

STATUTES OF THE PORTO BUSINESS SCHOOL (PBS) – U.PORTO ASSOCIATION

(granted by public deed on 29th April 2015)

CHAPTER I General Provisions

Article 1 Name, nature, regime, duration and registered offices

- 1.1. The Association adopts the name Porto Business School (PBS) – U.Porto Association and its registered offices are located at Avenida Fabril do Norte, no. 425, 4460-312 Matosinhos.
- 1.2. The Porto Business School (PBS) – U.Porto Association is a partnership between civil society, particularly the corporate world, and the University of Porto, and operates as a non-profit-making Association governed by private law.
- 1.3. The Association is incorporated for an indefinite period of time and is governed by its statutes and by applicable legal provisions.

Article 2 Purpose

- 1.4. The purpose of the Association is to establish and operate a Business School, called Porto Business School, whose main aim is to coordinate particularly with the academic and business communities in order to undertake research, the practical application of knowledge and advanced training in the area of Management, or any others which the Association may consider its vocation, as well as to provide related services.
- 1.5. Without prejudice to the provisions set out in the present statutes, the Porto Business School shall be governed by its own regulations, which shall envisage the establishment of an Academic Council for the said Business School; the aforementioned regulations must be approved by the General and Supervisory Board, and accepted by the General Assembly.
- 1.6. In order to pursue its purpose, it is particularly incumbent upon the Association, via the Porto Business School, to:
 - a) Organise and provide DBA (*Doctor of Business Administration*), MBA (*Master of Business Administration*) and Executive MBA courses, considering the possibility of associating itself with other prestigious institutions, in order to ensure the provision of internationally recognised post-graduate training;
 - b) Organise and provide post-graduate and continuous training courses which, at any given time, prove to be necessary and appropriate for the Business School's target market, and particularly for the business community it most directly aims to serve;

- c) Organise and provide seminars and other advanced education programmes for the top management segment;
 - d) Organise and provide courses tailored especially for certain organisations, be they business organisations or otherwise, given at the Business School's premises or in-company;
 - e) Perform and encourage the performance of R&D (Research and Development) projects within the realm of Management and similar areas, preferably in cooperation with the business community;
 - f) Serve as a channel to promote and distribute the research in Management and similar areas, particularly that performed within its remit and, generally, at the University of Porto and the organisational units thereof;
 - g) Sign service provision contracts with companies and other private or State-owned bodies;
 - h) Promote holding conferences, seminars, meetings and congresses in the field of Management and similar areas;
 - i) In collaboration with the University of Porto and its organisational units, guarantee the operation of a documentation centre in the field of Management and similar areas;
 - j) Establish and maintain exchanges with similar Portuguese and foreign institutions.
- 1.7. In order to pursue its purpose, Porto Business School shall be endowed with a faculty comprising Portuguese or foreign professionals of recognised merit. With a view to enhancing Porto Business School's international standing and ensuring the certification or accreditation of the Business School and of the training provided there, the School shall seek to assure the utmost quality and diversity of its faculty, and shall to this end use its strong connection to the University of Porto and its work with similar internationally-renowned institutions.

Article 3

Association with other national and international organisations

The Association may hold interests in national and international corporate bodies and organisations with a similar purpose and acquire stakes in limited liability companies with the same as or a different purpose from that which the Association performs, in companies regulated by special laws and in consortia.

CHAPTER II

Associate members

Article 4

General provisions

- 1.8. There are two types of associate members: academic members and non-academic members.
- 1.9. The University of Porto is a current academic associate member, and all other associate members are non-academic.
- 1.10. The admission of Portuguese or foreign individuals or corporate bodies as associate members requires a decision by the General Assembly, with a vote in favour by two thirds of the number of votes held by all the associate members and, in the event of admission of higher education institutions as associate members, with a vote in favour by two thirds of the number of votes held by the academic associate members.
- 1.11. As well as fulfilling the conditions set out in article 1.10, the admission of any individual or corporate body as an associate member is dependent upon payment of an initial contribution towards the Association's assets. The value of this contribution is to be stipulated annually by

- deliberation of the General Assembly.
- 1.12. Each associate member will have the following number of votes:
- a) Academic associate members: six votes;
 - b) Non-academic associate members: one vote.
- 1.13. A corporate body's status as an associate member is transmitted by universal succession.

