



INTERNATIONAL TAEKWON-DO FEDERATION - ITF CONSTITUTION

PREAMBLE

Taekwon-Do ITF is the art of physical, mental and moral training, practised by means of techniques used in combat but without weapons. It is used by practical applications in self-defence resulting in a beneficial method for people's health.

Those who practise Taekwon-Do ITF are committed to encourage and to promote it through the International Taekwon-Do Federation - ITF, which was founded by General Choi Hong Hi, without any kind of discrimination (religious, racial, national or ideological), adjusting at all times in its operation to democratic purposes according to the Tenets of Taekwon-Do ITF: courtesy, integrity, perseverance, self-control and indomitable spirit.

The members of the Federation, declared themselves as eternal students of the teachings of General Choi, are aware of his contribution and his dedication to Taekwon-Do and also to his organisation, and have the aim to honour him, his knowledge and his vision of this art.

The official languages of the Federation will be Spanish and English indistinctly, also occasionally other languages may be authorised.

Finally, the members of the Federation must give their word to act as good citizens, integrated in a society whose principles are peace, liberty, justice, humanity and morality.

CHAPTER I – DENOMINATION, ADDRESS, SCOPE, PURPOSES AND ACTIVITIES

Art. 1 Denomination

Under the denomination of “INTERNATIONAL TAEKWON-DO FEDERATION ITF” it is constituted for an indefinite period of time a FEDERATION of Associations/Federations of TAEKWON-DO ITF, and will be ruled by this Constitution, by the By-Laws of the Organization, and what was not foreseen will be ruled by the actual legislations applied to Federations under the article.22 of the Spanish Constitution and the “Organic Law” 1/2002 of the 22nd March, which regulates the Rights of Associations with a non-profit purpose.

Art. 2 Legal Status

The Federation has its own legal status and full capacity to act to administrate and dispose of their properties and to fulfil the objectives proposed.

Art. 3 Address and Scope

The Federation establishes its Headquarters in Calle Mercado nº 3 in Benidorm (Alicante), Spain and may be transferred to any other address in Spain by agreement of the Extraordinary General Assembly.

The Federation shall function all over Spain and on an international level, which mean supranational.

If it is considered advisable by the Extraordinary General Assembly, the Federation will also be able to join other Federations or associations in the European Community as well as those from other Continents of Supranational scope, which mean International, with identical or similar aims to those of this Constitution.

Art. 4 Purposes

The existence of this Federation is aimed to promote the Korean Art of self-defence known as Taekwon-Do ITF and to promote the study, knowledge, teaching, communication, promotion and development of the cultural practice and sport training of this martial art. Assuring that no member or practising person is discriminated against because of race, religion, sex or political beliefs, and at all times adjusting its operation to democratic purposes.

Its specific aim is to avoid the Associations/Federations of Taekwon-Do ITF being diverted from their real functional and operational objectives, consequently to insure that they fulfil the specific aims which they were created for and also to maintain a unity of criteria between the existing Associations/Federations of Taekwon-Do ITF and those which can be created, to resolve any discrepancies and conflicts among its members, and to coordinate and regulate the Taekwon-Do ITF activities.

Art. 5 Activities

In order to achieve the objectives listed in the previous article, activities will be organized; championships, seminars, training courses, cinema and video projections, conferences, debates, conventions, meetings, congresses and whatever act of a similar nature, creating training, promotion and teaching centres which regulate the proper methods and practises of Taekwon-Do ITF.

The International Taekwon-do Federation - ITF will observe the protocol of the World Anti-doping Agency, WADA, and will develop in their By-Laws anti-doping rules in accordance with the WADA protocol. Anti-doping rules of the International Taekwon-do Federation - ITF shall be binding and apply to both national and international levels by all Associations/federations belonging to it, as well as in all international competitions or events organized by the International Taekwon-Do Federation - ITF.

CHAPTER II. - MEMBERS

Art. 6 Capacities

The Associations/Federations which are legally constituted as non profit organizations can be Members of the Federation, by previous agreement at their own General Assembly, deciding freely and voluntarily to join it due to an interest in the development of the aims of the Federation.

