

May 2019 Approved Bylaws

**BYLAWS OF THE
INTERNATIONAL NUT AND DRIED FRUIT COUNCIL
FOUNDATION**

**CHAPTER I
CONSTITUTION, REGISTERED OFFICE, AND TERRITORIAL SCOPE**

ARTICLE 1. NAME, NATURE, AND LEGAL PERSONALITY

The **INTERNATIONAL NUT AND DRIED FRUIT COUNCIL FOUNDATION** is a legally constituted non-profit organization that is governed by the legal and regulatory rules applicable and established by Law 4/2008, of April 24, of book III of the Civil Code of Catalonia on legal entities and, in particular, by these Bylaws and by the inspiring principles of the draft Regulation of the Council of the European Union no. 2012/0022 on the Statute for a European Foundation.

The Foundation shall have legal personality from the date on which the public deed of its constitution is entered in the Register of Foundations and its activities shall commence immediately thereafter.

In view of the Foundation's intention to conduct activities overseas, in those areas where legally appropriate and feasible, the aforesaid name shall be accompanied by the translation of its terms into the appropriate language.

ARTICLE 2. REGISTERED OFFICE AND TERRITORIAL SCOPE OF ACTIVITY

The registered office of the Foundation is established in Reus (Spain) at Carrer de la Fruita Seca no. 4, though this may be changed if necessary following approval from the Board of Trustees and in accordance with the provisions of prevailing legislation.

The territorial scope of its activity is mainly in Catalonia, although its activities will also be conducted in the rest of Spain and abroad.

**CHAPTER II
PURPOSES, ACTIVITIES, AND BENEFICIARIES**

ARTICLE 3. PURPOSES

The purposes of the Foundation are as follows:

1. To be an international source of information on nuts and dried fruit, health, nutrition, food safety, statistics, government standards, and government regulations regarding trade barriers and trade quality standards.
2. To undertake and promote scientific and technical studies on:
 - 2.1 The nutritional advantages for human health obtained from the consumption of nuts and dried fruit.
 - 2.2 The environmental, economic, and social benefits of the production of nuts and dried fruit.

3. To promote international co-operation with the various public or private, national and international organizations that share common or complementary purposes to those of the Foundation.
4. To facilitate mutual understanding among the nut and dried fruit industries by promoting international meetings in producing and consuming countries.
5. In light of the acknowledged health benefits of the consumption of nuts and dried fruit, to advise governments of producing and consuming countries on measures to be taken to promote their production and/or consumption and marketing.
6. To educate society in general about the benefits derived from the consumption of nuts for health, promoting awareness and the dissemination and study of the many types and classes of nuts.
7. To restore, maintain, conserve, and preserve the historic and current headquarters of the Foundation, Mas Barrufet, including the botanical garden where nuts make up a large proportion of the plants grown.
8. To promote the principles of good faith and integrity in the nut and dried fruit sector by setting up an informative committee formed by experts in the field.

All the foregoing points refer to almonds, Brazil nuts, cashews, hazelnuts, macadamia nuts, pecans, pine nuts, pistachios, and walnuts, as well as any other nuts or fruits that the Board may agree on.

ARTICLE 4. ACTIVITIES

The activities of the Foundation shall always be carried out on a non-profit basis and shall consist of the preparation, sponsoring, financing, and promotion of studies, circulars, expert opinions, and judgments and the subsequent dissemination thereof through publications and/or the holding of national and international seminars, courses, and congresses on the aforementioned subjects.

ARTICLE 5. BENEFICIARIES

The purposes of the Foundation are addressed in general to the following groups of people, with varying degrees of technical language used given the assumed knowledge of each group: the public and consumers in general; the relevant governments and authorities in matters of agriculture, science, consumption, and health in nut-and-dried-fruit producing and consuming countries; professional nutrition experts; and nut-producing, distributing, and marketing companies.

In determining the beneficiaries of the Foundation's work, the Board will act with impartial and non-discriminatory criteria.

