

STATUTES PRIMA FOUNDATION

Article 1 Name, Address and Establishment

1. The PRIMA Foundation “Partnership for Research and Innovation in the Mediterranean Area “is established.
2. The Foundation is established under the Spanish private Law and, particularly, according to the current State legislation on foundations.
3. The PRIMA Foundation has its registered office at 11, Carrer Pere Duran Farell, 08034 Barcelona, Spain. The Foundation is a non-profit organisation, with a public service spirit, under Spanish private Law.
4. The PRIMA Foundation operates both at national and international level
5. The PRIMA Foundation has legal personality and will start business after the notarial deed of the Foundation is recorded in the Registry of Foundations. The Foundation has unlimited duration. Nevertheless, once its statutory objectives will be considered as accomplished, the Board of Trustees may proceed to wind up the Foundation as defined in Article 23 of these Statutes, and according to the applicable Spanish law.

Article 2 Purpose and activities

1. The purpose of PRIMA Foundation is to build research and innovation capacities and to develop knowledge and common innovative solutions for agro-food systems and water management and provision in the Mediterranean region, through the implementation of the PRIMA Programme.
2. The PRIMA Programme aims at strengthening the integration and alignment of research and innovation systems and activities in the Mediterranean region in the fields of water management and provision and agro-food systems, with a multidisciplinary approach, contributing to the:
 - (a) Sustainable management of water in arid and semi-arid areas;
 - (b) Sustainable farming systems under Mediterranean environmental constraints; and
 - (c) Mediterranean food value chain for regional and local development.
3. PRIMA Foundation shall implement the PRIMA Programme as defined in relevant national research programmes and in relevant EU initiatives. Within such framework of a reinforced Euro-Mediterranean co-operation, the PRIMA Foundation cooperates when appropriate with the activities of the Union for the Mediterranean (UfM) and will take into consideration the relevant UfM Ministerial Conferences’ statements.
4. Within the purposes defined in paragraph 1 above, the Foundation shall perform the following activities:
 - (a) to develop smart and sustainable farming systems to maintain natural resources and to increase production efficiency;
 - (b) to test and encourage adoption of context-tailored water saving solutions in agriculture;

(c) to innovate in the Mediterranean food products based on Mediterranean diet heritage and to enhance the links between nutrition and health;

(d) to find context-adapted solutions to increase food and water chain efficiency, and reduce losses and wastes;

(e) to design and promote the adoption of novel approaches to reduce the impact of pests and pathogens in farming, including their consequences on human health;

(f) to conceive and implement innovative, quality oriented models in agro-business as potential sources of new jobs and economic growth;

(g) to improve land and water sustainability in arid and semi-arid watersheds;

(h) to elaborate and encourage the adoption of new policies and protocols for the governance of water management system;

5. The PRIMA Foundation shall undertake all managerial, administrative, supporting and, monitoring and supervising activities necessary to implement the PRIMA Programme. Activities concerning dissemination of PRIMA Programme, including its outcomes, as well as the involvement of interested stakeholders will also be undertaken by PRIMA Foundation. In this context, the PRIMA Foundation will cooperate and coordinate its activities with national and international institutions when such cooperation and coordination will benefit the implementation of PRIMA Programme. The PRIMA Foundation will endeavour, particularly, to strengthen collaboration and create synergies with the initiatives, projects and activities promoted by the Union for the Mediterranean in related fields.

6. Such implementation shall take place ensuring the financial, scientific and managerial integration among research and innovation initiatives conducted by Participating Countries in the field of the Programme.

Article 3. Scope of action and beneficiaries

3. The PRIMA Foundation will perform its activities mainly in all Participating Countries, without prejudice to extending some of them to other countries, when deemed appropriate to better achieve its foundational aim.

4. The global beneficiary of the Foundation activities is the society at large. The Board of Trustees shall select the beneficiaries taking into account the principles laid down in Article 4.

Article 4 Action Principles

1. Principles of non-discrimination, transparency, good governance, sound financial management and legality shall govern all Foundation activities. In particular:

(a) Regarding personnel recruitment, the principles of equal opportunity, merit, professional capacity, and call publicity shall apply; with full respect to the principles of gender equality and non-discrimination;

(b) Regarding procurement and granting of aids, the principles of publicity, competition, transparency, openness, confidentiality, level playing field shall apply;

(c) The Foundation shall provide enough information about its aims and activities, for them to be known by their potential beneficiaries and any other stakeholders;

(d) The Foundation shall use its assets and their earned incomes to fulfil the Foundation purposes, which are laid down in Article 2, according to the Law and the provisions of these Statutes.

