

CHAPTER I: LEGAL STANDARDS.
ARTICLE 1: NAME AND DURATION.

Section A. Name. The organization shall be called Pro-American School Association – American Nicaraguan School, which henceforth shall be referred to as the Association and shall be located in Managua, Republic of Nicaragua. The Association is a non-profit organization, with a non-political, non-sectarian nature, and will have under its auspices the “American Nicaraguan School” (ANS) also known as “El Colegio Americano Nicaragüense” as detailed in Chapter II of these By-laws.

Section B. Duration.
The Association shall be unlimited in its duration.

ARTICLE 2: MEMBERS OF THE ASSOCIATION AND HIGHEST AUTHORITY.

Section A. Members of the Association. The Members of the Association shall be all Parents of the children enrolled at School, represented by the Father, or the Mother, or the Legal Guardian of the student(s).

Section B. The Highest Authority. The highest authority of the Association is the Assembly of Members of the Association congregated in the School or in the place indicated in the announcement, in accordance with these By-laws, to take decisions related to topics included in the Agenda for the corresponding Assembly. The father, or the mother, or the legal guardian of the student(s) enrolled and solvent with the school obligations, will have the right to one vote, with disregard of the number of students under his charge enrolled at the School. If a Member of the Association is unable to attend an Assembly meeting, such Member may be represented by another Member of the Association by means of a signed proxy. A Member of the Association can represent up to three (3) other Members of the Association at any Assembly. The Ambassador of the United States of America in the Republic of Nicaragua and the Minister of Public Education in Nicaragua may be invited to serve as Honorary Presidents of the Association.

Section C. Rights of the Members of the Association.
The Assembly of Members shall have the right to: **(a)** Be familiar with, vote for, and make recommendations about any topic included in the Agenda for the corresponding Assembly; **(b)** Elect the members of the Board of Directors and the Vote Counting Committee when appropriate; **(c)** Remove and replace any member or members of the Board of Directors; **(d)** Receive and consider the Annual Report of the Board of Directors and the Financial Statement of the School, once it has been duly audited and presented to the Board of Directors; **(e)** Have available an updated version of the Policy Manual.

CHAPTER II: NAME OF THE SCHOOL AND IDENTIFYING LOGO.
ARTICLE 3:

Name and Logo. The School, working under the auspices of the Association, shall be known as the American Nicaraguan School, abbreviated “ANS”, and in Spanish its name shall be known as

Colegio Americano Nicaragüense. The logo that shall identify the School is a shield divided into four parts: In the upper left quadrant, there is the head of a tiger; in the upper right quadrant, there is the shield of Nicaragua; in the lower left quadrant, there is a horizontal blue stripe with three white stars and two vertical red stripes with a white stripe in the middle; in the lower right quadrant, there is an iris. Underneath the shield, it is written “American Nicaraguan School.”

CHAPTER III. SCHOOL OBJECTIVES.

ARTICLE 4: SCHOOL OBJECTIVES.

Section A. Objectives of the Association.

The principal objective of the Association, being a non-profit organization, shall be to administer a non-political and non-sectarian school, that shall offer an education in English, in the city of Managua or in any other appropriate location, and which complies with requirements established by the Southern Association of Colleges and Schools of the United States of America or any similar body, also complying with the applicable regulations of the Minister of Education, Culture, and Sports of the Republic of Nicaragua.

CHAPTER IV: HIERARCHY.

ARTICLE 5:

Hierarchy of Regulations. These By-laws shall be the principal regulatory document of the American Nicaraguan School Association. The School shall function according to the following order: The By-laws, the Policy Manual of the Board of Directors of the Association, and other lower hierarchy regulations as adopted by the Director General of the School.

CHAPTER V: ORGANIZATION OF THE ASSOCIATION.

ARTICLE 6:

Bodies.

The Association shall function through the following bodies: **1.** The General Assembly made up by the Members of the Association, whom shall have an Annual Ordinary or an Extraordinary Assembly, as established in the By-laws; and **2.** The Board of Directors.

CHAPTER VI. GENERAL ASSEMBLIES OF THE MEMBERS OF THE ASSOCIATION.

ARTICLE 7: ORDINARY AND/OR EXTRAORDINARY GENERAL ASSEMBLIES OF THE MEMBERS OF THE ASSOCIATION.