CHAPTER III **FOUNDATION BODIES** **SECTION I: THE BOARD**

ARTICLE 6. DEFINITION AND FUNCTIONS

The Board of Trustees is the body that governs and represents the Foundation. Its task is to pursue the foundational purposes and diligently administer the Foundation's assets, maintaining the return thereon and usefulness thereof.

Under no circumstances shall the Board enter into arbitral proceedings or become involved in possible conflicts existing between its members.

The functions of the Board are as follows:

1. To choose the members of the Executive Committee.
2. To examine and approve the audited annual accounts.
3. To examine and approve the annual report which shall detail all dealings with other organizations, authorities, and institutions and the results thereof, as well as the activities carried out by the Foundation.
4. To approve the budget for the following financial year.
5. To appoint auditors where applicable.
6. To set up whatever work commissions or committees it may consider appropriate.
7. To ratify congresses venues.
8. To approve the internal regulations in order to ensure smoother unfolding of the matters established in these Bylaws.
9. To substitute and appoint board members.
10. To resolve on the modification of the Bylaws.
11. To resolve on the purchase or disposal of any of the Foundation's property.
12. To pass any other resolutions which, on account of their importance, are submitted to it by the Executive Committee.
13. To authorize the Executive Committee to expand on the purposes and activities of the Foundation to encompass other nuts or fruits.
14. To draft and implement statements of responsibility.
15. To require authorization or approval from the Protectorate (or Foundations Commission) for the implementation and formalization of a statement of responsibility.
16. To draft and produce an internal manual addressing administrative matters in accordance with these Bylaws for the purposes of their implementation.

The Board of Trustees may appoint one or more people to act in a managerial role to deal with day-to-day administration **according to article 18.8 of these by-laws**. If these functions are entrusted to any trustee, such an appointment shall be made in accordance with article 7 of these Bylaws and any applicable regulations.

No trustee may act on behalf of the Board of Trustees without the express authorization of the Board or a delegation of powers as described in these Bylaws.

ARTICLE 7. COMPOSITION AND APPOINTMENT

The Board shall comprise a minimum of 12 and a maximum of 30 members. The Board shall pass its resolutions by a majority according to the terms established in these Bylaws.

In order to balance the appointment of the governing bodies of the Foundation and the various countries in which it operates, a division shall be made into three large regions: America (North, Central, and South), Europe (West and East), and the rest of the world (Africa, Asia, and Australia).

Board members shall not receive remuneration for holding their posts, notwithstanding any remunerated industrial or professional relationship with the Foundation in accordance with prevailing legislation. Furthermore, board members shall be entitled to reimbursement for any duly justified expenses, as well as

any compensation for damages incurred in the performance of their duties and in accordance with prevailing legislation.

The members of the first Board shall be appointed by the founders and shall be recorded in the deed of constitution.

Any change to the composition of the Board of Trustees shall be by agreement of the board members who are listed in the corresponding register, in accordance with the proposal made by the Executive Committee and in line with article 18 of these Bylaws.

ARTICLE 8. CESSATION OF MEMBERSHIP AND APPOINTMENT OF BOARD MEMBERS

Board members shall accept their positions in the manner laid down in prevailing legislation and their acceptance shall be formally notified to the Protectorate and recorded in the Register of Foundations.

Board members shall remain in their positions for a period of four years and shall be eligible for re-election for an open-ended number of four-year terms.

Notwithstanding the foregoing, board members who have continuously held said position since the creation of the Foundation until 22 May 2019 and who, in turn, were the founders of the INC Association shall hold their position for a lifelong effective term.

Board members shall cease to hold their position when any of the following causes applies:

1. Death or declared death in absentia in the case of natural persons, or extinction in the case of legal entities.
2. Disability or incapacity.
3. Termination of the individual from a position in which said person held Board membership.
4. Termination of the term of office, unless renewed.
5. Resignation submitted to the Board of Trustees.
6. Definitive judicial decision that finds liability for damages to the Foundation or that decrees the person's removal from the position or deemed to not be in good standing by the Board of Trustees.
7. By a resolution in favor from 2/3 of the members of the Board.
8. Any other means provided for by law or in these Bylaws.