Article 5 Foundation Bodies

1. The PRIMA Foundation has the following collegiate bodies:

- (a) The Board of Trustees;
- (b) the Steering Committee;
- (c) the Secretariat headed by the Director; and
- (d) the Scientific Advisory Committee.

2. The PRIMA Foundation has the following single-member bodies:

- (a) the Chair and the Co-Chair of the Board of Trustees;
- (b) the Director of the Secretariat; and
- (c) the Secretary.

Article 6 Board of Trustees

1. The Board of Trustees is the highest representative and governing body of the PRIMA Foundation. The Board of Trustees has the primary responsibility that all activities are undertaken to achieve the statutory aims and that the resources are properly and efficiently managed. The Board of Trustees will convene at least twice a year and shall perform its duties diligently. It shall consist of at least 3 members.

2. Without prejudice to the communications or authorisations before the Protectorate of Foundations established by the rule in force, the Board of Trustees will make decisions according to Article 8 on matters including but not limited to the:

- (a) strategic research and innovation agenda;
- (b) adoption of the annual work plan of the PRIMA Programme (after the approval by the European Commission and after obtaining the advice from the Scientific Advisory Committee), its annual budget and annual reports, as well as other reports and minutes;
- (c) adoption of the common principles and criteria for the selection of the national programmes, activities and actions funded by National Funding Agencies. National programmes, activities and actions funded by National Funding Agencies shall be included in the annual work plan of the PRIMA Programme;
- (d) election of its Chair and Co-Chair;
- (e) election of the Steering Committee members;
- (f) monitoring of the implementation of PRIMA Programme;

- (g) adoption of its own Rules of Procedure;
- (h) appointment of the Scientific Advisory Committee members, who have to be internationally renowned experts in their fields;
- (i) recruitment, contract terms and termination of the Director;
- (j) definition of contract terms of the Secretariat personnel;
- (k) admission, suspension, removal and termination of its Trustees;
- (l) amendments to the present Statutes;
- (m) creation, terms of reference, and dissolution of ad-hoc Committees;
- (n) interpretation and development of these Statutes;
- (o) adoption of the annual action plan and the annual accounts of the Foundation, which must be submitted to the Protectorate of Foundations;
- (p) adoption of the basic rules concerning the eligibility for participation and funding of beneficiaries, the selection of beneficiaries, the composition of the selection committee, their selection criteria, the evaluation criteria, the characteristics of the calls, without prejudice to the applicable European Union law;
- (q) decides on projects to be funded based on the ranking list;
- (r) adoption of the general rules and criteria for the selection of the pools of evaluators for individual calls, without prejudice to the applicable European Union law;
- (s) appointment and removal of the Secretary;
- (t) adoption of eligible proposal funded by the EU contribution whenever the maximum grant amount is equal or higher to 20 million euros;
- (u) definition of the categories of corrective measures and their applicability on the progress of funded projects;
- (v) approval of the appointment of the auditor presented by the Director;
- (w) any other task that is not specifically allocated to other PRIMA Foundation bodies.

3. The Board of Trustees may delegate some activities to its Chair, the Steering Committee or the Director, with the exception of activities under art. 6.2.b), c), d), e), h), i), k), l), m), o) and q), as well as those requiring authorisation by the Protectorate. The powers exclusively attributed to the Board of Trustees by any Spanish legislation will not be delegated. Representatives in the Board of Trustees shall neither be part of PRIMA call's applications, nor will they be involved in any situation of conflict of interest.

4. The Members of the Board of Trustees will be the representatives of the Participating Countries that have formalised their financial commitment to PRIMA and that have consented to the related obligations under the EU law, as defined under article 9.2 of these Statutes. Each country cannot have more than one Representative in the Board of Trustees.

5. Each Trustee will cast one vote in the Board. The Board members may be natural or legal persons. The legal person acting as Trustee shall appoint a natural person to represent it at the Board. Furthermore, the Trustees may be appointed based on their position, thus leaving office as member of the governing body of the Foundation when they leave the position based on which they were appointed. Each Trustee may be accompanied by an advisor with neither say nor vote and accepted by the Chair. The Trustees must take office explicitly by any of the means provided for in Section 15.3 of the Spanish Law 50/2002, of 26 December, on Foundations.