Section A: Ordinary Annual General Assembly. Chapter VI, Article 7, Section A: Ordinary Annual General Assembly. The Association will hold an Ordinary Annual General Assembly of all its associate members during the month of September of each year, or, if it is not possible to hold it in the indicated month, hold it as soon as possible. The Board of Directors will set the date, time, and place of the meeting and will communicate it through its Secretary to all the members. Said Assembly will be presided over by the President of the Board of Directors, assisted by its Secretary and its Treasurer. The Board of Directors, in conjunction with the Director General of the School, will prepare the Agenda for the Annual Ordinary General

Assembly, in the following order: Presentation of: **(i)** the Annual report of the Board of Directors of the Association, including main achievements and projections of the period; **(ii)** the financial statement, duly audited, followed by a question and answer session; **(iii)** topics proposed by the Board of Directors; and **(iv)** issues that were presented to the Board of Directors by members of the Association in accordance with Section B of this article.

Section B: Placing of Topics for the Ordinary Annual Assembly: The topics to be included in the Agenda of the Ordinary Annual General Assembly shall be proposed by the Board of Directors and/or Members of the Association. **1.** Topics for the Agenda proposed by Members of the Association shall be presented in writing to the Board of Directors or to the Director General at least two (2) weeks prior to the meeting and backed up with the signature of at least five percent (5%) of all the Members of the Association, except for special cases pointed out in the corresponding sections. **2.** Members of the Association present at the Ordinary Annual General Assembly may place additional topics on the Agenda if a simple majority of those present approve the motion. In this case, the proposed topics shall form the Agenda of an Extraordinary General Assembly to be convened later according to Section D of this Article.

Section C: Extraordinary General Assemblies and Placing of Topics for the Same. The Board Secretary shall summon and the Board President shall preside an Extraordinary General Assembly of the Association when: **(i)** The Board of Directors deems it necessary to hold an Extraordinary General Assembly according to what is stipulated in these By-laws; **(ii)** Topics that were not originally included in the Agenda of an Ordinary Annual General Assembly were proposed and approved during the Assembly for placement in the Agenda of an Extraordinary General Assembly, according to the terms mentioned in number 2, Section B, of this Article; **(iii)** Requested in writing by no less than ten percent (10%) of the Members of the Association in a statement signed by them, clearly explaining the topics that require a determination or decision, except for cases where by By-laws regulations it is required that the holding of the Extraordinary General Assembly be requested by a different percentage, as mentioned in next sections; **(iv)** In dismissal cases of a Board member or Board members, when the written request has been signed by a simple majority of the Members of the Association, specifying the reasons for the dismissal; **(v)** In dissolution and liquidation cases, when the request has been made by seventy-five percent (75%) of all Members of the Association. For all preceding cases, the Extraordinary General Assembly will be held within twenty-one (21) calendar days following receipt of the request, having as single items in the Agenda the topics mentioned in the corresponding requests.

Section D: Convocations: For both the Ordinary Annual General Assembly and the Extraordinary General Assemblies, the Board of Directors will send a written convocation to all Members of the Association through the publication on a written means of communication of national circulation and/or any other means, among them: electronic mail, weekly School bulletins, etc. In general, such convocation or notification shall be sent at least fifteen (15) calendar days prior to the date set for the Assembly and shall include the date, time, and location of the Assembly, as well as the Agenda to discuss.

Section E: Manner of Leading or Conducting the Ordinary Annual General Assembly and/or the Extraordinary General Assemblies. It is the Board President's responsibility to conduct the corresponding sessions; in the President's absence, the Vice President shall conduct

the meetings; and in the absence of both, a Substitute appointed among the members of the Board of Directors.

Section F: Quorum Required for the Ordinary Annual General Assembly and/or the Extraordinary General Assemblies:

(1) To hold the Ordinary Annual General Assembly, except for what is established in Chapter XI, Dissolution and Liquidation, Article 12, Section A, and the special cases that these By-laws regulate in a special way, the presence of a simple majority of the Members of the Association is required. If it were not possible to hold the Assembly in the first call due to lack of attendance of the stipulated number of Members, a second call will be made half an hour after the time for the first call, in the same location, with no need for a new publication or announcement, the Assembly being possible with any number of Members present, except for special cases established by these By-laws. **(2)** To hold Extraordinary General Assemblies, the presence of a simple majority of the Members of the Association is required. If it were not possible to hold the Assembly in the first call due to lack of attendance of the stipulated number of Members, a second call will be made half an hour after the time for the first call, in the same location, with no need for a new publication or announcement, the Assembly being possible with any number of Members present, except for special cases established in the following paragraphs: **(a)** In the case of the dismissal of a Board member or members, according to Chapter VII, Article 8, Section H, the minimal quorum to proceed with this topic is a simple majority of the Members of the Association, and if this quorum is not established in the first or the second call, the latter made half an hour after the first, the issue is ruled out, with a new try being possible by carrying out the initial process to deal with said issue. **(b)** For Mortgages: **b.1.** The Total and Partial Mortgage of the Real Estates of the Association will require a minimal quorum of seventy-five percent (75%) of the Members of the Association at the Extraordinary General Assembly, and if this quorum is not established in the first call or the second call, the latter made half an hour after the first, the issue is ruled out, with a new try being possible by carrying out the initial process to deal with said issue; and **b.2.** The Partial Mortgage of dismembered real estate properties of the Association, corresponding to **(i) PLOT A**, with an area of four thousand six hundred and twenty-nine point nine thousand and eighty-eight square meters (4629.9088 mts²), as stated in Deed Number One, issued before the authority of Notary Public Francisco José Boza Paiz, at eleven and forty minutes in the morning of January twenty-third, two thousand and seven, and registered under number one hundred and eighty-four thousand eight hundred and eighty-four (184,884), volume two thousand six hundred and thirty-four (2,634), pages one hundred and ninety-six and one hundred and ninety-seven (196/197), First entry of the Registration Column, Rights in Rem Section of the Book of Properties of the Registry Office of Managua; and **(ii) PLOT B**, with an area of eight thousand one hundred and eighty-nine point zero nine hundred and sixty-eight square meters (8189.0968 mts²), as stated in Deed Number Two, issued before the authority of Notary Public Francisco José Boza Paiz, at three and thirty minutes in the afternoon of January twenty-seven, two thousand and seven, and registered under number one hundred and eighty-four thousand eight hundred and eighty six (184,886), volume two thousand six hundred and thirty-four (2,634), pages two hundred and two and two hundred and three (202/203), First entry of the Registration Column, Rights in Rem Section of the Book of Properties of the Registry Office of Managua, will require a simple majority of the Members of the Association at the Extraordinary General Assembly, and if it were not possible to hold it in the first call due to lack of attendance of the stipulated number of Members, they will gather after a second call is made half an hour after the

time agreed for the first call, in the same location, with no need for a new publication or announcement, the Assembly being possible with any number of Members present. **(c)** In the case of the Partial or Total Sale of the Real Estates of the Association, the minimal quorum required is the presence of ninety percent (90%) of the Members of the Association at the Extraordinary General Assembly, and if the necessary quorum is not established as previously stipulated, neither in the first or the second call, the latter made half an hour after the first, the session shall be ruled out and the due process may re-start when required by the interested parties, all according to paragraph M, Article 8, Chapter VII. **(d)** To reform the By-laws, the quorum required is the presence of seventy-five percent (75%) of the Members of the Association, and if this quorum is not present at the first call, they shall meet half an hour after the time set for the first call, in the same location, with no need for a new publication or announcement, the Assembly being possible with the presence of twenty percent (20%) of the Members of the Association, according to Section A, Article 11, of Chapter X. **(e)** In the case of Mergers, the quorum required is the minimal presence of seventy-five percent (75%) of the Members of the Association, and if this quorum is not established at the first or second call, the latter made half an hour after the first call, the issue is ruled out, with a new try being possible by carrying out the initial process to deal with said issue. **(f)** In the case of the Dissolution and Liquidation of the Association, the minimal quorum required is the presence of ninety percent (90%) of the Members of the Association at the Extraordinary General Assembly, and if this quorum is not established at the first or second call, the latter made half an hour after the first call, the issue shall be ruled out, with a new try being possible by carrying out the initial process to deal with said issue.

Section G: Voting. It shall be possible to vote only for those topics included in the corresponding Agenda. The father, or the mother, or the legal guarding of the student(s) enrolled and solvent with the school obligations, will have the right to one vote, which shall be exercised in person or through a third party through a signed proxy, with disregard of the number of students under his charge enrolled at the School. Decisions taken shall be on the basis of a simple majority of Members or their representatives authorized for this purpose present at the Assemblies, except in the following cases: **(1)** To dismiss a Member or Members from the Board of Directors, the affirmative vote of seventy-five percent (75%) of the Members or the representative authorized for this purpose present at the first or second call of said Assembly is required. If the necessary votes are not met, the session shall be dismissed, and they shall proceed as stipulated in Chapter VII, Article 8, Section H; **(2)** In the case of the partial mortgage of dismembered real estate properties, the favorable vote of seventy-five percent (75%) of the Members or the representative authorized for this purpose present is required in the first or second call, according to what is stipulated in Section M, Article 8, of Chapter VII; **(3)** In the case of the total or partial mortgage of the remaining real estates of the Association, the affirmative vote of one hundred percent (100%) of the Members or the representative authorized for this purpose present in the first or second call is required; **(4)** In the case of the total or partial sale of the real estate of the Association, the affirmative vote of one hundred percent (100%) of the Members or the representative authorized for this purpose present at the first or second call is required; **(5)** To Reform the By-laws, the favorable vote of the simple majority of the Members of the Association or the representative authorized for this purpose present at the first call is required; in case the required quorum was not present to hold the session at the first call, the favorable vote of sixty-seven percent (67%) of the Members or the representative authorized for