The resignation of the board member may take any of the forms established for acceptance of the position but it shall only become effective once it is recorded in the Register of Foundations.

ARTICLE 9. RIGHTS OF BOARD MEMBERS

Board members shall have the following rights:

1. To have speaking and voting rights at Board meetings.
2. To elect members and be elected as members of the Foundation's bodies.
3. To submit in writing to the Executive Committee any complaints and suggestions related to the Foundation and its activities.
4. To participate in all events organized by the Foundation.
5. To form part of the various working committees through which the Foundation will carry out its work.

ARTICLE 10. DUTIES OF BOARD MEMBERS

The following shall be the duties of board members:

1. To perform their duties with the full diligence of a loyal representative.
2. To cooperate for the greater prestige of the Foundation and the better achievement of its purposes.
3. To comply with the regulatory resolutions passed by the Foundation through its various bodies.

ARTICLE 10 b. ACTS OF DISPOSAL AND STATEMENT OF RESPONSIBILITY

The assets that make up the endowment and those involved directly in the fulfillment of the foundational purposes may only be alienated or encumbered in fulfillment of the conditions set by the founders or the contributors. The sum obtained through their disposal or encumbrance shall be reinvested in the acquisition or improvement of other assets applying the principle of subrogation.

If any exceptional circumstances prevent total or partial compliance with the duty of reinvestment established by legal imperative, before executing the act of disposal the Board shall submit a statement of responsibility to the Protectorate setting out the circumstances and shall submit a report signed by independent specialists to certify the need for the act of disposal and the reasons which justify the decision not to reinvest. The intended use of the sum not to be reinvested shall also be justified, and shall always be in accordance with the purposes of the Foundation.

The necessity and suitability of disposal or assessment operations shall be justified and documented. Before executing acts of disposal or encumbrance (direct or indirect), the Board of Trustees shall have the appropriate information in order to make the decision responsibly.

Prior authorization is required from the Protectorate to execute acts of disposal, encumbrance or extraordinary administration in the following cases:

- If the donor has expressly required it.
- If a statutory provision establishes it.
- If the goods or rights subject to disposal have been received from public institutions or have been acquired with public funds.

The Board may, whenever necessary and in view of applicable economic circumstances and prevailing legislation, make appropriate changes to investments involving the Foundation's equity.

In order to execute acts of disposal concerning the assets and rights that constitute the Foundation's equity, and in order to accept inheritances, bequests, or other assets and rights susceptible to form part of the Foundation's capital, a vote in favor from two thirds of the members of the Board of Trustees is required, along with adherence to all legally envisaged requirements.

Where acts of disposal, alienation, or encumbrance require the adoption of a statement of responsibility, a vote in favor from 2/3 of all board members will be required, excluding those members who are not entitled to vote due to a conflict of interest.

The implementation of an act or contract which is the subject of a statement of responsibility must be confirmed to the Protectorate, accompanied by the submission of the document that formalizes it, within three months of the date on which the statement of responsibility was submitted to the Protectorate. If the act or contract is formalized by public deed, the responsible declaration must be filed.

The Protectorate shall make standardized templates of the statement of responsibility available to the Foundation.

ARTICLE 11. MEETING, DELIBERATION, AND PASSING OF RESOLUTIONS

The Board shall meet at least once a year and whenever the Chairman so orders, either on his own initiative, when requested by at least 1/4 of the board members, or when agreed by the Executive Committee. The notice of the meeting, to which the agenda must be attached, shall be sent through electronic means by the Chairman to each board member at least fourteen days in advance stating the place, date, and time the meeting is to be held.

No prior notice is necessary when all the board members are present and unanimously agree to hold the meeting.

The Board's agenda may include proposals that have been submitted by at least fifteen percent of the board members and any proposal which the Executive Committee deems fit. Such proposals shall be drawn up in writing, signed by the parties involved, and shall be submitted to the Secretary of the Board at least two days prior to the date set for holding the Board meeting.