They must present a written request to the ITF Board of Directors, and _will be resolved at the next Board meeting.

Each Association/Federation will be represented in the ITF by their Presidents.

The Member status in the Federation is not transferable.

Becoming a member of the ITF implies full acceptance and submission to the Constitution, By-Laws, and especially, to the aims/objectives proposed.

Art.7 Rights of the Association Members of the ITF

All the members acquire that condition with a clear understanding that this implies duties before rights and a maximum effort to fulfil them.

The rights of the Associations of the ITF are the following:

- a. To participate in the activities of the ITF, in the governmental and representative bodies, to exercise the right to vote, as well as to assist at the General Assembly, according to the Constitution. The representation of the associations in the ITF is the responsibility of the person(s) who have been assigned by the competent entities of each association. To be able to be a member of the ITF Board of Directors, a person must be legally of age, be in full use of his civil rights and not fall within the grounds of incompatibility laid down in current legislation.
- b. To propose to the bodies of the ITF as many initiatives as are considered appropriate, within its purposes.
- c. To elect and to be elected for positions in the governing body of the Federation, as stipulated in this Constitution.
- d. To be informed about the composition of the Board of Directors of the Federation, the bank balance and of the development of its activities. To be able to acquire all the information and documentation through the representative bodies.
- e. To have a hearing(s) previously to the adoption of disciplinary measures against them and to be informed of the facts that lead to these measures. Any agreement which leads to a penalty must be justified.
- f. To challenge the agreements of the Federation body considered contrary to the law or to the Constitution within a forty-day period from the date of approval, urging its modification or revocation and the preventive suspension when appropriate, or accumulating both claims by the procedures established in the Law of Civil Judgement “Ley de Enjuiciamiento Civil.”

Being members of the Federation does not give any rights at all in taking part of the benefits when fulfilling assistance duties.

Art. 8 Duties of the Association Members of the ITF

The duties of the members are:

- a. To obey the Constitution and By-Laws, as well as the agreements or decisions of the Board of Directors of the Federation.
- b. To coordinate their operations with the Federation, respecting always the Constitution and by reporting to the ITF their activities.
- c. To refrain from any action which would jeopardize the reputation or the good credit of the Federation or which would distort its purposes.
- d. To cooperate actively and with a spirit of service to the fulfilments of the purposes of the Federation.
- e. To carry out with high fidelity the positions for which one has been elected.
- f. To attend the General Assembly meetings, Board meetings or any meeting for which one has been called.
- g. To share the aims of the Federation and actively contribute towards its achievements.
- h. To pay the fees, surcharges and other contributions that, with amendment to the By Laws, may correspond to each member according to the Constitution.

Art. 9 Causes for Un-Affiliation

Members can lose their membership by resigning or by being expelled.

The resignation must be presented by written form to the Board of Directors of the Federation.

As receiving the written form, the Board will automatically unaffiliated the member.

The members have the right to leave the Federation voluntarily at any time, but this does not exclude them from fulfilling pending obligations.

At the first General Assembly the members will be informed about new registered members and of the ones whom withdraw for any reason.

Art. 10 Penalty Systems

A member can be penalised by the Board of Directors, depending on the severity of the wrongdoing, the sanction can be suspension of their rights or expulsion.

A member sanction could be agreed by the Board of Directors when any of the following causes are present:

- a. When a member does not act according the Constitution, By-Laws, or decisions set by the Board of Directors.
- b. When according to the Board of Directors judgement, one member carries out or induces to carry out activities which are against the aims of the Federation.

Likewise, when interfering in any way the operations of the governing and representative bodies or committees of the Federation.

- c. When a member repeatedly fails to fulfil other duties established in the article of this Constitution.
- d. When his/her behaviour is disloyal, this means that they belong to another international entity with identical aims.

In case of severe wrongdoing that leads to a suspension, a disciplinary file/expedient will be created or be opened where the member may testify.

To arrive to a decision on the differences arising between the affiliated members and the Federation on matters of sport discipline or sports sponsorship contracts, and after the exhaustion of domestic remedies provided in the Constitution and in the national legislation, the dispute decision will be submitted to arbitration by the Court of Arbitration for Sport (CAS/TAS) located in Lausanne (Switzerland).