this purpose present is required at the second call, which shall be made half an hour after the first call, all according to Section A, Article 11, of Chapter X; (6) In Merger cases, the affirmative vote of sixty-seven percent (67%) of the Members of the Association or the representative authorized for this purpose present at the first or second call of said Assembly is required; (7) for the Dissolution and Liquidation of the Association, the affirmative vote of one hundred percent (100%) of the Members or the representative authorized for this purpose present in the first or second call is required.

CHAPTER VII. BOARD OF DIRECTORS.

ARTICLE 8: BOARD OF DIRECTORS. A Board of Directors shall be formed and its members shall be responsible before the Members of the Association of the American Nicaraguan School.

Section A: Electoral Process:

1. The Nominating Committee: The Board of Directors shall designate a Nominating Committee made up of three (3) Members of the Association, one of which shall be a member of the Board of Directors, who shall Chair said Committee. The functions of the Nominating Committee shall be: (a) Inform the Members of the Association that any Member who wishes to be nominated for a Board position should submit his/her name in writing to the Committee, with the corresponding information; (b) Announce the carrying out of the elections three (3) weeks in advance; (c) Search for and encourage candidates to run to assure the availability of at least one candidate for each opening on the Board of Directors and at least three (3) candidates for the positions on the Vote Counting Committee; (d) Verify that the candidates meet the requirements needed for the position for which they are running, and, if negative, inform the candidate so the pertinent measures are taken if this was the case; (e) Report in writing to the Board of Directors; (f) Inform the Members of the Association, at least seven (7) days in advance of the date of the elections, the names of the candidates, including a summary of their Curriculum Vitae. If a member of the Nominating Committee registers as a candidate for the Board of Directors or the Vote Counting Committee, such member shall renounce his/her position on the Nominating Committee. No member of the Nominating Committee shall be allowed to conduct a campaign for any candidate or candidates. The period of service shall be for one (1) year, and can be designated for consecutive periods of three (3) years maximum.

2. The Vote Counting Committee: A Vote Counting Committee shall be formed, and the members shall be elected by the vote of the Members of the Association. The Committee shall be composed of three (3) Members of the Association who are neither serving on the Board of Directors, nor on the Nominating Committee, nor are employees of the School. If a member of the Vote Counting Committee runs as an eligible candidate for a position on the Board of Directors, this person shall renounce his/her position on the Committee. Members of the Committee shall be elected for a period of one (1) year. The Committee shall elect its own President. Any vacancy that arises in the Committee shall be filled by a simple majority vote of the Board of Directors. The Committee shall have the following functions: verify the casting of ballots of the elections, and announce, by no later than three (3) working days after the date of the elections, the names of the persons elected to serve on the Board of Directors and on the Vote Counting Committee.

Section B: Procedures for Voting in the Elections. 1. Day of the Elections: The elections shall be held within the first weeks of the school year. 2. Each family that has met its financial obligations to the school shall have the right to one (1) vote. 3. Votes shall be secret. Said vote shall be cast personally on the day of the elections, or in advance within three (3) working days prior to the date set for the elections. 4. Each vacancy on the Board of Directors and on the Vote Counting Committee shall be filled by the candidate or candidates who receive the highest number of votes cast. In case of a tie in the number of votes cast for one or more candidates, a second election shall be called within seven (7) working days after the original election. In case of a second tie, all members of the Board of Directors shall conduct a secret voting, with a simple majority in favor of one of the candidates being necessary to declare the winner.

Section C: Composition of the Board of Directors. The Board of Directors will be made up of seven (7) members, six (6) of whom will be elected by the Association in accordance with the provisions of these Bylaws. The Ambassador of the United States of America to the Republic of Nicaragua will be asked to designate a seventh member. Of the six (6) elected members, two (2) must be citizens of the United States of America, two (2) must be citizens of the Republic of Nicaragua, and two (2) of any nationality. The members of the Board of Directors will hold the following positions: President, Vice President, Secretary, Treasurer, and three Directors, as established in Chapter VII, Article 8, Section I.