In order for the resolutions passed by the Board to be valid, a vote in favor shall be required from the majority of those attending, provided that at least sixty per cent of the board members are present or represented.

Notwithstanding the provisions of the foregoing paragraph, a vote in favor from 2/3 of the board members shall be required to pass resolutions concerning the dissolution of the Foundation, amendments to the Bylaws, appointments to the Executive Committee, and the disposal or alienation of assets, with the exception of the equipment necessary for the Foundation's daily operation.

A Board member may delegate his vote in accordance with prevailing legislation. When a board member also holds an office, that member may be represented by the person designated by the regulations as his substitute, or by another person designated in writing by the board member. Two or more board members belonging to the same company or formally related companies shall be entitled to one vote only.

Legal entities shall be represented on the Board by an individual and not by the company to which they belong. Likewise, the board members of the Foundation shall appoint the individual from the company in question they wish to form part of the Board, and never the legal entity itself, because the position of board member is individual.

The Board may meet by videoconference, conference call, or any other system that does not require the physical presence of the members. In such cases, it will be necessary to assure the identification of those attending the meeting, the continuity in communication, and the possibility to take part in deliberations and cast a vote. The meeting shall be deemed as having been held at the Chairman's location. In virtual meetings, attending members shall be those who have participated in the conference call and/or videoconference.

The possibility to adopt resolutions of a regular nature through the use of postal voting, communication through electronic means, or any other means does exist, provided that the right to information and a vote is guaranteed, that there is evidence of receipt of the vote, and that the authenticity thereof is assured. The resolution shall be understood to have been adopted at the registered office of the legal entity on the date on which the final valid vote is received.

Nevertheless, any Board agendas including proposals relating to the term, dissolution, and extinction of the Foundation, as set out in articles 24 and 25 of these Bylaws, shall require the physical presence of the board members in a meeting to vote and pass resolutions.

Once read, the minutes shall be approved by a majority of the board members and signed by the Chairman (or the person who has performed his duties) and the Secretary.

ARTICLE 12. DISTRIBUTION OF POSTS ON THE BOARD

The Board shall elect a Chairman and two Vice Chairmen (1st and 2nd) from its members. A 3rd Vice Chairman shall be elected if deemed necessary by the Board. It shall also elect a Secretary who is not required to be a member of the Board, with the exception of the members elected to these posts for the act of constitution as they shall be appointed by the founders.

The term of office of the Chairman and the 1st Vice Chairman shall be one unique four years period.

If, before the aforesaid four-year period elapses, the Chairman and/or Vice-Chairman or Vice-Chairmen need to be replaced, the individuals replacing them shall hold said positions until the end of the initial four-year period for which the individuals replaced had been appointed, whereby the Board shall issue all pertinent resolutions once said initial four-year period finalizes.”

ARTICLE 13. THE CHAIRMAN

The Chairman shall:

1. Represent the institution of the Foundation.
2. Call meetings; set the agenda; preside over, suspend, and adjourn Board sessions, as well as direct the deliberations therein.
3. Hold the casting vote where a vote is tied.
4. To execute legal acts and contracts including those with financial institutions, in accordance with the agreements adopted by the Board
5. Have the other powers indicated in these Bylaws and those which are expressly entrusted to him by the Board, in accordance with prevailing regulations.

ARTICLE 14. THE VICE CHAIRMEN

The Vice Chairmen shall:

1. Take the place of the Chairman in his absence owing to illness or for any other reason, with the same powers. This position will be assumed by the 1st Vice Chairman and, in his absence, by the 2nd Vice Chairman and, in his absence, by the 3rd Vice Chairman.
2. Assist the Chairman in carrying out his duties.

ARTICLE 15. THE SECRETARY

The position of Secretary shall be held by the Executive Director or any other person that the Board elects.

The Secretary shall:

1. Call Board meetings on behalf of the Chairman, send the minutes, keep the book of minutes, and deliver certificates with the approval of the Chairman or, in his absence and in order, the approval of the Vice Chairman, all in conjunction with the Executive Director.
2. Exercise other functions inherent to this position and attributed to him by these Bylaws.

