

THE COMPETITIVENESS INSTITUTE
ARTICLES OF ASSOCIATION

Chapter I. Name, purposes and address

Article 1

The association “THE COMPETITIVENESS INSTITUTE-ASOCIACIÓN COMPETITIVIDAD” is made in compliance with article 22 of the Constitution, and shall govern its activity under Law 7/1997 of 18 June of Associations of Catalonia (DOGC 2423, of 1 July 1997), Law 191/64 of 24 December of Associations of Spain, other complementary laws regulating the right to association and its bylaws.

Article 2

The purposes of the Association are:

1. Promote cluster based strategies to improve business competitiveness and regional development.
2. Improve the methodologies for strengthening industry and services cluster competitiveness. Special emphasis will be given to improve methodologies adapted to developing countries.
3. Raise the professional level of cluster practitioners by promoting world-wide cluster competitiveness development tools and offering high level training to potential cluster practitioners.

Any profit making is excluded.

The scope of action is mainly the territory of Catalonia.

Article 3

The registered address is located at Valles Technology Park, 08290 Cerdanyola del Vallés, Barcelona, Spain.

The registered address shows the scope of the entity’s main activity without prejudice of the clear international spirit of the Association.

Chapter II. Members of the association, their rights and obligations:

Article 4

The following may form part of the association as members:

ORDINARY MEMBERS: THE COMPETITIVENESS INSTITUTE's members may be individuals working with cluster methodology.

SUPPORTING MEMBERS: non-profit organisations, government agencies, multilateral organisations, academic institutions and companies aimed at promoting business development may participate as financial supporters of THE COMPETITIVENESS INSTITUTE.

HONORARY MEMBERS: appointed by the Board of Directors in recognition for their contribution to the association. All members of the Board of Advisors shall have the status of honorary members during their term of office but without the right to vote.

FOUNDING MEMBERS; the five members signing the founding articles of association shall have the status of founding members and shall be permanent members of the Board of Advisors.

Article 5

The rights of the members of the association are:

1. Attend the General Assembly meetings with voice and vote.
2. Appoint or be appointed for representative positions or for holding executive positions.
3. Exercise the representation bestowed upon them in each specific case.
4. Intervene in the governance and management, in the services and activities of the association, in accordance with the legal and statutory regulations.
5. Propose to the Assembly and to the Board of Directors all matters they believe could contribute to a more fulfilling life of the association and to the more efficient carrying out of the basic objectives of the association.
6. Request and obtain explanations regarding the administration and management of the Board of Directors or of the association's executives.
7. Be heard prior to the adoption of disciplinary measures.
8. Receive information regarding the activities of the association.
9. Make use of the common services established by the association or that this has at its disposal.

10. Take part in work groups.
11. Have a copy of the Articles of Association.
12. Consult the association's books.

Article 6

The duties of the members of the Association are:

1. Commit to the objectives of the association and actively strive to achieve these.
2. Contribute to the support of the association by paying fees, levies and other financial contributions set out in the Articles of Association and approved compliant with said Articles.
3. Comply with any other obligations resulting from the statutory provisions.
4. Abide by and comply with the agreements validly adopted by the governing bodies of the association.

Article 7

Reasons for withdrawal of membership:

1. By decision of the interested party, who shall notify in writing his/her decision to the Board of Directors.
2. Non-payment of the stipulated fees.
3. Non-compliance with the statutory obligations.

Chapter III. The General Assembly

Article 8

1. The General Assembly is the supreme body of the association. The members of the association are members by their own unwaivable right.
2. The members of the association, gathered in legally constituted General Assembly, decide by majority of votes the issues that are the responsibility of the Assembly.
3. All members are subject to the agreements reached by the General Assembly, including those absent, those who disagree and those present who abstained from voting.

Article 9

The General Assembly has the following powers:

- a) Modify the Articles of Association.
- b) Elect and separate the members of the governing body and supervise its activity.
- c) Approve the annual budget and the settlement of annual accounts, adopt the agreements to determine the form and the amount of the contribution to support the association and approve the management actions carried out by the governing body.
- d) Agree the winding up of the association.
- e) To join or separate from other association mergers.
- f) To request the declaration of public interest.
- g) To approve internal regulations.
- h) To agree, following proceedings, the withdrawal or the final separation of members of the association.
- i) Be aware of the membership applications submitted, as well as the incorporation and withdrawal of membership for a reason other than the final separation from the association.
- j) To settle any other issue which is not directly attributed to any other body of the association.