Section D: Requirements to Become a Member of the Board of Directors. Only those Members of the Association who have met their financial obligations to the School may be elected or appointed to serve on the Board of Directors. Likewise, the Members shall have the availability to serve on the Board of Directors during the period for which they are running. The following are ineligible to serve on the Board of Directors or on the Vote Counting Committee: (i) The Director General of the School; (ii) Employees of the School; (iii) Spouse of a School employee; (iv) Spouse of a current member of the Board of Directors at the time of the elections.

Section E: Duration of Service on the Board of Directors. The members of the Board of Directors shall be elected for a period of three (3) years, and may be reelected for one (1) consecutive period of the same duration. Two (2) of the members shall be elected each year. If the annual election is delayed by acts of nature or force majeure, all the members of the Board of Directors shall remain in service until the elections can be held. The member appointed by the Ambassador of the United States of America shall serve for a period of one (1) year, renewable for periods of equal duration.

Section F: Absences on the Board of Directors. A vacancy on the Board of Directors shall be created in the following cases: 1. When a member is absent from three (3) consecutive regular meetings; and 2. When a member resigns.

Section G: Vacancies on the Board of Directors. If a vacancy of one or more elected positions is created before the termination of the corresponding period, the remaining members of the Board of Directors shall select, from within the Members of the Association and by a two-third (67%) majority of votes of its members, the person to cover said vacancy for the remaining of

the corresponding period, according to these By-laws. Said selection shall be carried out within no more that fifteen working days after the creation of the vacancy on the Board.

Section H: Destitution of a Member or Members of the Board of Directors. Any member or members of the Board of Directors may be dismissed from service by an Extraordinary General Assembly convened especially with this purpose. To call such an Assembly, a written petition shall be required, signed by a simple majority of the Members of the Association and specifying the reasons for the dismissal. Such an Assembly requires a quorum of a simple majority of the Members of the Association. For the dismissal to be operational, the approval of seventy-five percent (75%) of the votes present at the Assembly is required. In case a quorum is not established neither at the first nor the second call, the latter made half an hour after the first, the issue shall be ruled out, with a new try being possible by carrying out the initial process to deal with said issue. In the case of the dismissal of one or many members of the Board, the elections shall be convened according to what is stipulated in Chapter VII, Article 8, and in the case of the total dismissal of all the members of the Board, an Extraordinary General Assembly shall be convened for this reason, electing a Provisional Board of Directors that shall immediately proceed to organize the elections according to what is stipulated in Chapter VII, Article 8.

Section I: Members of the Board of Directors and the Duties that Each Member Carries Out. The Board shall name its own officers in the first ordinary meeting held after the elections of the Association, and communicating the results to the Members of the Association within a week after the meeting. The Board may re-organize itself by means of an ordinary or an extraordinary meeting, with the affirmative vote of two thirds (2/3) of the total of members. The officers of the Board of Directors shall be in order of precedence: President, Vice President, Secretary, Treasurer, and 3 Directors. The duties of each member will be the following:

PRESIDENT: The President shall act as the legal Representative of the School, with broad powers of attorney, according to the decisions of the Board of Directors and/or the Assembly of Members of the Association, whichever the case. The President will chair all meetings, ordinary and extraordinary, of the Board of Directors; will chair the meetings of the Ordinary Annual General Assemblies and/or the Extraordinary General Assemblies and, together with the Secretary and the attendees that wish to do so, will sign the minutes of the Assemblies; with the prior approval of the ANS Board of Directors, has the authority to delegate powers to Board members and/or third parties; has the authority to open and close checking and saving accounts in the name of the School, both locally and overseas. Likewise, the President will carry out duties assigned by order of these By-laws.

VICE PRESIDENT: During the temporary absence of the President, the Vice President will assume the duties and responsibilities of the President. In the case of a permanent absence of the President, the remaining members of the Board will choose, by a two third (2/3) majority of votes, the person to fill the vacancy for the rest of the term, according to these By-laws, proceeding to reorganize the Board if deemed necessary.

