic Networks and any other bodies.

A Bureau is understood to be: An Office representing the IAEC in a specific territory, which can include several countries. It is created by the Executive Committee in collaboration with one of its members. Its competencies include the expansion and consolidation of the IAEC in that territory and any other tasks delegated to it by the Executive Committee.

A Territorial Network is understood to be: a grouping of at least 5 member cities in a specific country.

A Thematic Network is understood to be: a grouping of member cities united by a specific theme. Its activity is limited in time.

Except in the case of the bureaus, the members of the IAEC who wish to create one of these bodies must present their project for adoption by the Executive Committee, in accordance with the requirements set down in the Internal Regulations.

The Executive Committee shall be entitled to directly propose and create any of the bodies mentioned in the first paragraph of this article.

TITLE III

On the economic system of the IAEC

<u>ARTICLE 30</u>.- In light of its nature, the International Association of Educating Cities (IAEC) has founding equity.

<u>ARTICLE 31</u>.- All the balances and budgets to be presented to the General Assembly will be denominated in Euros.

<u>ARTICLE 32</u>.- The economic resources of the IAEC will be generated by:

- a) The dues of its members.
- b) Public and private grants.

- c) Donations, inheritances and legacies.
- d) The income from its own equity or other income it may generate.

<u>ARTICLE 33</u>.- All the members of IAEC have the obligation to support it economically. The Executive Committee will propose to the General Assembly the ordinary annual dues to be paid by the members, and as the case may be, shall be entitled to propose the establishment of extraordinary dues.

<u>ARTICLE 34</u>.- The economic year shall coincide with the calendar year ending 31 December.

<u>ARTICLE 35</u>.- The President, Treasurer, General Secretary or any Member of the Executive Committee shall have the power to indistinctly open current or savings accounts at financial institutions.

In order to dispose of the funds at banking entities only two signatures are necessary, one of which must be that of the President, the Treasurer, the Secretariat or the General Secretary, while the other must be that of any other member of the Executive Committee, except the associated members. However, the General Secretary, by virtue of his or her sole signature, shall be entitled to dispose of a maximum sum to be set annually by the Executive Committee.

All draw downs of funds of the IAEC will be duly posted by whoever is responsible in the books of account for annual review. The Secretariat shall ensure that to the extent possible the expenses of the IAEC shall be held to a minimum, based on criteria of quality, price, guarantees and other conditions inherent in goods or services to be acquired and at the time of contracting.

The cities that hold the office of President, Vice-President, Treasurer or the Secretariat shall be entitled to accept the for-profit acquisition of all kinds of assets, subject to the joint signature of two of these above-mentioned offices.

The disposal of moveable and immovable property of the IAEC can only be undertaken by the Executive Committee by means of the agreement of two thirds of the members present.

TITLE IV

Languages and Construing these Statutes

<u>ARTICLE 36</u>.- The official languages of the Association will be English, French and Spanish.

Notwithstanding the paragraph above, in the event that a doubt arises as to the interpretation of any term or matter set down in these statutes and in the Regulations pursuant hereto, or in the Charter of Educating Cities or in any document issued by a body of the IAEC, the Spanish version shall prevail.

The meetings of the Executive Committee will be held in the official language or languages chosen by the Executive Committee itself.

<u>ARTICLE 37</u>. - The interpretation of these Statutes pertains to the General Assembly, which will decide upon the meaning of the statutes by virtue of a resolution that requires the same quorum of votes as a modification of the statutes.

TITLE V

On the disciplinary system

<u>ARTICLE 38</u>.- The monitoring of compliance with the statutes pertains to the General Assembly and to the Executive Committee, in accordance with the provisions set down in the Internal Regulations, which can sanction the members that do not comply with their obligations.

<u>ARTICLE 39</u>.- The governing bodies described in the preceding article can sanction the infringements committed by the members that breach their obligations.

These offences can be classified as minor, serious and very serious and the respective sanctions can range from an amonestation to expulsion from the IAEC, as per the provisions set down in the Internal Regulations.

TITLE VI

On the winding up of the IAEC

<u>ARTICLE 40</u>.- The IAEC shall can be wound up if the General Assembly duly agrees to do so and has been expressly convened for this purpose.

<u>ARTICLE 41</u>.- Once the resolution to wind up has been adopted, the General Assembly will carry out the necessary measures regarding the liquidation of assets, rights and operations in progress. The Assembly will be empowered to elect a Committee of Inspection, if it believes this is necessary.

The members of the IAEC, by virtue of their being members, are exempt from personal liability but will be subject in any case to future liabilities that arise from their own actions.

The net retained earnings arising from the liquidation shall be handed over directly to the public or private non-profit entity appointed by the General Assembly or the Committee of Inspection.

The functions of liquidation and carrying out the resolutions referred to in the preceding paragraphs of this article will be the competency of the Executive

Committee, unless the General Assembly has delegated this task especially to a Committee of Inspection.

TITLE VII

Arbitration

ARTICLE 42.- All litigious matters that arise in the IAEC, or between the latter and its members, or between the members and the members of the Executive Committee, or between the members themselves, shall be submitted to the institutional arbitration of the Arbitration Court of Barcelona (*Tribunal Arbitral de Barcelona*) of the Catalan Arbitration Association (*Asociación Catalana para el Arbitraje*), which shall be responsible for designating the arbitrators and administering the arbitration in accordance with its Regulations. Those matters that cannot be freely decided on are exempt from said arbitration. Arbitration shall be in equity and the arbitration court will be made up of three arbitrators.