Article 5 Rights and Duties of Associate Members

- 1.14. Each associate member is generally entitled to:
- a) participate in and vote at the General Assembly;
 - b) elect and be elected to the Association's governing bodies under the terms envisaged in these statutes;
 - c) enjoy all the benefits which the Association extends or may in the future extend to its associate members, under conditions as approved by the General and Supervisory Board;
 - d) request the convocation of extraordinary General Assemblies under the terms of the statutes;
 - e) examine the accounts, documents and books pertaining to the Association's activities, via a written request to the Executive Committee;
 - f) request the Association's governing bodies to provide any information and clarifications as they see fit regarding the fulfilment of its responsibilities.
- 1.15. Each associate member is generally duty-bound to:
- a) comply with the Association's operating standards, as established in the present statutes or in any internal regulations and in general law as applicable;
 - b) contribute towards the Association's progress and prestige;
 - c) diligently perform any tasks with which they are entrusted and which they accept;
 - d) punctually and regularly pay any subscription fees or other contributions which may in the future be decided upon at the General Assembly, in accordance with the provisions set out in sub-paragraph k) of **Erro! A origem da referência não foi encontrada.**

Article 6 Loss of Status as Associate Member and withdrawal of Rights

- 1.16. The status of associate member will be removed from any members who:
- a) seriously violate the provisions set out in the present statutes, including non-payment of subscription fees or contributions in arrears under the terms of article 1.19;
 - b) expressly request the removal of this status via a written document addressed to the Executive Committee.
- 1.17. Any loss of status as associate member under the terms of the stipulations set out in sub-paragraph a) of article 1.16 shall be decided upon by the General Assembly, at the proposal of any associate member or of the Executive Committee. The associate member will be guaranteed a hearing (if he wishes to exercise that right) prior to the decision regarding the said associate member's loss of status.
- 1.18. All associate members who have subscription fees or contributions outstanding are automatically prohibited from exercising the rights envisaged in article 1.14 i.e. those who have not made payment of said subscription fees or contributions ninety calendar days after

- having been requested to do so.
- 1.19. If the associate member fails to pay the subscription fees or contributions referred to in article 1.18 within the deadline stated therein, the Association shall notify the said member that from the thirtieth calendar day following receipt of the letter he shall be subject to exclusion from the Association, and shall subsequently forfeit to the Association the subscriptions paid thus far as well as any contributions towards the Association's assets he may have made.
 - 1.20. Any associate member excluded must be notified of his loss of status as an associate member via a letter sent by recorded delivery with an acknowledgement of receipt.
 - 1.21. Any associate member who, in any way whatsoever, ceases to be so, shall not be entitled to any of the Association's assets, and shall not in any way be refunded the subscription fees and other contributions paid by him.

CHAPTER III Association's Governing Bodies

Article 7 Association's Governing Bodies and Conflicts of Interests

- 1.22. The Association's governing bodies are the General Assembly, the General and Supervisory Board, the Executive Committee and the Sole Auditor.
- 1.23. Once the respective terms of office have elapsed, the members of the Association's governing bodies shall remain in their posts until the new designated members have been elected and taken over.
- 1.24. The takeover by the new members appointed shall be granted by the elected Chairman of the Board of the General Assembly, who shall, in turn, be empowered by the retiring Chairman of the Board of the General Assembly or by anyone who substitutes him under the terms envisaged in the present statutes.
- 1.25. Without prejudice to the provisions set out in article 176, no. 1, of the Civil Code, any conflict of interests which compromises impartiality in the performance of duties on the Association's governing bodies constitutes an impediment to the appointment of the person in question to such positions, and may also – including in the event that the impediment supervenes the appointment – lead to a termination of the corresponding mandate or mandates if so decided by the General Assembly called upon to make a determination in such an event.