SECRETARY: The Secretary of the Board is the means of communication of the Association and the Board of Directors. The Secretary will be in charge of the following duties: **1.** Ordinary and/or Extraordinary meetings of the Board: Convene, verify the quorum, take the corresponding

minutes, issue the necessary certifications, and guard and keep the book of official minutes; **2.** Ordinary and/or Extraordinary General Assemblies: Convene, verify the quorum, take minutes, and, together with the President and any attendee that wishes to do so, sign the corresponding minutes, issue the necessary certifications, guard and keep the book of minutes and records. The Secretary will constantly update the relevant information of the Members of the Association.

TREASURER: The Treasurer is in charge of supervising the handling of funds and assets of the Association, which are managed by the School's personnel responsible for finance and accounting. The Treasurer will have free access to the books and accounting systems and, together with the external auditors, will prepare a report of the financial activities of the Association, the Balance Sheet, and the Profit & Loss Statement for each period or when the Board deems it convenient. At the Ordinary Annual General Assembly, the Treasurer will read the School's annual Financial Statements and explain these. When deemed necessary, the Board of Directors will delegate the Business Director to comment on the annual Financial Statements before the Ordinary Annual General Assembly.

DIRECTORS: Will participate in the Ordinary and/or Extraordinary meetings of the Board of Directors. In the absence of the President, Vice President, Secretary and/or Treasurer, will carry out the corresponding duties according to the Board's decisions.

Section J: Meetings of the Board of Directors.

1. Time and Location. The Board of Directors shall hold regular monthly meetings, which may be held at the School or through virtual or remote meetings, regardless of the number of Directors attending. The Board of Directors may hold extraordinary meetings, notifying all its members and the Director General of the School with sufficient time in advance. In the event of a fortuitous event or force majeure, the meeting may be held in another place, outside the school, when it is not possible to hold it virtually or remotely, which will be convened seven days (7) in advance. A virtual or remote meeting will be understood to be one in which, although some or all of the concurrent members are in different geographical locations, they may be interconnected by a videoconference that allows the recognition and identification of the attendees and permanent communication between them.

2. Attendance of the Director General of the School at the Meetings of the Board of Directors. The Director General of the School shall attend meetings of the Board of Directors and participate in the deliberations, with no right to vote. In the specific items of agenda where the Director's performance or contract will be addressed, the Director will excuse himself/herself from participating or continuing in the meeting.

3. Quorum. The necessary quorum to take decisions shall be four (4) members of the Board present at the meeting, with the following exceptions that will require one hundred percent (100%) attendance of the members: **a)** The approval of the School's Annual Budget; **b)** The modification or abolition of the School's Policy Manual; **c)** Appointment of new members to fill vacant positions in the Board of Directors; **d)** The initiative to modify the By-laws; **e)** The appointment or removal of the Director General of the School; and **f)** The initiative for dissolution of the School.

4. Voting in Board Meetings. Each of the members of the Board of Directors shall have the right to one vote. The decisions of the Board of Directors shall require a simple majority of members present, with the following exceptions: **a)** The approval of the Annual Budget of the School: the affirmative vote of sixty-seven percent (67%) of all members of the Board is required; **b)** The modification or abolition of the School's Policy Manual: Sixty-seven percent (67%) of all members; **c)** The naming of new members to fill vacancies on the Board: Sixty-seven percent (67%) of all members; **d)** The initiative to modify the By-laws: Sixty-seven percent (67%) of all members; **e)** The appointment or removal of the Director General of the School: Sixty-seven percent (67%) of all members; **f)** The initiative to dissolve the School: One hundred percent (100%) of all members.

5. Agenda. The Director General of the School and the President of the Board of Directors shall develop the Agenda for the Board meetings. Anyone who wishes to submit a topic for the Board meeting, according to what is stipulated in the School's Policy Manual and these By-laws, should present a written statement to the School's Director General and/or the Board President, four (4) working days in advance, specifying the topic they wish to discuss.

Section K: Responsibilities of the Board of Directors. The specific responsibilities of the Board of Directors include, but are not limited to, the following:

1. Policies: The Board of Directors may modify or establish policies that determine the operations of the School and of the Association. The evaluation of the execution and effectiveness of established policies shall be the responsibility of the Board of Directors, as well as making available to the Members of the Association a copy of the current Policy Manual. The Board delegates the implementation of the policies to the Director General of the School.

2. Hiring, Supervising, and Evaluating the Director General of the School. The Board of Directors is responsible for searching, hiring, supervising, evaluating the performance, and terminating the contract of the Director General of the School.

3. Financial Status of the School: The Board of Directors is responsible for approving the annual operative budget, as well as the annual capital expenditure budget. The Board will also have authority to approve investment decisions and/or expenditures not taken previously into account in the budget. The Board will have the necessary authority to take decisions aimed to assure the funds and income needed to sustain the annual Budget, capital recovery, and maintenance of a contingency fund.