The list of the powers set out in the article herein is for mere information purposes and shall not limit the powers of the General Assembly.

Article 10

1. The General Assembly shall meet in ordinary session at least once a year.
2. The governing body may convene an extraordinary General Assembly whenever it considers it appropriate, and it must do so when it is requested by at least ten per cent of the associates with the right to vote.
In this case, the Assembly shall take place within thirty days of the request.
3. The General Assembly can meet anywhere in the world.

Article 11

1. The Assembly is convened by the governing body through a notification which should contain at least an agenda, the place, date and the time of the meeting.
2. The invitation to the meeting of the General Assembly shall be made in writing, including any electronic means of communications i.e. e-mail. The communication of the meeting should be sent to the address (including the e-mail address) included in the updated database of the association. Each member is responsible

to inform the Secretary of the association of any change of address or contact details.

3. The Chairman of the association shall preside the meetings of the General Assembly, in his/her absence, the most senior member of the Board shall substitute him/her. The Secretary shall be the person holding the same position on the Board of Directors.
4. The Secretary shall prepare the minutes of each meeting, which must be signed by the Secretary himself/herself and the Chairman, including an extract of the deliberations, the text of agreements entered into, the numerical result of the voting and the list of attendees.

Each General Assembly shall begin with the reading of the minutes of the previous meeting for its approval or amendment. In any case, the minutes and any other relevant documentation must be available to all members at the Association offices five days prior to the Assembly.

Article 12

1. The General Assembly shall be deemed validly constituted regardless of the number of members present or represented.
2. A minimum of not less than ten percent of the members with the right to vote may request the governing body to include one or more issues in the agenda, if the Assembly had already been convened, the request should be made within the first third part of the period between the receipt of the invitation and the date of the meeting of the Assembly. The request may also be made directly to the Assembly, which shall decide what it deems appropriate. However, agreements may only be made with regard to issues not included in the agenda included in the invitation to the meeting if all the members of the association attend the meeting and unanimously agree to do so. Such issues not included in the agenda can be discussed in the meeting but not put to vote.

Article 13

1. Ordinary Members as well as Supporting Members shall each have one vote at the General Assembly.
2. Agreements shall be made by simple majority of votes from present or represented members.
3. A number of votes equivalent to two thirds of the attendees is necessary in order to adopt agreements with regard to the separation of members, the amendment of articles of association, the winding up of the association, the constitution of a federation with similar associations or the incorporation with an already existing

association. In any case, the election of the Board of Directors, if several candidates are presented, is carried out by agreement of the relative majority of the present or represented members.

4. All formally presented candidates are entitled to receive a list of the members and their addresses certified by the Secretary with the approval of the Chairman.

Chapter IV. The Board of Directors

Article 14

1. The Board of Directors governs, administers and represents the association and it shall consist of the Chairman, the Secretary, the Treasurer, the Outgoing Chairman and the Members of the Board. These positions must be held by different persons and no more than one third of the Board can be individuals from the same nationality.
2. The election of the members of the Board of Directors, who must be associates, shall be carried out by voting at the General Assembly. The persons elected shall take up their position after accepting their responsibilities.
3. The appointment and dismissal of the positions must be certified by the Outgoing Secretary, with the approval of the Outgoing President and must be notified to the Registry of Associations.
4. All positions of the members of the Board of Directors are voluntary and not remunerated. During their term in office, members of the Board must pursue the interest of the association and no personal commercial interest shall derive from their actions as a member of the Board.

Article 15

1. The members of the Board of Directors shall be elected for a period of three years with the possibility to renew their term of office. The Chairman shall be elected among the members of the Board who have been a minimum period of one year on the Board. The Chairman shall hold his/her position for a period of two years and shall remain as a member of the Board of Directors as Outgoing Chairman for a period of one more year after ending his/her time in office.
2. Withdrawal of members before the expiration of the statutory period of their term of office may occur as a result of:
 - a) voluntary resignation submitted in writing explaining the reasons for said resignation.
 - b) illness incapacitating the person to carry out his/her duties.
 - c) cessation as member of the association.