6. If a Trustee is unable to attend a meeting of the Board of Trustees, he/she may appoint another Trustee to act in his/her name and on his/her behalf. This action will always be for specific acts, and shall be according to the instructions provided by the represented Trustee in writing, where applicable. The Chairperson and the Secretary must be notified in writing of the replacement before the relevant meeting.

7. The Trustees and their representatives shall perform their tasks without receiving any compensation from the Foundation for it. The Foundation shall reimburse the duly justified expenses they may incur in the exercise of their functions. However, the Board of Trustees may establish an adequate compensation for those Trustees providing to the Foundation services that differ from those involved in the performance of duties as Board members. The hiring of Trustees or their representatives by the Foundation will require the prior authorisation by the Protectorate of Foundations.

Article 7 Observers

1. The European Union, represented by the European Commission, and the Union for Mediterranean Secretariat (UfMS) may attend the meetings of the Board of Trustees as Observers.

2. The Director, the Secretary and the Chair of the Scientific Advisory Committee will attend the meetings of the Board of Trustees as Observers.

3. Observers will take part in the discussions without voting rights. The Chair may invite other people to participate in a specific Board of Trustees meeting as Observers, upon acceptance of the Board of Trustees.

4. The Board of Trustees may, by qualified majority vote, as defined in article 8, paragraphs 2 and 3, recognise and remove the Status of Observer to other legal entities, such as International Organisations, States non participating in the PRIMA Programme or any other legal entity.

5. States that have given their financial commitment and have consented to the obligations related to the PRIMA Programme as defined in the EU law, but have yet to assume their post as Trustee as established in article 6.5 will have the status of Special Observers for a period of up to two years, and they will participate in all meetings of the Board of Trustees. Special Observers express their advisory opinion on all the issues in the agenda of the Board meetings. The opinion of the Special Observers is not binding for the Board of Trustees. The minimum number of Trustees is 3. The Board of Trustees shall never have a number of members lower than that, regardless of the special observers, who won't have voting rights.

6. Some items of the agenda can be discussed in Chambers, without observers, if the Chair so decides or upon request by one quarter of the Trustees present and voting. Such decisions will not be applicable to the European Union nor to the Special Observers.

Article 8 Decision-Making Process

1. The Chair, or in his/her absence the Co-Chair, chairs the Board of Trustees. The PRIMA Chair decides on the date and venue of the next meeting of the PRIMA Board of Trustees, and instructs the Secretary to convene the meeting.
2. The Secretary shall convene the Board of Trustees in writing. The call must indicate the agenda, venue, date and time of the meeting and must be sent individually to all Trustees five days in advance at least by any means, including computer, electronic or telematic means, requiring acknowledgement of receipt.
3. Any Trustee may request the inclusion of one specific item in the agenda, which must be approved by the President, unless requested by at least one third of the Trustees, in which case it will be mandatory.
4. In accordance with paragraph 6 of this article, each representative Trustee has one vote. There shall be a quorum for any decision of the Board to be validated. There will be quorum when at least 60% of the Trustees having taken office as established in article 6.5 are present. The quorum shall be verified at the beginning of the meeting and for any vote by the Secretary. If there is no quorum, the Board of Trustees will not be able to take any final decision.
5. The Board of Trustees shall attempt to reach conclusions by consensus whenever possible. If consensus cannot be reached, decisions shall be based upon the qualified majority of 75% of the valid cast votes.
6. Abstentions, blank and invalid votes are not counted as votes.
7. All votes shall be cast orally, unless any Trustee requires that the votes will be cast in writing. Written voting shall take place by unsigned secret ballot papers.
8. A Trustee entitled to vote may grant another Trustee entitled to vote a written proxy to cast his/her vote. One person cannot represent more than two Participating Countries in the Board of Trustees.
9. The Secretary will draft the minutes in each meeting of the Board of Trustees. The minutes shall be submitted for approval to the Board of Trustees, by written procedure or in at the latest in their following meeting. The minutes shall be signed by the Chair and duly kept by the PRIMA Secretary.
10. The Secretary must summon an extraordinary meeting of the Board of Trustees if the Chair so requires or if one fourth of the Trustees demands such meeting in writing, stating the purpose and the reasons, and including a draft agenda.
11. Between meetings and in extraordinary cases, the Chair may instruct the Secretary to request to the Board of Trustees to decide on an urgent matter by a procedure of approval in writing. Decisions taken by approval in writing shall be unanimous.