4. Strategic Planning: The Board of Directors will make short and long term plans to meet the needs of the School according to the objectives and mission established in Chapter III, Article 4, Sections A and B.

5. Personnel and Evaluation of Personnel: The Board of Directors is responsible for revising and establishing policies that determine the salary of the personnel, the terms and conditions of employment, benefits, and professional development of the same. The Board delegates the tasks of recruiting, contracting, evaluating, promoting, penalizing, or firing of personnel to the Director General of the School.

6. Public Relations: The Board shall assure that there exist adequate and effective channels of communication for keeping the Members of the Association and the Board of Directors informed about topics of concern to the Association.

7. Investigation and Jurisprudence: The Board of Directors may request the investigation or review of the jurisprudence of topics related to the implementation of policies and operations of the School.

8. Other Activities of the Board of Directors: Other activities of the Board of Directors include, but are not limited to, the following: Approve the annual School calendar; obtain legal advice; and approve the appointment of the Auditors for the School.

9. Legal Representation: The President of the Board of Directors shall be the Legal Representative of the School with broad powers of attorney and according to the decisions of the Board and/or the Assembly of the Members of the Association, depending on the case. The President may transfer the corresponding powers to third persons, with previous approval of the members of the Board of Directors.

10. Minutes: The Board of Directors will keep a correct record of its actions, in the form of minutes of each meeting. The minutes provide a record of all motions, resolutions, and recommendations. The minutes must be dated, numbered consecutively, signed by the present members of the Board of Directors, and will be available to the members of the Association in the office of the Director General Director of the School. In the case of a virtual or remote meeting, the Secretary, or the member delegated by the Board, will draw up the minutes of the meeting, in which they will list the fact that it was held virtually or remotely and the members who attended the meeting, having fulfilled with the quorum, the agreements reached, and the votes on the motions presented during the meeting. This minute may be signed only by the Secretary or a member delegated by the Board, and it will be considered validly established. The Board of Directors may, in the interest of the School and the Association, by majority vote of all its Directors, keep all or part of the minutes confidential, with the exception of a summary of the decisions taken. In such cases, the confidential minutes may be made available to a person who is not a member of the Board of Directors through a decision taken by the majority of all the members of said Board.

Section L: Appeals Before the Board of Directors. The Board of Directors shall hear appeals of the Members of the Association, teaching and/or administrative personnel, or students on topics that involve the implementation of policies. Such appeals shall be initiated by a written petition. The Board of Directors shall respond within a period of time not exceeding thirty (30) days. Such an appeal may be made only after having attempted to resolve the issue through all appropriate administrative channels.

Section M: Limitations in the Authority of the Board of Directors. In general, the President of the Association Pro American School has the authority, previous consent of the Members of the Association expressed by means of an Extraordinary General Assembly convened by the Board to that effect, to offer and give as total or partial mortgage guarantee the real estate

property belonging to the school, in favor of any local or overseas financial system institution; in this case, the Extraordinary General Assembly convened by the Board to that effect shall require **(i)** in the case of a total or partial mortgage of the rest of the real estate of the Association, a minimal quorum of seventy-five percent (75%) of the Members of the Association or the representative authorized for this purpose is required in the first or second call, and the affirmative vote of one hundred percent (100%) of the Members or the representative authorized for this purpose present at the first or second call; and **(ii)** in the case of the partial mortgage of dismembered real estate, a quorum of a simple majority of the Members of the Association or the representative authorized for this purpose is required in the first call, or any number of Members or the representative authorized for this purpose present at the second call, made half an hour after the first. Once the necessary quorum is established either in the first or second call, the favorable vote of seventy-five percent (75%) of the Members or the representative authorized for this purpose present is required; **(iii)** in the case of the total or partial Sale of the real estate of the Association, a quorum of ninety percent (90%) of the Members of the Association or the representative authorized for this purpose is required in the first or second call, and the affirmative vote of one hundred percent (100%) of the Members or the representative authorized for this purpose present in the first or second call.

Section N: Committees: The Board of Directors will form, among others, the following Committees: Policy Committee, Nominating Committee, Finance Committee, which shall operate under their political leadership and authority. They shall appoint and approve the members of the Committees, seeking up the efficiency of the resources and information to allow them take the right decisions in each case. The Committees shall function as follows: **1.** Each Committee shall have one member of the Board of Directors, who will serve as the Chairperson of the Committee. **2.** The Committees shall operate according to the By-laws and the Policy Manual of the School.

