

**Annex 1b. Articles of Association of the Coastal Action Group.
Example of Galicia (Spain)**

DRAFT XUNTA DE GALICIA

Articles of Association of the Grupo de Acción Costera Artesanal (Coastal Action Group)

C/, nº CP

 98..... –  98.....- *E-mail:*

HEADING I. NAME AND LEGAL REGIME

ARTICLE 1. *The Association*

The Grupo de Acción Costera Artesanal is hereby incorporated as an association (hereinafter referred to as the GAC) for the purposes set forth in article 45 of Regulation 1198/2006 of the Council, dated 27 July 2006, with regard to the European Fishing Fund. The Association is a non-profit-making enterprise which shall be governed by the provisions set forth in Organic Law 1/2002 regulating the Right of Association, dated 22 March, in the wording given in Law 62/2003, dated 30 December, these articles of association and the Internal Code of Conduct, if appropriate, as well as valid resolutions adopted by the General Assembly and governing bodies within the sphere of their respective terms of competence.

ARTICLE 2. *Legal standing*

Once registered in the corresponding register, the GAC shall have full legal standing for compliance with its missions.

HEADING II. REGISTERED OFFICE AND SCOPE OF OPERATION

ARTICLE 3. Registered office

1. The GAC hereby designates its registered office at Calle

2. Other corporate branches may be set up in other locations within the GAC's sphere of operation through resolution from the Governing Board, which shall also be empowered to change both the head office as well as other branches.

ARTICLE 4. Territorial scope and term

1. The GAC's sphere of operation shall correspond to the area, which comprises the following town/city councils:

2. The term shall be open-ended and it shall remain in force for as long as necessary for the association's purposes.

HEADING III. CORPORATE PURPOSE AND ACTIVITIES

ARTICLE 5. Corporate purpose and objectives

1. The corporate purpose of the GAC is to take part in governance of the area, with active participation in constructing the organisational capacity of the fishing zone, acting as a convergence core and representing all individuals, enterprises and socioeconomic agents interested in the uniform and balanced development of the zone for the purpose of achieving the following objectives:

a) To act on behalf of associated entities as a reception, channelling and disseminating centre of all information concerning the fields of local and regional development with a national and international sphere of operation. This task shall focus mainly on looking for and finding out about aid, resources and existing projects at any given time that could be carried out by the Association or by its associates.

b) To raise awareness of governments, public and private enterprises as well as European Community Institutions in order to make the most of endogenous resources of the zone for harmonious, balanced, sustained and uniform development.

c) To promote, drive, programme and collaborate in actions targeted at strengthening competitiveness of the fishing zone.

d) To set up and rule on all measures under the aegis of priority 4 of the EFF on selection of operations to be

carried out by the private and public sector, as part of the local development strategy in place.

d) To promote, drive, programme and collaborate in actions targeted at the diversification of activities through promoting multiple employment for fishermen through the creation of additional jobs outside the fishing sector.

e) To promote, drive, programme and collaborate in actions targeted at seeking out value-added for fish, shellfish and aquaculture products.

f) To participate in whatsoever zonal, regional, national and international initiatives that contribute to strengthening socioeconomic development of the area's fishing sector.

g) To encourage the exchange of experiences and working methodologies between associates and intervention within the sphere of zonal and regional development.

h) To promote the professional exercise of activities geared at fostering equal opportunities between men and women, as well as stringent implementation and application of both scientific knowledge concerning equal opportunities as well as services targeted at satisfying women's needs and aspirations, taking into account the promotion of equal opportunities.

i) To promote activities of an informative, research, prevention and raised awareness nature, targeted mainly at the fishing sector, especially women, young persons and underprivileged groups tied to this sector.

k) To promote, drive, programme and collaborate in environmentally friendly actions in fishing zones for the purpose of maintaining its attraction, regenerating and developing coastal fishing villages as well as taking part in actions to re-establish the productive potential of the fishing, shellfish and aquaculture sector damaged as a result of natural or industrial catastrophes.

l) To promote interregional and transnational cooperation with other associations and organisations created under the aegis of priority 4 of the European Fishing Fund.