Article 9 Access to the Foundation

1. The Board of Trustees shall decide on the admission of a new Trustee, according to its Rules of Procedure. Resolutions to admit a new member shall be adopted by the Board of Trustees only by qualified majority as defined in article 8 paragraphs 2 and 3, without prejudice of applicable law.
2. In order to become a Trustee, any new Member of the PRIMA Programme shall:

- (a) express a financial commitment to the PRIMA Programme, including direct contribution to the management costs, and commitment of national resources to the joint Programme;
- (b) make a declaration of responsibility for EU funds to be allotted to the Programme; and
- (c) deliberately take office by any of the means established in Section 15.3 of the Spanish Law 50/2002, of 26 December, on Foundations.

3. The Statutes may lay down further provisions and criteria concerning the admission of Trustees.

Article 10 Termination and Suspension of Trusteeship

1. The Trusteeship shall terminate:

- (a) upon written notice of termination by the Trustee;
- (b) upon written notice of termination by the Board of Trustees, if a Trustee no longer fulfils his/her duties towards the Foundation;
- (c) upon removal by the Board of Trustees. A Trustee may be removed only when contravening the articles of the Statutes of the Foundation, its Rules of Procedure or its resolutions, or when causing disproportionate harm to the Foundation;
- (d) in the circumstances envisaged in Section 18.2 of the Spanish Law 50/2002, of 26 December, on Foundations.

Article 11 Chair

1. During its first meeting, the Board of Trustees shall elect among its members a Chair and a Vice-Chair, who shall be referred to as Co-Chair, of the PRIMA Foundation under the conditions established in the Spanish law on foundations, by qualified majority as defined in article 8, paragraphs 2 and 3. The Chair and Vice-Chair shall be one from a EU Member State and one from a non EU Member State, respectively. Abstentions are regarded as invalid votes and therefore not as cast votes.

2. The Chair and Co-Chair have to be elected separately and by ballot papers. Their mandate will be renewable. The term of their mandate is 3 years, renewable for 2 additional years.

3. The Board of Trustees is represented and generally coordinated by the Chair.

4. The Chair's responsibilities are as follows:

- (a) to chair the Board of Trustees;
- (b) to chair the Steering Committee;

- (c) to coordinate the selection process for the pool of the experts of the Scientific Advisory Committee;
- (d) to instruct the Secretary to initiate a procedure of approval in writing in case of urgent matters;
- (e) to submit the Annual Work Plan to the European Commission for its approval, before the adoption by the Board of Trustees.

5. The Co-Chair shall replace the Chair when the Chair is absent.

Article 12 Steering Committee

1. The Board of Trustees appoints the Steering Committee members by a qualified majority vote, as defined in article 8, paragraphs 2 and 3. The Steering Committee consists of such number of members as the Board of Trustees shall determine, but not less than 5, including the PRIMA Chair and Co-Chair. Balanced participation of EU and Non EU Members will apply. Gender balance will also be taken into account.

2. The Steering Committee shall meet at least twice a year and shall inter alia:

- (a) propose to the Board of Trustees a list of experts for selection for the Scientific Advisory Committee;
- (b) discuss the annual budget, annual work plans and Programme calls with the Director before their adoption by the Board of Trustees;
- (c) monitor, as delegated by the Board of Trustees or by its own initiative, the work of the Director, the activities of the Foundation and the implementation of the Programme;
- (d) provide general advice to the Chair and Co-Chair;
- (e) supervise the appointment of the PRIMA staff;
- (f) propose the criteria for the composition of the pool of evaluators to the Board of Trustees;

3. Steering Committee members shall neither be part of PRIMA call's applications, nor will they be involved in any situation of conflict of interest.

4. The decisions of the Steering Committee are taken by consensus or, failing this, by a qualified majority, as defined in article 8, paragraphs 2 and 3. During its first meeting, the Committee shall adopt its Rules of Procedure.

5. Between two meetings and in extraordinary cases, the Chair may request the Steering Committee to decide on an urgent matter, within its competence, by a procedure of approval in writing, according to the qualified majority as defined in article 8 paragraph 2 and 3.