CHAPTER III - GOVERNING BODY

The Management Bodies of the Federation are:

1. - The General Assembly
2. - The Board of Directors

Art. 11 The General Assembly

The General Assembly is the supreme governmental body of the Federation, formed by associations in their own inalienable right and in absolute equality. It adopts its agreements by the majority principle or by internal democracy.

All the associations/federations members are subjected to the agreements of the General Assembly, including those who are absent, the dissidents and those that even being presents have abstained from voting.

All the members who are present are eligible voters.

Each member representing their country has the right to have two delegates and from one to five votes, this depends on the number of the association/clubs in their country, except he/she is representing another country by written statement.

Art. 12 Assembly Meetings

The General Assembly will meet in ordinary sessions once a year, the meeting will be held in the date and place as stated in the calling.

The General Assembly will meet in extraordinary sessions whenever it is considered necessary by the President, by agreement of the Board of Directors, or when a tenth of the members propose it by written request, and provided that all the members are gathered and decide to constitute into an Extraordinary General Meeting, this will be considered a Universal Meeting.

Art. 13 Calling of the Assemblies

Calling both ordinary and extraordinary General Assembly meetings shall be by written request and shall be signed by the President of the Federation or by the person in lieu or by whom the representative body has expressly authorized for that purpose. The calls will be announced in the usual way. Whenever it is possible, the meeting should be communicated in a written form to each member and sent by postal mail to the address figuring in the membership list. It must fix the date, time and place of the meeting as well as the agenda to be discussed.

The General Assembly will be legally constituted, being previously called 60 days before the meeting, when attended by one third of the presents or represented members. The President and the Secretary will be designated at the beginning of the meeting and they will lead it.

The General Assembly will be chaired by the President of the Federation and the Secretary will be the same one as in the Board of Directors. If one or the other does not assist, they will be substituted by the Vice-Presidents if they are present and if not by any board member decided by the General Assembly. The head table will consist of the Board Members.

Members will be able to confer their representation to others who will attend the meeting, in order to be able to vote in the General Assemblies. Those belonging to the Board of Directors are not permitted to represent other members. The representation must be given by written and is requested individually for each meeting.

Art. 14 Responsibilities and Validity of Agreements

The General Assembly will legally constituted, in the first call with the presence of a minimum of a third of the association members present or represented members with the right to vote. The second call will be established no matter how many members attend, half an hour later and in the same place.

Assuming that the second call has not been foreseen and therefore not included in the calling, it must be announced eight days before the date of the meeting.

At the General Assembly meetings, correspond to each association member, from one to five votes; this depends on the number of the associations/clubs in their countries.

The responsibilities of the General Assembly are to:

- a. Approve or reject the proposal of the Board of Directors.
- b. Approve, when appropriate, the management of the Board of Directors.
- c. Study and approve or reject the annual budget of incomes and expenses, as well as the Annual Reports of activities.
- d. Establish general guidelines of action which will allow the Federation to achieve its aims, watching over them permanently and carrying them out.
- e. Provide all the measures aimed to guarantee the democratic functioning of the Federation.
- f. Set the ordinary and extraordinary fees.

The responsibilities of the Extraordinary General Assembly are to:

- a. Name, elect and remove the members of the Board of Directors.
- b. Dissolve the Federation.
- c. Transfer the Federation to a different address.
- d. Become associates with supranational Associations or Federations.
- e. Reach an agreement on the compensations of the members of the Board of Directors. These must appear in the annual accounts approved in the Assembly.
- f. Amendment of the Constitution.
- g. Dispose of and transfer properties.
- h. Request the declaration of public utility.
- i. Expulsion of members, at proposal of the Board of Directors.

Agreements will be approved by simple majority of those presents and represented members when affirmative votes exceed the negatives. However, a qualified majority of those presents or represented will be required when affirmative votes exceed the half amount in the following cases: agreements related to the dissolution of the Federation, Constitution amendments, disposing of and transferring properties, compensations to the representative body, nominating the members of the Board and management bodies, request the declaration of public utility provided that the corresponding assembly has been convened specifically for that purpose.