2. To achieve these objectives, the GAC may carry out the following activities:

a) Actions to raise awareness of the socioeconomic fabric of the ... area tied to the problems, resources, actions and projects that form part of its development interests.

b) To design, plan, coordinate and carry out socio-cultural activities such as seminars, conferences, singular events, research and studies concerning the problems of uniform development of the ... zone, as well as publication, if applicable, of all kinds of written, audiovisual or electro-optical-magnetic media, of a

specialised, didactic or merely informative nature.

c) To apply to any jurisdiction and, if applicable, carry out any programme or project concerning zonal and regional development, whether this is to be carried out on national territory or in any other country.

d) To design, plan, coordinate and carry out whatsoever actions or activities that are required to achieve proper training and ongoing awareness of all socioeconomic groups tied to zonal development, and especially professionals in the fishing, shellfish and aquaculture sectors.

e) To promote the exchange of experiences and work methodologies, as well as seeking joint lines of action with similar enterprises.

f) To carry out whatsoever activities of a similar, prior or consequential nature.

g) To carry out mediation or collaboration activities in the management of aid (acting as a collaborating entity; officially announcing and granting aid, screening projects, controlling payments, tracking performance, etc.)

HEADING IV: RIGHTS AND DUTIES OF THE ASSOCIATES

ARTICLE 6. Status of member

1. Associative enterprises with their own legal personality and capacity to act, representative of sector interests with a presence in the ... area, either from the fishing industry or other socioeconomic sectors, as well as public institutions of a local or regional sphere, may form part of the GAC.

2. The representative nature, at a local or territorial level of the ... area, of the respective sector associations shall be assessed by the Governing Board of this GAC in order to avoid participation by sector associations that do not represent the socioeconomic agents of that sector. The foregoing shall not apply to the public sector.

3. The status of associate requires an application to be addressed to the Chairmanship of the GAC, duly signed by the legal representative through an agreement from the competent body, declaring the express will to join the GAC and to comply with all of the objectives set forth in its articles of association and other internal regulations. This application must be accompanied by the following documentation:

1. Copy of the duly registered articles of association.
2. List of shareholders or partners.
3. Corporate Tax code.
4. Record of activities.

4. The chairperson shall forward the application to the Governing Board, which shall have a maximum period of two months to rule on this application.

7. In the event of the Governing Board's refusal, the applicant may lodge an appeal at the next General assembly.

8. No status of social entity shall be granted until the membership fee established by the Governing Board has been paid. In all circumstances, and with regard to non-institutional members, the content of article 26 shall be respected.

ARTICLE 7. Forfeiture of member status

1. The status of member shall be forfeited:

a) Through a voluntary decision by the social entity.

b) Through a sanction imposed by the Governing Board, for breach of the duties inherent to the condition of social entity.

c) Through loss of the representative nature or of the requirements necessary to hold member status.

2. The expulsion resolution adopted by the Governing Board shall be notified in writing. An appeal may be

lodged at the first General assembly held.

3. Leaving the GAC for any reason does not exonerate the social entity from satisfying any outstanding duties and commitments of whatsoever nature.

Article ... The sectors

For the purposes of these articles of association, the GAC comprise entities that represent the following sectors:

a) The fishing, shellfishing and aquaculture sector: the collective fishing, shellfishing and aquaculture groups with their own legal personality shall configure this sector.

b) Social sector: this sector shall include socio-cultural, sporting, ecological, recreational and educational associations as well as unions and women's associations.

c) Economic sector: made up by business associations and economic agents.

d) The public sector: encompassing local public authorities.

ARTICLE 8. Rights of associates

Associates have the following rights:

- a) To elect and be elected to form part of the Governing Board of any commissions or committees that may be created.
- b) To take part in the General assembly with the right to vote and be heard.
- c) To approve the balance sheet and the annual budget, if appropriate, at the Meeting.
- d) To request information on any aspect of the GAC's performance that may be of interest.
- e) Any other rights that are legally admissible or provided for in the GAC's Articles of Association, the internal code of conduct, or any resolutions that are validly adopted by the corporate bodies.

ARTICLE 9. Members' duties

The members' duties are as follows:

- a) To attend the General Assemblies and be bound by the resolutions validly adopted by the corporate bodies.
- b) To occupy the post for which they are elected and carry out the duties inherent to these positions.

c) To pay the membership and periodic fees agreed by the Governing Board.

d) To participate and carry out any tasks commissioned by the General Assembly, the Governing Board or the Commissions or Committees that are created.

e) To comply with other duties stemming from legal and statutory precepts or the resolutions validly adopted by the corporate bodies.

HEADING V: GAC BODIES

ARTICLE 10. Operating principles

On a broad democratic basis, the ... GAC shall be governed by the system of self-governance, due observance of legality and internal democracy in its performance.

ARTICLE 11. Governing bodies

The governing bodies of the GAC are:

- a) The General Assembly
- b) The Governing Board
- c) The Standing Commission for Economic and Financial Management

ARTICLE 12. The General Assembly

1. The General Assembly is the supreme governing body of the GAC and shall comprise all individuals that represent the social entities that are in full use of their social rights.