Article 13 Secretariat

1. The PRIMA Secretariat consists of the Director and the PRIMA Foundation staff. It acts as liaison between the bodies of the PRIMA Foundation. The Secretariat is in charge of the management of the Programme matters. It shall manage the usual duties in agreement with the Chair, the Steering Committee and the PRIMA Board of Trustees in all PRIMA-related matters. The Secretariat supports the Chair, the Board of Trustees,

the Steering Committee and the Scientific Advisory Committee, including also external and dissemination activities.

2. The PRIMA Secretariat shall consist of professional, technical and administrative personnel needed to carry out its activities. The personnel shall be recruited according to public, international and transparent procedures. Balanced participation of personnel of EU and Non EU Members is taken into account. Gender balance will be also taken into consideration. The Secretariat may, upon request and by approval of the Board of Trustees, be supported by experts of PRIMA Participating States. The Secretariat is headed by the Director.

3. The Secretariat shall inter alia:

(a) implement the Annual Work Plan and provide support to the Board of Trustees and the Steering Committee, notably ensuring the implementation of all tasks related to PRIMA calls for funding;

(b) report on the implementation of PRIMA Programme to the Board of Trustees and the Steering Committee;

(c) strengthen the visibility of the PRIMA Foundation's activity, as well as the PRIMA Programme, including also external and dissemination activities;

(d) manage the ongoing, day-to-day duties of the PRIMA Foundation, inter alia providing information and support to PRIMA beneficiaries and stakeholders;

(e) support the Chair, the Board of Trustees, the Steering Committee and the Scientific Advisory Committee in all PRIMA-related matters;

(f) manage the financial contributions from the European Union and the participating States and report on their use;

(g) liaise with the European Commission in compliance with the applicable European Union law; and

(h) prepare the meetings of the Board of Trustees and provide relevant documents. All documents to be discussed in a meeting of the Board of Trustees shall be sent at least three weeks prior to the meeting.

4. The last quarter of every year, the Secretariat and its Director shall prepare the draft Foundation's action plan and budget for the next financial year, in line with priorities and programmes indicated by the Board of Trustees. The Secretariat shall forward them to the Chair, the Steering Committee and the Board of Trustees.

Article 14 Director

1. The Board of Trustees shall appoint the Director of the Foundation, who shall be a senior professional, with proved experience in managing European research and innovation projects or programmes, for a period of 5 years. The Director shall be appointed as a result of an international open job competition with clear terms of reference. Renewal for a maximum of 5 additional years is possible only once. Based on serious grounds, the Board of Trustees may dismiss the Director with a qualified majority, as defined in article 8, paragraphs 2 and 3.

2. The Director shall report to the Board of Trustees. He or she shall also report to the Steering Committee regularly and upon request. The Director shall inter alia:

- (a) prepare, after consulting with the Scientific Advisory Committee, the annual Work Plan, and the draft action plan;
- (b) discuss the annual work plan and the annual budget with the Steering Committee;
- (c) submit the annual Work Plan and the annual budget to the Board of Trustees, prior to the approval by the European Commission;
- (d) develop and update the Programme;
- (e) draft the funding conditions for the implementation of the Programme, including the criteria for the selection of evaluators;
- (f) monitor and control the progress of the funded programmes and projects and decides on corrective measures on single projects within the scope of its competences;
- (g) ensure and implement an effective and efficient management system;
- (h) ensure and implement the regular quality management system review and verification of corrective actions;
- (i) supervise a proper and orderly accounting of the Secretariat;
- (j) report the Steering Committee and the Board of Trustees, on his/her own initiative or upon request, about the structure and the internal Rules and Procedures of the Secretariat;
- (l) decide on the list of evaluators for each individual call, according to the criteria approved by the Board of Trustees;
- (m) report the Steering Committee and the Board of Trustees about the selection of evaluators referred to in the previous indent. Members of the Steering Committee and the Board of Trustees may in well justified cases reject single evaluators, according to the terms defined in the Rules of Procedure.

3. Furthermore, the Director is responsible for:

- (a) the setting up and operation of an effective and efficient internal control system;
- (b) the use of an accounting system that provides accurate, complete and reliable information in a timely manner, although it will be that established by the Spanish legislation on foundations;
- (c) the definition of procedures for an independent external audit, performed in accordance with internationally accepted standards and Spanish law where applicable;
- (d) the application of appropriate rules and procedures for providing funds coming from the Union through public procurement, grants, prizes and financial instruments; and
- (e) for ensuring the ex-post information on recipients and a reasonable protection of personal data.