Those assisting or being represented in the meeting will approve the agreements by a simple majority of votes, consisting of more affirmative than negative votes. Nevertheless, a qualified majority is required by those who assist or represent another member, turning out when the affirmative votes are more than 50% of those and only when this issue has been included in the notice for this specific meeting. A qualified majority is needed when approving the agreements relating to the dissolution of the Federation, modifying the Constitution, disposing of, or transferring properties and agreeing on the salaries of the members of the representative committee also naming the members of the board and management bodies and requesting the declaration of public utility.

The decisions and agreements of the General Assembly are a binding contract for all. The members of the Board of Directors will be jointly responsible for the agreements reached, except those in disagreement who expressly recorded their votes in the Assembly minutes.

The agreements adopted in the meeting will be reflected in the Minutes to be approved by the Assembly in the same meeting or in the following one. The approved minutes will be signed by the Secretary with the approval of the President who will be able to issue certifications of them.

CHAPTER IV - BOARD OF DIRECTORS

4.2 The Board of Directors

CHAPTER IV - BOARD OF DIRECTORS

Art. 15 Composition of the Board of Directors

The Board of Directors of the Federation is the permanent Management body of the Federation, and directs, develops and promotes, and coordinates the Federations and the Associations which are members.

The Board of Directors shall be elected by the General Assembly on a proposal by the Associations that integrate the Federation and shall consist of a maximum of 13 members with the following positions: President one (1), Vice-Presidents three (3), Secretary one (1), Treasurer one (1), Director one (1) and up to four members.

The election of the members all of the Board of Directors will be done in a free and secret voting process by the members of the Federation.

The candidacy will be open, that means, any member is able to present himself as a candidate. The essential requirements are: being a member of the Federation for at least four years, having a legal age, to be in full use of his civil rights and not be fall within the grounds of incompatibility laid down in the existing legislation. Elections of the positions shall have the following order: President, Vice-Presidents, Secretary, Treasurer and Director. Candidates obtaining the mayor number of votes are elected for the position.

The positions of the President, Secretary and Treasurer must be held by different people.

The Members of the representative body may receive compensation in terms of their position, provided they are agreed by the General Assembly and approved by the Annual Accounts. Compensation paid to the members of the Board of Directors may not be covered from public funds or subsidies.

Art. 16 Positions terms of the Board of Directors

The positions which make up the Board of Directors will be chosen by the General Assembly. They will take office for a four years period. Once this term has expired, the offices will be extended automatically until the next General Assembly.

The members of the Board of Directors cannot be elected for the same position more than two terms consecutively.

Leaving a position before the end of the term can be due to:

- a. Voluntary resignation presented in a written form and in which the reasons are stated.
- b. Sickness that unable the person is to fulfil his duties.
- c. Withdraw as a member of the National Federation.
- d. Being sanctioned for committing a fault while exercising an office.

- e. Cease of representation given by the association member in whose name is holding the position, either by ending the foreseen period or by anticipated decision of the association member.

The vacancies produced by whichever cause in the Board of Directors will be covered by one of the individual members selected by the Board of Directors. The member designated will hold this position until the following General Assembly is called and therefore this position will be confirmed or removed. If the position is confirmed, it would be understood that the term for holding this position would begin at the moment of the confirmation.

The members of the representative body that would have expired the period for which they were elected will continue to hold office until the acceptance of those who will replace them will occur.

Art. 17 Responsibilities of the Board of Directors

The Board of Directors corresponds the mission to governing the Federation, and consequently, it is attributed all the power of representation, management and direction which have not been assigned to the General Assembly.

The Board of Directors will also be in charge to carry on the decisions of the General Assembly.

In order to be able to fulfil the obligations attributed to them, the Board of Directors will have, considering the necessity, a wide range of responsibilities and power, specific and without a limited list.