2. General Assembly sessions may be ordinary or extraordinary.

3. The posts of Chairman and Secretary of the sessions shall fall to the members that hold these positions on the Governing Board.

4. The ordinary General Assembly shall meet once a year within the first calendar quarter.

5. The extraordinary General Assembly shall meet whenever necessary, following an agreement from the Governing Board, and shall be convened by the person that holds the Chairmanship.

6. Likewise, and of an extraordinary nature, the General Assembly shall meet whenever requested in writing by a minimum number of associates not less than 10%, addressed to the Governing Board, with a detailed breakdown of the issues to be dealt with on the agenda. Once this application has been received, the Chairman shall convene the General Assembly within the following 15 calendar days.

7. Both ordinary as well as extraordinary General assemblies shall be validly quorate at the first or second session when one third of the voting rights is either present or represented.

8. At least 15 calendar days must elapse between the call to meeting and the day indicated for the first session of the General Assembly. The call to meeting may also place on record the date on which, if applicable, the second session of the General Assembly shall take place. A period of at least half an hour must elapse between the two meetings.

9. In the event that the date of the second session has not been placed on record in the call to meeting, this must be carried out at least eight days prior to the date of the meeting.

10. Notification of the General Assembly shall be given in writing to each of the individual representatives of the social entities, with a detailed breakdown of the agenda.

11. The voting delegation or representation can only be given to a representative of the same sector.

ARTICLE 13. *Duties of the Ordinary General Assembly*

The ordinary General Assembly shall have the following terms of reference:

a) To be aware of and approve, if applicable, the report of corporate activities carried out as well as those to be carried out.

b) To be aware of and approve, if applicable, the general P&L statement, as well as the entity's annual budget for income and expenditure of the following year, modifying the fees and establishing extraordinary surpluses.

c) To approve the management of the Governing Board, that of the Chairman or any other member of the same.

d) To rule on the admissibility of any issues that affect the progress of the Association and which are submitted for consideration by the Governing Board or included under the "any other business" section by any person representing the social entities.

ARTICLE 14. Duties of the Extraordinary General Assembly

The extraordinary General Assembly shall have the following terms of reference:

a) The use or disposal of goods and chattels.

b) Appointment of the Governing Boards.

c) Appointment of administrators and representatives.

- d) Application for statement of public utility.
- e) The incorporation of a Federation and joining this Federation if it already exists.
- f) Modification of the Articles of Association.
- g) Dissolution of the GAC.
- h) Expulsion of associates.
- i) Appointment of honorary members.
- j) Any other issues for which the ordinary General Assembly or any other body is not responsible.

ARTICLE 15. Resolutions of the General Assemblies

1. For the resolutions of the General Assemblies to be valid, the favourable votes of the following present or represented social entities shall be required:

- a) Ordinary: Simple majority (more affirmative votes than negative ones) of present or represented votes.
- b) Extraordinary: Two thirds of the two groups of associates separately (two thirds of the institutional associates and two thirds of the non-institutional associates and socioeconomic representatives for terms of

reference a) c) d) e) f) and g); simple majority for terms of reference h) i) and j) of the previous article.

c) With regard to term of reference b) of the previous article, each one of the sectors specified in the composition of the Governing Board shall designate their own representatives on this, in accordance with the specifications in section 2 of this article and by two thirds of the associates of that sector, either present or represented.

2. The fact that the Group is affiliated to the FEP, and the purpose (basically fishing) that the incorporation of the GACs have, means the representatives of the fishing, shellfishing and aquaculture sector must represent more than 50% of the votes of members of the General Assembly.

3. In order to maintain a balanced and representative number of liaison agents of the different socioeconomic sectors of the ... area on the decision-making bodies, the public authorities cannot represent more than 20% of members of the General Assembly; the social representatives cannot represent more than 20% of members of the General Assembly and the economic representatives cannot represent more than 20% of members of the General Assembly.

ARTICLE 16. The Governing Board

1. Through delegation by the General Assembly, the Governing Board assumes management of the entity and

shall comprise a vice-chairman, a treasurer, sixteen board members and a secretary.

2. The member(s) of the Governing Board that do not represent Public Authorities shall be appointed by the General Assembly in accordance with the proposal from each sector and in accordance with their representation on the Governing Board, pursuant to those shown hereunder:

11 representatives of the fishing, shellfishing and aquaculture sector, one of which shall hold the status of chairman of the General Assembly and the Governing Board.

5 social representatives: 1 representative of the socio-cultural, sporting, ecological, recreational and educational associations, 3 representatives from the unions and 1 representative from the women's associations.