If the Secretary is not a board member, he shall be permitted to speak but not vote on the decisions of the Board. The Secretary shall have the duty to advise on the legality of and execute the resolutions that the Board intends to adopt.

SECTION II: THE EXECUTIVE COMMITTEE

ARTICLE 16. COMPOSITION

With the majorities established in article 11, the Board may elect from its members an Executive Committee consisting of at least two and no more than 10 members, which shall act on a collegiate basis and to which the Board may delegate all powers except those which may not be delegated by virtue of the law or these Bylaws. The Executive Committee may be dissolved with a vote in favor from the Board provided it has the same majority as stated above.

The members forming the Executive Committee on 22 May 2019 shall hold their position for a minimum of 8 years and a maximum of 15 years, in accordance with the resolution adopted by the Board to this end, whereby the individual effective term of each member of the Board shall be established on said date and pursuant to the minimum and maximum periods stated.

The members of the Executive Committee appointed after 22 May 2019 shall hold their position for a period of four years, which may be extended for an additional new and single four-year period.

If any of the members of the Executive Committee appointed after 22 May 2019 is appointed Chairman of the Board, said member's effective term on the Board shall automatically extend four more years. Accordingly, said member will be able to be a member of the Executive Committee for a maximum of twelve years pursuant to the provisions of the previous paragraph.

The members of the Executive Committee who, pursuant to article 8 of the Bylaws, hold the position of board member for a lifelong effective term, shall likewise hold their position on said committee.

In accordance with the foregoing, the Chairman and the 1st Vice Chairman shall form part of the Executive Committee. Moreover, up to 8 other trustees may join the Executive Committee, in accordance with the division into regions stated in article 7. These persons shall have the same functions on the Committee as they hold on the Board. The Executive Director shall also form part of the Executive Committee, but without voting rights.

Notwithstanding the above, if there are vacancies that the Executive Committee considers must be filled, it may appoint substitutes by a simple majority, respecting the division of regions described in article 7. Subsequently, the Board shall make a decision whether to ratify the appointment or not in the first session held immediately after this appointment.

ARTICLE 17. MEETING, PROCEDURE FOR DELIBERATION, AND PASSING RESOLUTIONS

The Executive Committee may establish its own internal regulations for action and operation, always conforming to the law and these Bylaws.

The Executive Committee shall meet at least twice a year or when the Chairman so orders, either on his own initiative or when requested by at least 1/3 of its members. The notice of the meeting, to which the agenda is to be attached, shall be issued by the Chairman in writing to each member of the Executive Committee at least fourteen days in advance.

Attendance at meetings of the Executive Committee shall be mandatory and whenever it is not possible the Chairman must be informed.

Resolutions shall be valid provided they have been passed by a majority of the members of the Executive Committee.

The Chairman's vote or that of the person carrying out his functions shall be decisive and resolve a tied vote.

All resolutions shall be recorded in the corresponding minutes.

ARTICLE 18. FUNCTIONS OF THE EXECUTIVE COMMITTEE

The Executive Committee shall have the following functions:

1. To set the date for Board meetings.
2. To organize and undertake the Foundation's activities as approved by the Board.
3. To regulate the economic system of the Foundation as well as its administrative organization.
4. To co-ordinate the work of the working committees set up by the Board, for which it shall be empowered to requisition the presence of the chairmen of these committees at meetings of the Executive Committee.
5. To ensure compliance with the Bylaws.
6. To carry out all functions not expressly assigned to the Board and which are required or permitted by law.
7. To propose the members of the Board of Trustees and their respective positions on it, to be approved by the Board. If no agreement is reached by the Board and the Executive Committee, the same Board members will continue for one more year. After this period, the Advisory Committee has the authority to dissolve the Board and reappoint it or report the issue to the Protectorate or Foundations Commission.
8. To appoint a Director responsible for the executive management of the Foundation in accordance with applicable legislation.