The Board of Directors is responsible for:

- a. To hold and carry out the functions of representing the Federation and conduct the direction and management fully and within legality. To fulfil the decisions taken by the General Assembly, according to the rules, directions and the guidelines established by the General Assembly.
- b. To set for each year the specific objectives that must be achieved within the aims of the Federation and the limits agreed by the General Assembly.
- c. To represent the Federation before any kind of person, natural or legal, public or private, including the State Administration and all of its bodies, central as well as state, local and autonomous.
- d. To represent the Federation before all kind of juries and courts pertaining to ordinary or labour jurisdiction, contentious administrative proceedings and any other special ones. Exercising any actions and opposing as many actions as may correspond to the Federation and following the process completely even appealing and cassation before the Supreme Court, naming attorneys and giving authorizations to solicitors. This faculty includes the power to represent the Federation in any kind of procedures, administrative expedients and acts of voluntary jurisdiction.
- e. To make decisions concerning the admission of members and keeping the list of all the members updated.
- f. To carry out without limitations all types of administrative actions especially those related to the rights of chattel or real-estate and those rights of intellectual or industrial property.

- g. To open and close current accounts, saving accounts and credits in different banks and saving entities, being officials or privates. To dispose of the funds deposited in these accounts by means of cheques, bank transfers, money orders and any other documents used. Likewise, they will be able to make deposits and to take out money from any of the security boxes.
- h. To give and take loans providing for them the required guarantees.
- i. To provide, when considered necessary or convenient, guarantees of all type including those of attachment and mortgages, having full faculty to establish, modify and cancel chattel or real-estate mortgages covered by the properties of the Federation.
- j. To obtain all the consulting which is considered advisable from experts on the issues needed to be dealt with, contracting their services in whatever way or conditions considered appropriate.
- k. To interpret the actual Constitution.
- l. To inform the General Assembly about the activities of the Federation.
- m. To promote the actions of the Federation of the Members.
- n. To decide the general guidelines of action of the Federation and of the Associations.
- o. To arbitrate, if necessary, the conflicts which could arise among the Associations.
- p. To assure the adequate economical and patrimonial management of the Federation.
- q. To carry out as many functions and tasks as necessary in order to reach the maximum and ideal aim of the Federation and of the Associations/Members.
- r. To open an office in each Continent, appointing a delegate among the members, who will be part in the Board of Directors as consultative member.
- s. To propose to the General Assembly the establishment of a fee which the association members of the Federation will have to pay.
- t. To call the General Assemblies and make sure that the agreements which are approved in it are carried out. Especially on what is referred to agreements in the Constitution amendments, the Associations Register will be notified of the modification within a one month period after the Assembly meeting called for that purpose.
- u. To present the annual balance and accounts to the General Assembly, in order to be approved, and to present the budget for the year.
- v. Keep the books according to the specific rules and in this way have a true and fair view of the patrimonial situation, the financial assets and the balance of the Federation.
- w. To make an inventory of everything owned by the Federation.
- x. To prepare the calendar and submit it to the General Assembly to be approved.
- y. To resolve provisionally any unforeseen situation in the actual Constitution and to report it to the following General Assembly.
- z. To designate one or more Standing Committees, in which all or part of its authority can be delegated.
- aa. The Board of Directors, will create a Executive Committee among its members, formed by the President, three Vice Presidents, Treasurer, Secretary General and Director. The Board of Directors will be the one with authority to interpret the rules included in this Constitution and to fill in its loopholes, always submitting them to the actual legal rules regarding to Associations. This Constitution will be carried out and fulfilled by the agreements which are validly adapted by the Board of Directors and General Assembly, within its proper authority.

The authority of the Board of Directors will be extended, generally, to all activities pertaining to the aims of the Federation, whenever not requiring, according to the Constitution express authorization of the General Assembly.

Art. 18 Meetings of the Board of Directors

The Board of Directors will meet as often as decided, called by the President with the previous Agenda.

A meeting should be called within 15 days if one third of the Presidents of the Associations members request it by written to the President.

A meeting should be called within 15 days if one third of the Board Members requested it by written to the President.

The meeting will be called by the President or in his absence by the Vice-President.