5 economic and local authority representatives: 2 representatives from the business, traders, hotelier and craft associations and 3 representatives from local authorities.

3. For the purpose of maintaining a balanced and representative number of liaison agents from the different socioeconomic sectors of the territory on the decision-making bodies, the representatives from the fishing, shellfishing and aquaculture sector must represent over 50% of the votes of members of the Governing Board.

4. The members of the Governing Board shall designate positions from among themselves (chairman, vice-chairman, or secretary and treasurer and board members) through an absolute majority taken at the first vote and simple majority of the second vote.

5. All posts of the Governing Board are honorary and without remuneration and the appointment shall be made for a period of four years, with the possibility of being re-elected.

6. However, all posts shall have the right to compensation for expenses incurred in the exercise of these positions in the Association's activities and to receive compensation for attending the following meetings:

a) The General Assembly: €60.00

b) The Governing Board: €60.00

c) Economic and Financial Management Commission: €60.00

7. In the event that the General Assembly and the Governing Board follow one another, members shall receive a single payment of €60.00.

8. The foregoing amounts may be reviewed by the competent bodies of the Group.

ARTICLE 17. Duties of the Governing Board

The Governing Board shall have the following duties:

1. To accept, suspend or remove members of the Association in accordance with the provisions set forth in the articles of association.
2. To propose the appointment of honorary members.
3. To comply with the statutory rules, those of a regulatory nature, if applicable, and those resolutions adopted by the General Assembly, and to ensure that the foregoing are duly satisfied by others.
4. To present the corporate report, the annual economic-financial report, the profit and loss statement, the management report for the year as well as the annual budget for income and expenditure and planning for the forthcoming year, and to do so on an annual basis.
5. To resolve any doubts that arise with regard to interpretation of the statutory rules, regulations and internal rules, and to rectify any possible omissions, without prejudice to submitting decisions to the first General Assembly that is held.
6. To propose new regulations to the General Assembly

for approval purposes, if applicable.

7. To organise, coordinate activities and allocate work and responsibilities among representatives of the social entities, designating work and study commissions.
8. To agree the amount of membership and periodic fees and the method of payment.
9. In general, to carry out whatsoever actions geared at greater fulfilment of corporate objectives and purposes, provided that these do not fall to the General Assembly.
10. To adopt and enforce governance and administrative actions of the GAC.
11. To announce grants to carry out projects targeted at satisfying the objectives of the Association and which are laid down in Chapter IV of Heading IV of Regulation 1198/2006 from the Council, dated 27 July 2006, concerning the European Fishing Fund.
12. Approve or reject subsidies for projects presented under the aegis of official announcements made by the Association.

ARTICLE 19. Meetings of the Governing Board

1. The Governing Board shall hold an ordinary meeting twice a year and an extraordinary meeting whenever the chairman decides this is required due to the urgency of the items to be dealt with or when this is requested on justified grounds by one or more of its members. Attendance is obligatory except where justified reasons are given.

2. The meetings of the Governing Board shall be notified in writing, together with the agenda. Ordinary meetings must be notified at least 72 hours beforehand, while extraordinary meetings may be notified at any time and through the most suitable procedure.

3. A simple majority at the first meeting shall be sufficient for the meeting to be quorate, while the second meeting shall be quorate regardless of the number of attendees. In both cases the Chairman or Vice-chairman and the Secretary must be present.

4. A simple majority of attendees at the meeting shall be required in order to vote on valid resolutions.

ARTICLE 20. The Chairman

The Chairman hereby accepts the legal representation of

the entity for all purposes, both in court as well as out of court, and with the casting vote in the event of a tie. The Chairman is responsible for directing, organising and arbitrating on both the Governing Board and the General Assembly, as well as:

- a) Convening and setting the agenda of the meetings of the Governing Board and the General Assembly, and presiding over these meetings.
- b) Instructing expenses and payments of the entity, signing counterfoils, receipts and other similar documents together with the Treasurer/Accountant.
- c) Signing off whatsoever missives and communications required by the company, as well as ratifying documents authorised by the Secretary, especially if they hold the nature of certifications.
- d) Accepting and performing any tasks that are commissioned, both through resolution of the Governing Board as well as the General Assembly.
- e) Endorsing the minutes of the meeting and overseeing enforcement of the resolutions adopted.

f) Signing contracts of behalf of the Association, granting powers of attorney to third parties, filing claims to government authorities and before ordinary and special jurisdictions, accepting donations, legacies and inheritances, exercising actions and challenging exceptions.

ARTICLE 21. The Vice-chairman

The Vice-chairman shall replace the Chairman in the event of absence, illness or death, and shall carry out those duties delegated by the Chairman.