- d) sanction due to an infringement committed during the exercise of the position, imposed in accordance with article 13.3 of the articles.
- 3. Any vacancy in the Board of Directors shall be filled during the first meeting of the General Assembly. Meanwhile, a member of the association may provisionally fill the vacant position, by appointment of the Board of Directors.

Article 16

1. The Board of Directors have the following powers:
 - a) To represent, manage and administer the association within the widest scope permitted by the Law, likewise, to comply with the decisions approved by the General Assembly, in accordance with the regulations, instructions and directives set out by this Assembly.
 - b) To make the necessary agreements with regard to the appearances before public bodies and to exercise all legal actions and institute any appropriate legal proceedings.
 - c) To propose to the General Assembly the protection of the interests of the association.
 - d) To propose to the General Assembly the defence of setting up the fees that the members of the association must pay.
 - e) To convene the meetings of the General Assembly and supervise the compliance with the agreements reached.
 - f) To present the balance sheet and the yearly financial statements to the General Assembly for their approval and prepare the budget for the following year.
 - g) To contract the employees the association may need.
 - h) To inspect the accounts and make sure the services work normally.
 - i) To set up work groups to achieve the objectives of the association in the most effective and efficient manner and authorise the activities that these groups plan to achieve.
 - j) To appoint the members of the Board of Directors who shall be responsible for each work group, at the proposal of the groups themselves.
 - k) To complete the necessary actions before public bodies, entities and other persons in order to obtain:
 - subsidies or other aid
 - the use of facilities or buildings that might become a place for meetings and communications and also a citizen recovery centre.
 - l) To open current and savings accounts in any credit or savings entity and to dispose of funds available in said deposits. The disposal of funds is set out in article 29.
 - m) To provisionally solve any case which has not been covered by the articles of association and present the case at the next meeting of the General Assembly.

- n) Any other power which has not been specifically attributed to any other governing body or that has been expressly delegated to the Board of Directors.

Article 17

1. The Board of Directors, previously convened by the Chairman or his/her substitute, shall meet in an ordinary meeting as regularly as its members may so decide which, in no case shall be less regularly than every four months. These meetings can be held via teleconference or videoconference.
2. The Board of Directors shall meet in an extraordinary meeting when is so convened by the Chairman or when it is requested by two thirds of the members of the Board.
3. The Board of Directors can meet anywhere in the world.

Article 18

1. The Board of Directors shall be validly constituted when this has been previously convened and constitutes a quorum with half of the members plus one.
2. Members of the Board of Directors must attend all the meetings convened, although they may be excused due to justified causes. Attendance from the Chairman, the Secretary or their substitutes shall always be necessary.
3. The Board of Directors takes the decisions by simple majority of votes from attendees.

Article 19

1. The Board of Directors may delegate any of its powers to one or more commissions or work groups if approved by two thirds of its members.
2. It may also appoint, with the same quorum, one or more executives to carry out the actions entrusted upon them with the powers it deems appropriate in each case.

Article 20

All agreements of the Board of Directors shall be entered in the Minutes Book and shall be signed by the Secretary and the Chairman. At the beginning of each meeting of the board of directors, the minutes of the previous session must be read for approval or modification if appropriate.

Chapter V. The Chairman.

Article 21

1. The Chairman shall carry out the following functions:
 - a) Direct and legally represent the association, by delegation of the General Assembly and the Board of Directors.
 - b) Preside and chair the debates both of the General Assembly and of the Board of Directors.
 - c) Issue a deciding vote in the event of a tie.
 - d) Set up the meetings of the General Assembly and of the Board of Directors.
 - e) Endorse the minutes and the certificates prepared by the Secretary of the association.
 - f) Any other functions relating to the position and those delegated by the General Assembly or by the Board of Directors.
2. The Chairman shall be replaced in the event of absence or illness by the most senior member of the Board of Directors.