The members of the Board of Directors are required to attend at all meetings being called, if not their absence must be justified. The assistance of the President and the Secretary or of the person, who will substitute either one of them, will be necessary.

The members of the Board of Directors can transfer their representation to another Board member by written statement, only being valid for that meeting.

In order that the Board of Director's meeting can be established and considered valid, it must meet where is stated in the Agenda. Regardless of how many members attend, the issues of the Agenda will be adopted by simple majority.

To reach agreements which are not listed in the Agenda, the presence of at least a half of the members plus an extra one is needed. The issues will be adopted by the simple majority of the presents and if there is a tie, the vote of the President will decide.

Non Board members who are invited to the meeting, are able to give their opinions, but are not able to vote.

The agreements adopted in the Board of Directors meeting will be recorded in the minutes and will be approved in the same meeting or at the following one. The minutes will be signed by the Secretary with the approval of the President or by those who substitute either one of them.

The certification of the minutes will be issued signed by the Secretary and with the approval of the President or by those who substitute either of them.

The decisions and agreements of the Board of Directors are a binding contract for all Members and Standing Committees and have to be carried out immediately.

The Board of Directors may suspend the activities of the Standing Committees.

If a decision by the Board of Directors is not approved, the Board of Directors can call in the following 30 days for a General Assembly with the only purpose to decided about that issue.

Its decision will be irrevocable.

Art. 19 President

The President to be elected by the General Assembly on between the Associations members must at least a member of Federation for the last four years. The mandate has the term of four years.

The President will hold the legal representation in all kind of decisions and contracts in which he/she needs to take part acting as executor of the resolutions adopted by the General Assembly or by the Board of Directors.

The President of the Federation will also be the President of the Board of Directors.

The responsibilities of the President are the following:

- a. To represent the Federation before any kind of person, natural or legal, public or private, including governmental administrations and all of its bodies, central as well as local or state.
- b. To represent the Federation before juries and courts pertaining to ordinary or labour jurisdiction, contentious administrative proceedings and any other special ones. Exercising any actions and opposing as many actions as may correspond to the Federation and following the process completely even appealing and cassation before the Supreme Court, naming attorneys and giving authorizations to solicitors. This faculty includes the power to represent the Federation in any kind of procedures, administrative expedients and acts of voluntary jurisdiction.
- c. To obtain all the consulting which is considered advisable from experts on the issues which are needed to be dealt with, contracting their services in whatever way or condition considered by the Board of Directors.
- d. The Presidency conducts the debates of the Board of Directors and the Standing Committees. Execute the decisions of the Board of Directors and General Assembly. Calls and close the sessions of the meetings held by the Board of Directors. Decides with the vote in case of a tie.
- e. To propose a plan of activity to the Board of Directors and direct the tasks.
- f. To sign the callings for the General Assembly and the Board of Directors meetings.
- g. To endorse the documents and certificates made by the secretary of the Federation.
- h. To be responsible for carrying out the Constitution and all the decisions taken by the Board of Directors.
- i. The remaining responsibilities belonging to his/her position or delegated by the General Assembly or Board of Directors.

In case of being absent or of illness, the President will be substituted by the Senior Vice-President or the eldest one in the Board, and he will have the same responsibilities.

Art. 20 Treasurer

The responsibilities of the Treasurer are the following:

- a. To adequately watch over the economic situation and of the treasury of the Federation.
- b. To produce annual budgets to be submitted to the Board of Directors.
- c. To conduct the follow-up.
- d. To keep the accounts.
- e. To report and advise the Board of Directors about the economical situation.
- f. To assist the President and the Board of Directors in every economical decision to be taken.
- g. To assist in whatever other issue requested by the President, the Board of Directors or the Assembly.
- h. To render accounts to the Board of Directors being aware and responsible of his actions.

Art. 21 Secretary

The responsibilities of the Secretary are the following:

- a. To ensure the implementations of the agreements made by the Board of Directors.
- b. To coordinate and promote the actions of the Federation, and coordinate the relationship with the Association Members.
- c. To conduct the works and the administrative, economic and financial matters of the Federation, unless the Treasurer is not able to assume these responsibilities.
- d. The Secretary may propose the designation of Vice-Secretaries to assist him in his work. This proposal must be approved by the Board of Directors.
- e. To hold, delegated by the President, the representation of the Federation concerning civil, mercantile, administrative and processing issues, also being able to delegate these faculties and to provide all the necessary documents possibly needed.