Article 15 Scientific Advisory Committee

1. The Scientific Advisory Committee shall give strategic advice to the PRIMA Foundation bodies on the strategic priorities and needs in matters of the PRIMA Programme, shall be consulted on the content and scope of the annual work plan and shall be consulted about the decision-making process on scientific and technical aspects for the implementation of the Programme. The Scientific Advisory Committee shall deliver an opinion on the annual report. Where appropriate, the Scientific Advisory Committee shall advise the Board of Trustees on the setting up of scientific subcommittees, task forces and specialised working groups.

2. Members of the Scientific Advisory Committee are appointed by the Board of Trustees, upon proposal by the Steering Committee, with a qualified majority vote as defined in article 8 paragraphs 2 and 3, for a period of 3 years, renewable for another two years.

The Scientific Advisory Committee consists of such number of members as the Board of Trustees determines, but not more than 20. Members of the Scientific Advisory Committee shall be internationally renowned experts on the PRIMA technical objectives, from both within and outside academia, appointed by the Board of Trustees for their experience and high expertise, and they shall act in a purely personal capacity based on this expertise. The Scientific Advisory Committee should include a balanced contingent of experts, taking into account representation of EU and Non-EU Members, as well as gender.

3. The Scientific Advisory Committee appoints a Chair from among its members. The Co-Chair activities are always performed by a representative of the UfM (“Union for the Mediterranean”) Secretariat. A special standing joint Committee of the Scientific Advisory Committee will be established to further enhance the collaboration between PRIMA Foundation and the UfMS, in order to coordinate scientific and other cooperation activities to be carried out for the mutual benefit of both institutions.

4. The Scientific Advisory Committee shall meet whenever needed, and at least once a year. The Scientific Advisory Committee shall report or make comments in written form to the Board of Trustees on its own initiative and upon request.

5. The Scientific Advisory Committee will establish its own quorum and majority and procedural rules. The conclusions and proposals of the Scientific Advisory Committee shall be documented in the minutes of the meeting.

Article 16 Secretary

1. The Board of Trustees shall appoint a Secretary, a person outside the Board may hold this position, in which case he/she shall act in an advisory capacity and will certify the Board’s resolutions.

2. The PRIMA Secretary convenes the meetings of the Board of Trustees, and drafts their minutes, as established in article 8.

3. The Secretary is as well responsible for the control of the Foundation’s documents and keeps a record of all relevant documents of the Foundation. He shall keep books in accordance with Spanish Law, as in force for each calendar year.

4. Concerning the administration of the Programme, the Secretary shall keep such records as required to meet the European Union financial control requirements. The Participating Countries and the recipients of funding shall maintain and furnish the evidence necessary to perform this function.

Article 17 Equity and Sources of Financing

1. PRIMA financial resources comprise:

- (a) the founding endowment;
- (b) financial and/or in-kind contributions by the Participating Countries, for the management of the administrative costs of the Foundation;
- (c) financial and/or in-kind contributions by the Participating Countries, for the implementation of PRIMA Programme activities that are directly funded by the Foundation under transnational calls;
- (d) the funding from the European Union allocated according to applicable EU financial regulations;
- (e) contributions from other national and international organisations, public and private partners;
- (f) other income, goods, rights and obligations which have an economic value, including those that the Foundation may acquire after its establishment.

2. The PRIMA Foundation shall use its equity, financial resources and related income to fulfil the purposes of said entity, and to address the general and specific objectives of its Programme. The amount and due date of fees shall be fixed by the Board of Trustees. The Foundation's financial year shall be the calendar year.

Article 18 Use of revenue and income

1. Upon the completion of the Foundation's purposes, at least 70 per cent of the operating economic profits developed and the income obtained for any other concept, less expenses incurred, shall be used to obtain such profits or income, with the remainder being used to increase either the endowments or the reserves, according to the Board's resolution. The expenses incurred to obtain such income may be integrated, where applicable, by the share of costs due to outsourced services, staff costs, other management costs, financial costs and taxes, when they contribute to obtain income, and excluding the costs incurred to fulfil the statutory purposes from this calculation. The time allowed to fulfil this duty will begin from the start of the financial year when the corresponding profits and income are obtained and the next four years after the end of said financial year.