Chapter VI. The Treasurer and the Secretary

Article 22

The Treasurer is responsible for the custody and the control of the resources of the association and also for preparing the budget, the balance and the settlement of accounts. The Treasurer has a cash book. He/she signs all receipts of fees and other treasury documents. He/she pays all invoices approved by the Board of Directors, which must first be endorsed by the Chairman, and pays all remaining amounts into accounts opened in credit or savings entities.

Article 23

The Secretary shall have custody of the documentation of the association, and shall write, prepare and sign the minutes of the meetings of the General Assembly and the Board of Directors, write and authorise the certificates that need to be submitted and also maintain the registry of members.

Chapter VII. The commissions and work groups

Article 24

The set up and constitution of any commission or work group has to be proposed by the members of the association who wish to form these, and they must inform the Board of Directors and explain the activities they propose to carry out.

The Board of Directors must undertake to analyse the different commissions or work groups, the persons in charge of these commissions or work groups must present a detailed report of their actions to the Board of Directors once every three months.

Chapter VIII. The Board of Advisors

Article 25

1. The Board of Advisors is formed by personalities from the Business World, from International Institutions and from Public Administrations who have played an important role in the application of “cluster” initiatives.
2. The role of the Board of Advisors is to advise the Board of Directors in the definition of the guidelines of the activities of the association and to promote it worldwide.
3. The Board of Directors shall be responsible for the appointment and dismissal of the members of the Board of Advisors.
4. The members of the Board of Advisors shall be convened to a meeting by the Board of Directors once a year.

Chapter IX. Financial

Article 26

This association has no founding capital.

Article 27

The financial resources of the association are funded by:

- a) membership fees established by the General Assembly for their members
- b) official or private subsidies
- c) donations, inheritances or legacies.
- d) income from the estate of the association or from other income that might be obtained.

Article 28

All members of the association are obliged to support it financially, by way of fees or levies in the manner and proportion determined by the General Assembly at the request of the Board of Directors.

The General Assembly may set up entrance fees, monthly fees payable by months, quarters or half yearly as established by the Board of Directors as well as extraordinary fees.

Article 29

The fiscal year shall coincide with the calendar year and shall be closed on 31st December.

Article 30

The signatures of the Chairman, the Treasurer and the Secretary must appear in the current accounts or savings books opened in credit or savings entities.

Two signatures shall be sufficient in order to withdraw funds, one of which must be that of the Treasurer or that of the Chairman.

Chapter X. Discipline

Article 31

The governing body may sanction infringements committed by the members who do not comply with their obligations.

Such infringements may be rated as minor, serious and very serious and the correspondent sanctions shall range from a warning to the expulsion from the association, as established in the internal regulations.

The sanctioning proceedings shall begin automatically or as a result of an accusation or report. The Board of Directors shall appoint an instructor who will process the sanctioning proceeding and who proposes the resolution, following a previous meeting with the alleged offender. The final resolution, which should have just cause, is adopted by this governing body.

Any sanctioned member who does not agree with the resolutions adopted may request the decision of the General Assembly, who shall either confirm said resolutions or agree appropriate withdrawal resolutions.

Chapter XI. Winding Up

Article 32

The association may be dissolved should the General Assembly agree so, it being convened for an extraordinary meeting with this express purpose.

Article 33

1. Once the winding up has been agreed, the General Assembly shall take the necessary actions with regard to the destination of the assets and rights of the association, as well as to the completion, termination and settlement of any pending operations.
2. The Assembly is entitled to elect a settlement commission whenever it considers it necessary.
3. The members of the association are exempt from personal liability. Their responsibility shall be limited to fulfilling the obligations they have voluntarily accepted.
4. Net surplus resulting from the settlement shall be directly delivered to the public or private entity which, in the territorial scope of action of the association, has identified itself more with the objectives of the association.
5. The settlement and execution functions of the agreements referred to in the aforementioned paragraphs of this article are competences of the Board of Directors if the General Assembly does not bestow this task upon a specially designated settlement commission.

The last changes of the Articles of Association were approved by the General Assembly held in Jyväskylä, Finland, on 16 October 2009.

The Chairman



Alberto Pezzi
Passport AA1174478 - ITA

The Secretary



Christian Ketels
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