The Secretary will be in charge of conducting the administrative works of the Federation. For writing out and authorizing the certifications which must be issued, keeping the legally established minutes of the Federation and the associated updates files, keeping all necessary documents and papers, legal and otherwise. Conduct the communications of the designations in the representative and Board of Directors and Standing Committees. Inscribing other social agreements in the corresponding Registers. The annual accounts presentation and fulfilling the documentary duties under the corresponding legal terms.

Art. 22 Vice-Presidents

Senior Vice-President - Will assist the President in his functions and will be able to substitute him whenever he is absent.

In case of absence of the President, the Senior Vice President may substitute him/her in its role.

Second Vice-President – Will be responsible for technical issues.

Third Vice-President – Will be responsible for the strategy concerning the development and expansion of the Federation.

The members of the Board of Directors will have the liabilities of their duties concerning their position in the Board of Directors, as well as other coming from the Standing Committees or other work decided by the Board of Directors.

CHAPTER V. - ECONOMIC RULES OF PROCEDURE

Art. 23 Initial Net Worth and economic resources

A foundational Net Worth does not exist.

The annual regular common budget is that approved by the Board of Directors and ratified by the General Assembly.

The fiscal year of the Federation will be from the 1st January to the 31st December of each year.

The Federation will have its own Net Worth, constituted by the foundational Net Worth and by the resources obtained in order to carry out its purposes. Therefore, the Federation will be able to acquire, administer assets and rights of all kinds, as well as to transfer, levy, mortgage, litigate them and carry out as many acts as necessary to fulfil the purposes of the Federation.

Its income sources can be through any means of legal action including:

- a. Membership fee.
- b. Contributions from Associations which must be set each year in the Ordinary General Assembly of the Federation and should be presented previously once approved by their respective Associations.
- c. Contributions from both public and private Institutions.
- d. Inheritance, legacies, donations, subscriptions and subsidies received.
- e. Rent of its properties, the product of transactions as well as the interests produced.
- f. Loans considered necessary.
- g. Incomes coming from proper Institutional activities.

Mandatory and statutory inheritances will be accepted for the benefit of the inventory.

The Federation will have a different asset from those of Associations and so must organize its own forms of income according to the previous article, meaning that voluntary contributions made by different Associations will not be able to consist in funds or subsidies which have been received from public institutions, but should

always be from private funds or incomes coming from proper activities, but never from the official ones.

Art. 24 Revenues from activities

Revenues-Income obtained from exercising economic activities, including services rendered will exclusively be destined to fulfil the aims of the Federation. By no means will these revenues-income be distributed among the associates, their spouses, those having any kind of personal or emotional relationship to them or by relatives. Nor will they be distributed by a free concession to physical or legal individuals with an interest in receiving benefits.

Art. 25 Membership fees

All the members of the Federation have an obligation to pay their dues, by means or membership and special fees. The form and proportion will be determined by the General Assembly on a proposal by the Board of Directors.

The General Assembly will be able to establish admission, monthly and extraordinary fees.

Art. 26 Withdrawals of funds

Two of the signatures among the President, Vice-President, Treasurer and or Secretary must appear in the current and saving accounts as well as in the establishments which give credit.

By agreement of the Board of Directors of this Federation, the signature of two of the authorized positions will be sufficient to withdraw funds.

An accounting committee of three people can be created in order to supervise the correct administration of resources of the Federation. One of the three must necessarily be a creditable professional not belonging to the institution.

CHAPTER VI. – DISSOLUTION OF THE FEDERATION

Art. 27 Causes of Dissolution and handing in surplus

The Federation can be dissolved:

- a. If agreed by the will of the Members in the General Assembly called expressly for this purpose and favourable vote of more than half of its members presents or represented.
- b. By the causes determined in article 39 of the Spanish Civil Code “Código Civil”.
- c. By firm judicial sentence.