2. The calculation of income will neither include the contributions or donations received as equity endowment at the moment of founding or at a later stage, nor the income obtained through the conveyance in return for consideration of real property where the entity develops the activity of its own object or specific purpose, provided that the amount of the aforementioned conveyance is reinvested in real property under the said circumstances.

Article 19 Budget and Annual Work Plan of the PRIMA Programme

1. The Annual Work Plan of the PRIMA Programme shall be proposed by the Director after discussion with the Steering Committee, and submitted to the Board of Trustees. The Board of Trustees shall take notice of it and may make amendments where appropriate. The Annual Work Plan shall then be submitted to the European Commission for approval and finally adopted by the Board of Trustees. The Director shall also submit the balance sheet and the statement of income and expenditures. These documents shall be audited and certified externally by a professional accountant.

2. The annual budget of the PRIMA Programme shall be subject to audit according to the Rules of Procedure of the Board of Trustees, and in compliance with applicable EU law. The budget shall be approved no later than six months after the end of the financial year.

Article 20 Annual Action Plan and accounts of the PRIMA Foundation

1. The Annual Action Plan of the PRIMA Foundation shall be adopted by the Board of Trustees, upon proposal by the Director. It shall be consistent with the annual work plan of the PRIMA Programme.

2. The Secretariat shall prepare the annual accounts of the Foundation for the previous financial year and submit them first to the Steering Committee for its opinion and then to the Board of Trustees for decision, according to Article 6.2.(o). The annual accounts shall be prepared within the three months after the end of the financial year and according to the rules adapting the provisions of the Spanish General Accounting Plan to non-profit organisations. Their values shall be expressed in euros. A financial auditor shall give an independent opinion on the adequate and orderly use of funds, in accordance with the referred legislation. The auditor's opinion shall be submitted to the Chair, the Co-Chair, the Board of Trustees and the Steering Committee. The annual accounts shall be approved by the Board of Trustees and submitted to the Protectorate of Foundations within ten business days after their approval, together with the auditor's report. The Protectorate, after examining them and checking their formal adequacy to current legislation, shall submit them to the Registry of Foundations, where they will be available for general consultation.

Article 21 Amendments

1. The Board of Trustees may take decisions concerning amendments to these Statutes by qualified majority, as defined in article 8 paragraphs 2 and 3.

2. The Board of Trustees may amend the present Statutes at a meeting if the proposal for amendment has been previously recorded. The Secretary must distribute a copy of that proposal, containing the verbatim proposed amendment to all the Members, at least one month prior to the meeting.

3. The entering into force of the amendments will be defined according to the applicable Spanish law. The amendment and redraft of these Statutes shall be communicated to the Protectorate of Foundations for the Protectorate to issue a non-opposition resolution to the amendment agreed by the Board of Trustees. Eventually, said amendment shall be formalised in public instrument and registered in the State Registry of Foundations.

Article 22 Merger

1. The PRIMA Foundation may merge upon prior agreement of the corresponding Boards of Trustees, which will be reported to the Protectorate of Foundations.
2. The Protectorate may oppose the merger based on legal grounds and by means of a grounded resolution within a maximum period of three months after notice of the corresponding agreements of interested foundations is served to the Protectorate. The Protectorate may communicate its non-opposition to the merger agreement explicitly and at any moment within said period of time.
3. The merger will require the execution of a public instrument and the registration in the relevant Registry of Foundations.

The public instrument will include the Statutes of the Foundation resulting from the merger, and will identify the members of its first Board of Trustees.

Article 23 Dissolution

1. The Foundation may be dissolved by a decision of the Board of Trustees, by qualified majority according to article 8, paragraphs 2 and 3. The Foundation will terminate in accordance with the applicable Spanish Law.
2. The Board of Trustees will be the liquidator.
3. The assets and rights resulting from the winding-up may be allocated only to foundations or private non-profit organisations pursuing aims of general interest whose goods are assigned to, even in case of dissolution; as well as to public entities pursuing aims of general interest. The decision to dissolve the Foundation shall also determine how these assets and rights are allocated, prioritising those causes corresponding most closely with the objectives of the Foundation.

Mr. Pedro Bujalance Andrés, Sworn Translator and Interpreter of English, appointed by the Spanish Ministry of Foreign Affairs and Cooperation, hereby certifies that the foregoing is a true and complete translation into _____ of a document written in _____.