Article 8 General Assembly

- 1.26. The General Assembly is the Association's sovereign body and comprises all the associate members in full enjoyment of their membership rights.
- 1.27. The Board of the General Assembly comprises a Chairman and a Vice Chairman, elected for two-year mandates from amongst associate members or non-members. The Vice Chairman shall perform the duties of the Secretary.
- 1.28. It is incumbent upon the Chairman, and in his absence or temporary impediment, upon the Vice Chairman or Executive Committee, to convene the General Assembly on his own initiative or at the request of the Executive Committee, of the Sole Auditor or at least one quarter of the associate members exercising their rights in full.
- 1.29. As well as convening the General Assembly, it is incumbent upon the Chairman of the Board

- to preside over the meetings of this body and conduct the order of business.
- 1.30. It is incumbent upon the Vice Chairman to assist the Chairman in guiding the order of business of the General Assembly and in drawing up the minutes of the meetings.
 - 1.31. In the absence or temporary impediment of the Chairman, the Vice Chairman shall preside over the meeting; in this case, as well as in the case of the presence of the Chairman and absence or temporary impediment of the Vice Chairman, the Assembly shall appoint one of those present to take on the duties of the Vice Chairman, on an exceptional basis; if the Chairman and Vice Chairman are simultaneously absent, the Assembly shall appoint two of the associate members present to take on their duties, on an exceptional basis.
 - 1.32. In order to be represented at a General Assembly meeting on a first or second date, it is sufficient to send a letter to the Chairman of the Board. Associate members may request that they be represented by other associate members.
 - 1.33. Minutes of all meetings of the General Assembly shall be drawn up, and shall be signed by the Chairman of the Board and by the Vice Chairman and should be sent to all the associate members within a period of a fortnight after each Assembly.
 - 1.34. The provisions set out in the final part of article 1.43 shall apply, adapted as necessary, to whomsoever performs the duties of the Chairman or Vice Chairman of the Board of the Assembly.

Article 9 Convocation of the General Assembly

- 1.35. The General Assembly meets ordinarily once a year by 31st March, in order to analyse, discuss and vote on the Management Report and Accounts pertaining to the previous year, which should be accompanied by the Opinion of the General and Supervisory Board and the Opinion of the Sole Auditor, and shall meet extraordinarily whenever required under the terms of article 1.28.
- 1.36. Whenever the law or statutes do not require other formalities or stipulate longer periods, the General Assembly shall be convened via a letter sent by recorded delivery, sent a minimum of fifteen calendar days in advance, or via a notice published under the terms stipulated in law for acts by trading companies. The said letter sent by recorded delivery or said notice may be substituted by e-mail with a proof of receipt with regard to those associate members who have previously consented to being convened in this manner.
- 1.37. The convocation should state the order of business, as well as the date, time and place where the meeting will be held.

Article 10 Operation of the General Assembly

- 1.38. Upon the first convocation, the Assembly can only deliberate if at least half of its members are present; upon the second convocation, the Assembly may deliberate regardless of the number of associate members present, providing that the convocation expressly states this.
- 1.39. Without prejudice to any cases where the law or the present statutes stipulate a higher quorum for deliberation, decisions shall be taken by an absolute majority vote of the associate members present.
- 1.40. Any deliberations over altering the statutes can only be taken by a majority corresponding to three quarters of the votes of the associate members present.
- 1.41. Any deliberations over dissolving the Association require a vote in favour by three quarters of

the number of votes of all the associate members.

Article 11 **Jurisdiction of the General Assembly**

It is incumbent upon the General Assembly to:

- a) Elect its Board;
- b) Elect those non-academic associate members who will form part of the General and Supervisory Board. Only non-academic associate members will take part in this election;
- c) Elect the Sole Auditor;
- d) Accept the General and Supervisory Board's approval of the regulations governing Porto Business School set out in article **Erro! A origem da referência não foi encontrada.**, as well as subsequent revisions thereof;
- e) Approve the Management Report and Accounts for each year, taking into account the Opinion of the General and Supervisory Board and the Opinion of the Sole Auditor;
- f) Accept new associate members;
- g) Dismiss members of the Association's governing bodies (which, with regard to the member of the Executive Committee acting as the Dean, will also involve his discharge from this post), as well as take a position regarding the existence of any conflict of interests for the purposes of article 1.25 of the present statutes;
- h) Alter the Association's statutes;
- i) Terminate the Association, by dissolving and winding it up;
- j) Authorise the Association to sue members of the Executive Committee for acts committed during the performance of their duties;
- k) Approve the value of the subscription fees for each year, or other contributions, including initial contributions, as proposed by the Executive Committee;
- l) Deliberate over the loss of associate member status;
- m) Make all decisions not included in the legal or statutory responsibilities of the Association's other governing bodies.

Article 12 **General and Supervisory Board**

- 1.42. The General and Supervisory Board is the Association's governing body upon which it is incumbent to set out the Association's overall strategic guidelines, as well as to exercise all the responsibilities envisaged in the present statutes, including promoting the selection of individuals to be elected to the Association's Executive Committee, to stipulate the remunerations and benefits to be allocated to them, to elect them, to appoint the Chairman of the Executive Committee who shall act as the Dean of Porto Business School, and to supervise the performance of the Executive Committee, in order to ensure that the Porto Business School Association is highly competitive and constantly operates in line with the best international business school practices.
- 1.43. The General and Supervisory Board comprises twenty members. Ten of them are appointed by the academic associate members and the remainder elected by the non-academic associate members from amongst the said associate members themselves, in both cases for two-year mandates. A corporate body appointed as a member of the General and Supervisory Board shall nominate an individual for the post to represent it; this individual must be a

- member of the governing bodies or permanent senior staff of this corporate body at the time of his or her appointment as a member of the General and Supervisory Board and throughout the period during which he or she performs such duties, otherwise he or she may be substituted by the member of the Board who nominated said individual.
- 1.44. The General and Supervisory Board shall have a Chairman who must be appointed from amongst the representatives of non-academic associate members, via an election in which all members of the Board are entitled to participate and vote. The General and Supervisory Board may also elect a Vice Chairman from amongst the representatives of non-academic associate members, who shall substitute the Chairman in his absence or temporary impediment, including with regard to the casting vote envisaged in article 1.46.
 - 1.45. The General and Supervisory Board should meet ordinarily at least once per quarter, convened at the initiative of its Chairman or at the request of the simple majority of its members; without prejudice to the possibility of holding universal meetings or taking unanimous decisions in writing, meetings must be convened by letter, by fax or by e-mail, with proof of receipt, sent giving least five days' notice of the date set.
 - 1.46. The General and Supervisory Board can deliberate if over half of its members are present, and decisions shall be taken by a simple majority. In the event of a tie in any decision to be taken, the Chairman has the casting vote.
 - 1.47. Minutes shall be written for all meetings of the General and Supervisory Board, drawn up by the Chairman (even if assisted by a third party). These minutes shall be submitted for approval by all members at the end of the meeting to which they pertain, or at the start of the following meeting, and after having been approved, shall be signed by the Chairman and, if designated, by the Vice Chairman of the General and Supervisory Board.
 - 1.48. Only eight of the members of the General and Supervisory Board appointed by the non-academic associate members who have performed duties during the mandate immediately prior to this one may be once more appointed as members of the said Board
 - 1.49. The General and Supervisory Board may delegate certain statutory responsibilities to one or more committees, via a deliberation to stipulate the limits of such delegation, which may not include the issues envisaged in sub-paragraphs a), b), d), f) and g) of 0, and to establish the composition and means of operation of the committees, including the terms of any assistance by third parties.
 - 1.50. In the event that the delegation of responsibilities referred to in article 1.49 pertains to the stipulation of the remunerations and benefits to be allocated to those individuals to be elected to the Association's Executive Committee in sub-paragraph c) of 0, the committee which is given this responsibility shall be named the «Remunerations Committee» and shall comprise a maximum of three members; with regard to delegating responsibilities on issues envisaged in sub-paragraph h) of 0, the committee in question shall be named the «Strategic Monitoring Committee» and its members will include at least the Chairman of the General and Supervisory Board and two other members of this Board.