The dissolution of the Federation needs to be proposed by three fourths of the total number of the members. It will be done by directing a petition to the President.

The President with the agreement of the Board of Directors will then assign a date to hold the Extraordinary General Assembly to decided about the request. The maximum publicity should be given to this meeting so that all the members of the Federation are informed. The Federation will not be dissolved as long as three members want it to continue.

The Federation can only be dissolved by agreement adopted by the General Assembly, according to the Constitution and when legal requirements are difficult to achieve.

In the case of dissolution, the General Assembly will name one or more members having the authority to liquidate, always being in an odd number with the power conceded by the General Assembly.

Art. 28 Liquidation

A period of time will be given for the dissolution of the Federation, until the end the Federation conserves his legal entity.

At the moment of the dissolution, the members of the Board of Directors have the authority to liquidate, unless the General Assembly as well as the judge assigns others.

Duties of those who will liquidate:

- a. To ensure the integrity of assets of the Federation.
- b. To conclude the remaining operations and execute new ones necessary for liquidation.
- c. To collect the credits of the Federation.
- d. To liquidate assets and pay creditors.
- e. To apply remaining assets of the Federation for purposes foreseen by the Constitution.
- f. To request the cancellation of the corresponding register of entries.

In the event of insolvency of the Federation, the representative body or those authorized to liquidate must immediately promote the corresponding insolvency proceedings before the district judge.

The assets of the Federation, assigned by the General Assembly, will be destined to pay all the liabilities and obligations and any assets remaining will be transferred to public or private entities engaged in activities similar to those of the Federation.

Registered federations are held responsible for obligations with all their present and future properties. The Members are not personally responsible for the Federation debts.

The members of the Board of Directors and Standing Committees or persons representing and/or acting in the name of the Federation, must respond by themselves to it, to the Members and to others for the damage and debts caused by fraudulent, and negligent acts; he/she will respond both civil and administrative for his/her acts and omissions realized while exercising his/her obligations and for agreements voted

against others including the Federation and Members. The Board of Directors will jointly be responsible for acts and omissions, when the responsibility cannot be blamed on any member of the Board of Directors, unless proving that he/she did not participate in the approval and execution or specifically objected to it.

CHAPTER VII - RESOLUTION OF CONFLITS

Art. 29 Resolution of Conflicts

In accordance which stipulates article 40 of the Spanish “Organic Law” 1/2002 of the 22nd March, regulating the Rights of Associations, the legal disputes that may arise related to the private legal matters of federations and of their internal functioning will be competence of Civil Jurisdiction.

Agreements and acts of the Federations can be challenged by any Associate or person who justifies his legal rights. Associates will be able to challenge the agreements and acts considered contrary to the Constitution, within a forty day period from the date of approval urging its modification or revocation and the preventive suspension when appropriate, or accumulating both claims by the procedures established in the Law of Civil Judgement “Ley de Enjuiciamiento Civil.”

ADDITIONAL PROVISION

The alternative to the Constitution and the valid agreements adopted by the Board of Directors, and all that was not foreseen in the present Constitution will be ruled by the actual “Organic Law” 1/2002 of the 22nd March, of the Spanish Constitution regulating the Rights of Associations and complementary provisions.

By-Laws can be created for a better development of the Constitution, and approved by the Board of Directors.

Matters not foreseen in this Constitution will be solved by the Board of Directors, reporting the matters to the first General Assembly held. From the date of the approval by the governmental authorities, the present Constitution will be declared valid from the date of approval by the governmental authorities.

In order to amend the present Constitution, entirely or partly, an extraordinary General Assembly must be called, sixty days prior the meeting, announcing the article or articles which are pretended to be cancelled or modified. The agreed amend or amends must obtain the votes of two thirds of those present with the right to vote.

The members of this Federation and those who will be admitted in the future will sign and accept all that is established in the present Constitution, for the mere fact of being part of it.

The text articles of this Constitution has been approved unanimously a the Extraordinary General Assembly held on November 28th in Mar del Plata, Argentina

Benidorm, December 20th, 2009