SECTION III: THE PERMANENT SECRETARIAT

ARTICLE 19. COMPOSITION AND FUNCTIONS

The Executive Committee shall establish a Permanent Secretariat, which shall be headed by the Executive Director and shall formed at least by the latter and any staff he deems necessary, depending on the needs at any given time and adapting to the volume of projects and activities to be carried out. The other members will not necessarily be trustees and may be remunerated for their services. Their functions shall be to execute the actions needed to carry out the projects and activities approved by the Board, as well as any associated legal and administrative tasks, all in accordance with article 4 of these Bylaws.

CHAPTER IV

ECONOMIC SYSTEM

ARTICLE 20. PRINCIPLES FOR ACTION

The Foundation undertakes to:

1. Effectively allocate the assets and the return thereon to pursue the foundational purposes in accordance with prevailing legislation and these Bylaws. This will be done on the understanding that at least seventy per cent of the profits from the economic projects undertaken and the income obtained for any other item (minus expenses incurred to obtain such income) should be earmarked for the foundational purposes within four years from the start of the financial year in which these sums were obtained. The remainder shall be assigned to either the endowment or reserves, as resolved by the Board.
2. Provide sufficient information about its purposes and activities so that these may be known by the possible beneficiaries thereof and other interested parties.

3. Act with criteria of impartiality and non-discrimination in determining its beneficiaries.

ARTICLE 21. CONFLICTS OF INTEREST

Board members who may have conflicts of interest with the Foundation must act according to legally established procedures and guarantees.

Board members and persons who may have a conflict of interest may not participate in companies which form part of or invest in the Foundation.

Prohibition of board members: board members may not perform services in investee companies or privately held companies of the Foundation for a period of 2 years following their cessation as board member.

ARTICLE 22. THE FOUNDATION'S RESOURCES. BASIC RULES FOR THE ALLOCATION OF RESOURCES TO THE PURPOSES

The funds of the Foundation consist of the following:

1. The initial endowment.
2. Funds obtained from the return on its assets.
3. Any donations accepted by the Foundation, as well as any grants or subsidies allocated by public or private, national or international organizations, or from individuals.
4. Any other income obtained from the Foundation's activities in the pursuit of its purposes.

The revenue and other annual income obtained by the Foundation will be destined to the fulfillment of the foundational purposes within the limits established by prevailing legislation. The Foundation may engage in all manner of economic activities, acts, contracts, operations, and lawful business, without any restrictions other than those imposed by applicable laws.

ARTICLE 23. ACCOUNTING, ANNUAL ACCOUNTS, AND ACTION PLAN

The financial year shall coincide with the calendar year.

The Foundation shall keep properly organized accounts appropriate to its activity which may be read in chronological order. For this purpose, it will keep a ledger, an inventory book, and annual accounts, along with all other mandatory books determined by prevailing legislation.

For its economic and financial management, the Foundation shall be governed by the general principles and criteria determined in prevailing legislation.

It is compulsory for annual accounts to be audited annually by an external auditor.

The annual accounts shall be approved by the Board within a maximum period of six months following the end of the financial year and they shall be submitted to the Protectorate within thirty working days after their approval.

CHAPTER V
TERM AND DISSOLUTION

ARTICLE 24. TERM

The Foundation is established for an open-ended term and may only be dissolved by virtue of a resolution of the Board and in accordance with legally stipulated causes and formalities.

ARTICLE 25. DISSOLUTION AND EXTINCTION

The Foundation will be extinguished owing to the causes established in Law 4/2008, of April 24, of book III of the Civil Code of Catalonia on legal entities, and for this to take place prior authorization will be required from the Protectorate.

In the event of dissolution, the Executive Committee or the board members designated by the Board shall act as a Liquidating Committee. The liquidating body will be appointed by the Board at the meeting resolving on the dissolution, and it shall proceed to settle the assets and liabilities. The resulting surplus will be transferred to private non-profit foundations or entities pursuing similar purposes of general interest, provided that these entities may be beneficiaries of patronage under the provisions of articles 16 to 25 of Law 49/2002, of December 23, on the tax code for non-profit entities and tax incentives for patronage. The decision regarding the individuals or entities to which the surplus will be transferred shall be made by the Board.