Article 13 Responsibilities of the General and Supervisory Board

It is incumbent upon the General and Supervisory Board to:

- a) Set out the Association's overall strategic guidelines, taking into account the proposals drawn up by the Executive Committee;
- b) Approve the regulations for Porto Business School as referred to in article **Erro! A origem da referência não foi encontrada.** and the subsequent revisions thereof, in either case by submitting the decision taken for approval by the General Assembly;

- c) Promote the selection, at least at the end of each consecutive period of two terms of the Executive Committee, of the individuals to be elected to the Association's Executive Committee, particularly that which will act as the Dean, and furthermore stipulate the remunerations and benefits to be allocated to them. This selection may use executive search or head-hunting type of recruitment procedures (for which service providers may be hired);
- d) Elect the members of the Executive Committee, appoint its Chairman, who shall act as the Dean of Porto Business School, and suggest to the General Assembly the dismissal of members thereof;
- e) Appoint the members of Porto Business School's Academic Council, after a preliminary proposal by the Dean of Porto Business School and under the terms of the regulations of this Business School set out in article **Erro! A origem da referência não foi encontrada.**;
- f) Approve the Business Plan and the Budget for each year;
- g) Issue an opinion on the Management Report and Accounts submitted annually by the Executive Committee for approval by the General Assembly;
- h) Permanently supervise the performance of the Executive Committee, challenging it to ensure that Porto Business School remains highly competitive and constantly operates in line with the best international business school practices;
- i) Support the Executive Committee in promoting contact and establishing protocols and conventions with other similar national or international institutions;
- j) Take a position regarding locating or transferring the Association's registered offices, without prejudice to the provisions set out in **Erro! A origem da referência não foi encontrada.**, sub-paragraph h);
- k) Take a position regarding forming delegations or other forms of local representation either in Portugal or overseas;
- l) Authorise the Executive Committee to incur expenditures which together represent an overspend of up to a maximum of ten per cent of the total expenses envisaged in the approved Budget.

Article 14 Executive Committee

- 1.51. The Executive Committee is the Association's management body in all aspects which are not expressly entrusted to other bodies, and it is incumbent upon the Executive Committee to represent the Association and, in particular, Porto Business School.
- 1.52. The Executive Committee comprises three or five members, one of whom shall preside; they may be non-associate members, but must be individuals of recognised suitability and ability to fill the respective posts.
- 1.53. The members of the Executive Committee shall be elected for four-year mandates by the General and Supervisory Board, which shall also appoint the Chairman of the Executive Committee, and shall or shall not be remunerated in accordance with whichever decision is made by the General and Supervisory Board.
- 1.54. The chairman of the Executive Committee shall perform the duties inherent to the office of Dean of Porto Business School, and shall be released from lecturing duties during the term of the respective mandate if he or she is a member of the Association's faculty.
- 1.55. The Dean's duties require him or her to be a member of the Executive Committee, therefore any termination of the latter duties must also entail the termination of the former duties as the Dean.

Article 15
Responsibilities of the Executive Committee

It is incumbent upon the Executive Committee to:

- a) Submit proposals regarding the stipulation of the Association's overall strategic guidelines and, once these overall strategic guidelines have been stipulated by the General and Supervisory Board, to implement them;
- b) Represent the Association before any persons or entities, in court or outside, with the capacity to establish proxies for appearing in court, namely when granting special powers to admit, withdraw or compromise, under the terms of procedural law or in any extrajudicial agreement;
- c) Propose that the General and Supervisory Board approves the regulations of Porto Business School referred to in article **Erro! A origem da referência não foi encontrada.**, as well as subsequent revisions thereof;
- d) Request the Chairman of the Board of the General Assembly to convene this body of the Association or even to perform the convocation itself under the terms of and in those situations envisaged in the present statutes;
- e) Execute the decisions of the General Assembly and of the General and Supervisory Board;
- f) Promote the depositing of income and settling of costs in conformity with the Business Plan and with the Budget approved for the financial year in progress or in accordance with other deliberations approved by the General Assembly or by the General and Supervisory Board;
- g) Deliberate over forming delegations or other forms of local representation either in Portugal or overseas, without prejudice to the provisions set out in sub-paragraph k) of 0;
- h) Organise the recording in the accounts and documentary registration of the acts of financial management of the Association;
- i) Practise any acts and sign contracts, including any such banking operations as are necessary to achieving the purpose of the Association, namely by arranging loans, instalments of guaranties, establishing building leases and disposing of, acquiring or encumbering property and corporate interests, providing this is in conformity with the Business Plan and with the Budget approved for the financial year in progress or in accordance with other deliberations approved by the General Assembly or by the General and Supervisory Board;
- j) Convene the Porto Business School's Academic Council;
- k) Once the School's Academic Council has been heard, and without prejudice to the compliance with the Association's overall strategic guidelines, to establish the scientific, pedagogical and academic direction of Porto Business School;
- l) Request the General and Supervisory Board to authorise the incurring of expenditures which together represent an overspend of up to a maximum of ten per cent of the total expenses envisaged in the Budget. A justification for such an overspend must be presented;
- m) To manage relations between Porto Business School and its faculty and students;
- n) To establish protocols and conventions with similar institutions, whether Portuguese or foreign;
- o) Produce and submit for the Management Report and Accounts for each year the approval of the General Assembly;
- p) Produce and submit the Association's annual Business Plan and Budget for the approval of the General and Supervisory Board;
- q) Once the Opinion of the Sole Auditor, has been obtained, propose that the General Assembly stipulates the value of the subscription fees or other contributions, including initial contributions, which shall be in force each year;

- r) Perform any other duties which are vital to assuring the planning, management and activity of the Association.

Article 16

Operation of the Executive Committee

- 1.56. The Executive Committee should meet ordinarily at least once a month, and it is incumbent upon the Chairman to convene meetings.
- 1.57. The decisions of the Executive Committee are taken by a majority vote of those present, and the Chairman has the casting vote.
- 1.58. Minutes must compulsorily be drawn up for all meetings, signed by the members of the Executive Committee present.
- 1.59. The Executive Committee may approve a regulation on its operation, which envisages the distribution of posts and responsibilities amongst the respective members.
- 1.60. Without prejudice to the possibility of holding universal meetings or taking unanimous decisions in writing, meetings must be convened by letter, by fax or by e-mail, with proof of receipt, sent giving least five days' notice of the date set.

Article 17

Sole Auditor

The permanent Sole Auditor, as well as the alternate, must compulsorily be a Chartered Accountant or a Chartered Accountancy Firm, appointed for two-year mandates.

Article 18

Responsibilities of the Sole Auditor

The Sole Auditor is the financial supervisory body, and it shall be incumbent upon this body to:

- a) Verify the income and expenses trial balances, check the expense documents and the legality of the payments made;
- b) Issue an opinion on the Management Report and Accounts submitted annually by the Executive Committee for approval by the General Assembly;
- c) Meet with the Executive Committee whenever it sees fit, and issue its opinion on issues within its area of jurisdiction, whenever requested to do so;
- d) Request the Executive Committee to provide any documents or accounting information necessary for the strict performance of the task with which it has been entrusted;
- e) Request the performance of external audits of the accounts, whenever it sees fit;
- f) Issue an opinion on the value of the subscription fees for each year, or other contributions, including the initial contributions.

Article 19

Binding of the Association

- 1.61. The Association binds itself, in any act or contract, via the intervention:
- a) of two members of the Executive Committee;
 - b) of the Chairman of the Executive Committee and, therefore, the Dean of Porto Business School, under the terms whereby the Dean was delegated responsibilities for practising any such acts or types of acts as decided by the Executive Committee, namely via the regulation referred to in article 1.59;
 - c) of a proxy, together with a member of the Executive Committee, under the terms envisaged in the power of attorney itself.
- 1.62. The Association is also bound via the intervention of the Chairman of the General and Supervisory Board or of the Sole Auditor, strictly within the range of responsibilities attributed to the General and Supervisory Board or to the Sole Auditor, respectively.