ARTICLE 22. The Secretary

The Secretary is responsible for carrying out secretarial duties as well as:

- a) Acting as secretary at all meetings.
- b) Safeguarding books and documents, except accountancy journals, stamps and the index with the Association's details.
- c) Directing, organising and coordinating the entity's administrative tasks.
- d) Drafting and recording minutes of the meetings of the

Governing Board and General Assembly in the corresponding books, and issuing certifications of these with ratification from the Chairman.

e) Being responsible for ordinary correspondence and, where applicable, managing staff members.

f) Enforcing the resolutions statutorily adopted, under the supervision of the Chairman.

g) Drafting the annual corporate report of the Association.

h) Compiling the Stock Inventory.

ARTICLE 23. The Treasurer

The Treasurer/Accountant shall be responsible for:

a) Collecting funds, safeguarding these and investing them in accordance with instructions from the Governing Board.

b) Making the payments instructed by the Chairman.

c) Overseeing the correct economic performance of the Association, as well as the most suitable budgetary investment, in accordance with the objectives and purposes of the Association.

d) Managing and organising the accounts.

e) Compiling the profit and loss statement as well as the annual budget of revenue and expenditure.

ARTICLE 24. The Standing Commission for Economic and Financial Management

1. The Standing Commission for Economic and Financial Management shall comprise the following members:

- The Chairman of the GAC.
- The Vice-chairman of the GAC.
- 3 members, elected from among and on behalf of each one of the groups that make up the Governing Board.
- The Secretary of the GAC.
- The Treasurer of the GAC.

2. The functions of the commission shall be:

a) Advising the Chairman and the Governing Board in economic and financial issues.

b) Planning programmes and activities to be carried out by the Association.

c) Carrying out the study and report of budgets and annual accounts.

d) Carrying out the study, planning and control of the Association's economic and financial activities.

e) Assessing the projects presented under the aegis of the official announcements made by the GAC and forwarding proposals to the Governing Board for acceptance or rejection.

ARTICLE 25. Members

The Members shall carry out their generic tasks, without prejudice to any other tasks that may be admissible or, more specifically, are delegated through resolution of the Governing Board.

HEADING VI: ECONOMIC REGIME

ARTICLE 26. Initial assets

On commencement of its activities, the assets of the GAC total euros.

ARTICLE 27. Annual accounts

The annual accounts of the previous year shall be compiled annually. They shall be presented in a report placed at the disposal of representatives of the social entities for a period of no less than 15 days following the holding of the ordinary General Assembly, which must approve or audit the accounts.

ARTICLE 28. Budget

The budget to the end of the financial year shall be approved during the first quarter of every year by the ordinary General Assembly.

ARTICLE 29. Availability of funds

In order to withdraw funds from banks where the GAC hold accounts, the bank shall hold copies of the signatures of the Chairman and the Treasurer, which shall be jointly required in order to make withdrawals.

ARTICLE 30. Destination of funds

As a non-profit-making organisation, profits obtained by the GAC may under no circumstances be distributed between representatives or social entities.

ARTICLE 31. Economic resources

The Association shall receive the following funding:

- a) From ordinary membership fees and extraordinary surpluses established by the General Assembly.
- b) Donations and legacies in favour of the GAC.
- c) Subsidies that may be granted by any public or private, local, provincial, autonomous, national or foreign institution.

d) Any other income permitted through current legislation.

ARTICLE 32. Members' fees and contributions

1. The amount of membership fees and contributions shall be proposed by the Governing Board and approved by the General Assembly, which shall also determine the payment method.

2. Non-institutional representatives are exonerated from paying standard membership fees.

HEADING VII. DISSOLUTION OF THE GAC

ARTICLE 33. Dissolution

The GAC is set up for an open-ended period and may be dissolved, if appropriate, in the following cases:

a) Through the will of its members, through a resolution adopted by the extraordinary General Assembly convened for this purpose, and with the quorum set forth in article 14, section b).

b) Once the objectives of the GAC have been fully achieved or are rendered impossible.

c) Through repeated breach of the purposes for

which it was created.

d) Through a court order.

e) Through a decrease of the number of members to below 10, or the absence of members from one of the sectors.

ARTICLE 34. Receivership of the GAC

1. In the event of dissolution the General Assembly shall elect three of its members to set up the corresponding Receivership Commission, with the eldest chairing this commission.

2. The Receivership Commission shall seize the existing net assets and satisfy any outstanding obligations. Any surplus shall be handed over to any legally constituted enterprise that engages in identical or, in the absence of this, similar aims to those of this GAC

In [place], [date] 2008

CHAIRMAN,

SECRETARY,