CHAPTER VIII. FINANCIAL MATTERS.

ARTICLE 9: FINANCIAL MATTERS.

Section A: General. The regular income of the School shall come from the fees and/or tuition, and other activities as established by the Board of Directors, including, among others, the following: Accept donations and receive income from enrollment, and other income related to education, and any other type of payments for services provided at the School; acquire or rent real estate or fixed assets; enter into any class of contracts; exercise the normal functions of a non-profit institution. The capital or funds of the School shall be allocated exclusively to the administration of the School.

Section B: Assets and Liabilities of the Association. The Assets of the School belong entirely to the Association, and in no case may be considered the property of a director, employee, or Member of the Association. Additionally, the assets of the Association are indivisible, except for what is established in Chapter VII, Article 8, Section M. No other association, society, consortium, corporation, company, government, or entity of any type or individual, shall have the proprietorship of the assets of the Association, except for those that have acquired this right as a result of the cases established in Chapter VII, Article 8, Section M. No Member of the Association, or its Board of Directors, or the employees of the School, acting in their role within

the School, may be held personally responsible for the debts or obligations of the Association. The assets of the Association shall be protected by appropriate insurance policies.

CHAPTER IX. DIRECTOR GENERAL OF THE SCHOOL.

ARTICLE 10:

The Director General of the School.

The Director General of the School shall be responsible before the Board of Directors for executing its policies, directing the activities of the School and those related to them, and for supervising the educational and/or administrative personnel of the School.

CHAPTER X. REFORM OF BY-LAWS.

ARTICLE 11:

Procedures. These By-laws, with the exception of Chapter XI, Article 12, Section A, may be reformed in the following manner:

Section A: Voting Required to Reform These By-laws. To reform the By-laws, either at an Ordinary or Extraordinary General Assembly, the required quorum shall be the presence of seventy-five percent (75%) of the Members of the Association or the representative authorized for this purpose, with the necessary favorable vote of a simple majority of the Members of the Association or the representative authorized for this purpose present at the corresponding Assembly. If the Assembly could not be held in the first call due to lack of attendance of the stipulated number of Members, they shall meet after a second call is made half an hour after the time set for the first one, in the same agreed location, with no need for a new publication or announcement, the Assembly being possible with the attendance of twenty percent (20%) of the Members of the Association or the representative authorized for this purpose, requiring the favorable vote of sixty-seven percent (67%) of the Members or the representative authorized for this purpose present.

CHAPTER XI. DISSOLUTION AND LIQUIDATION.

ARTICLE 12: DISSOLUTION AND LIQUIDATION.

Section A: Voting Required to Dissolve the Pro-American Nicaraguan School Association.

The Association may be dissolved at an Annual Ordinary General Assembly or at an Extraordinary General Assembly convened for such purpose with the affirmative vote of seventy-five percent (75%) of all the Members of the Association or the representative authorized for this purpose. In the case of Dissolution and Liquidation of the Association, the minimal quorum required is the presence of ninety percent (90%) of the Members of the Association or the representative authorized for this purpose and the affirmative vote of one hundred percent (100%) of the Members or the representative authorized for this purpose present. If this quorum is not established at the first or second call, the latter made half an hour after the first call, the issue shall be ruled out, with a new try being possible by carrying out the initial process to deal with said issue. For the disposal of the assets by virtue of this dissolution, the General Assembly held according to what is established in this Section A, will proceed to appoint a Board of Liquidators which, in conjunction with the Board of Directors of this

Association and the American Embassy, by means of a representative authorized to that effect, shall decide about the disposal of the assets and liabilities of the Association.

Section B: Disposition of the Assets of the Association. In this case, the disposition of the assets of the Association shall benefit educational or non-profit charity institutions.

CHAPTER XII. ARTICLE 13: Submit this reform to the Executive Power for the approval of this Seventh Partial Reform of the By-Laws, and once published, will enter into effect.

TRANSITIONAL ARTICLE: Once the approved amendments to the Bylaws of the Association have been published in the Official Gazette, in relation to Article 8, Section C: Composition of the Board of Directors, and in order not to alter the terms of the current members of the Board of Directors, since the number of Directors with United States of America nationality and with Any Nationality have been modified with this reform, in the year 2022, when the term of a Director with United States of America nationality ends, it is agreed that, in the election of that year, instead, a Director of any nationality will be elected, keeping the terms of the other Directors as they have been counted to date.