

## CONSTITUTION

### INSTITUTE ECOTERM

#### TITLE I

#### NAME, PURPOSES, HEADQUARTERS AND DURATION

**Art.1** INSTITUTO ECOTERM is a legal entity governed by private law, in the form of a non-profit association, incorporated on March 2, 2023, with an indefinite duration, headquarters and jurisdiction in the city of Pratápolis, State of Minas Gerais, at Fazenda Lago Azul, s/n., rural area and will be governed by the present statute and applicable legislation.

**Art.2** The Institute Ecoterm aims to raise awareness and share knowledge about good practices in sustainable construction, using earth and/or waste as construction materials, in pursuit of a high-quality environment and compliance with current environmental legislation.

**Art.3** The Association has the following purposes:

- I. The congregation of individuals or legal entities with the aim of promoting studies and appropriate techniques for sustainable civil construction, using earth and/or waste as the main raw materials in the construction and/or manufacture of construction materials.
- II. Represent its associates with legal entities governed by public and/or private law, with the aim of disseminating the studies and techniques developed by the Institute Ecoterm.
- III. Promote the training of members and publicize the objectives of the Institute Ecoterm, by conducting training programs and advertising campaigns to raise awareness about the association and its objectives.
- IV. Develop measures, actions, and projects that aim to assist, contribute to, and strengthen its associates and the defense of the protection and conservation of the sustainable environment.
- V. Promote the adoption of innovative technologies in civil construction in pursuit of sustainable development.
- VI. Seek the best ways to develop specialized knowledge focused on sustainability in civil construction.
- VII. Participate, guide, provide services, and offer advice on projects and programs, whether public or private, that promote the activity of sustainable civil construction.
- VIII. Interact and establish relationships with other entities that have similar objectives.
- IX. Certify manufacturers and builders working in the sustainable construction sector, promoting the adoption of good practices and ensuring the quality of the products and services offered.
- X. Foster research and development of new techniques and sustainable materials in civil construction, support scientific and technological research aimed at sustainable construction, with an emphasis on the use of land and/or waste as the main raw materials.

#### TITLE II

#### OF ASSOCIATES

##### CHAPTER I

#### REQUIREMENTS FOR ADMISSION OF ASSOCIATES

**Art.4** The membership will be composed of an unlimited number of members, according to the Association's convenience, and any natural or legal person, national or foreign, may join.

**Art.5** For the admission of a member, in any category, it will be required to open an account in CARDANO's blockchain registry and data base (<https://cardano.org/>) to receive the IE token – Institute Ecoterm governance token – which will identify the member.

I. The IE token is a digital asset issued and registered on the Cardano blockchain under policy ID: 98dc34951aed76e97babf4f3f982db83ade2fd23c3950fef9ad125b4

II. The Institute Ecoterm governance tokens were generated on the Cardano blockchain on 11/15/2022 at 04:35:46 UTC. The total amount is 33 (thirty-three) million and the record has become unchangeable since 11/16/2022 at 04:33:14 UTC



III. The IE governance token has the following figurative representation:



*Terms contained in the figurative representation of the governance token IE: "Institute Ecoterm \* Governance Token \* 2022 \* Awareness and knowledge about sustainable construction using earth as a building material.*

**§1** The member shall publish their Cardano blockchain address for public consultation by the association and verification of their account.

**§2** The registry on the Cardano blockchain will function as an open ledger, publicly shared and universally accessible, where transactions of the Institute Ecoterm's governance digital currency (IE) will be recorded.

**Art.6** The Institute Ecoterm will have the following categories of associates:

- I. FOUNDERS;
- II. MANUFACTURERS;
- III. BUILDERS;
- IV. AMBASSADORS.

**§1** The FOUNDING ASSOCIATES are legal entities or individuals, limited to a maximum number of 100 (one hundred) members, who must be MANUFACTURERS or BUILDERS and, within this category, are divided into members:

A - DIAMOND FOUNDERS: are the associates present at the signing of the founding minutes of the Institute Ecoterm and who will receive a single quota of 77,000 (seventy-seven thousand) IE governance tokens.

B - GOLD FOUNDERS: associates who deposit a jewel worth one thousand (1,000) units of Cardano's ADA cryptocurrency in the Institute Ecoterm account and who will receive a single quota of 33,000 (thirty-three thousand) IE governance tokens.

C - The FOUNDING ASSOCIATES will receive in their respective accounts the LIMITED digital certificate registered on the Cardano blockchain with the title of FOUNDER, after payment of their first annuity.

D - The FOUNDING ASSOCIATE shall contribute with the annuity in the amount of one (01) minimum wage as defined by the Brazilian government

E - The FOUNDING MEMBER will receive 5,000 (five thousand) IE governance tokens every time they renew their annuity.

**§2** The MANUFACTURING ASSOCIATES they are legal entities and are classified into two categories:

A - PRODUCT MANUFACTURERS: are legal entities that produce modular soil-cement bricks, adobe, glue, resin, grout or other specific products to serve the civil construction market whose main raw material is soil and earthen architecture;

B - EQUIPMENT MANUFACTURERS: are legal entities that produce equipment and tools or provide services to solve and improve the manufacture of products and the execution of services related to civil construction whose main raw material is soil and earth architecture.



C - The MANUFACTURING ASSOCIATES will receive in their respective accounts the digital certificate registered on the Cardano blockchain with the title of MANUFACTURER, after payment of their first annuity.

D - The national MANUFACTURING ASSOCIATE must contribute with the annual fee in the amount of one (01) minimum wage in force, having as reference the minimum wage in Brazil.

E – In the case of a foreign MANUFACTURING ASSOCIATE, the annuity amount referring to one (01) national minimum wage must be transformed into ADA for the official account of the Institute Ecoterm.

F - MANUFACTURING ASSOCIATES will receive 3,000 (three thousand) IE governance tokens every time they renew their annuity.

**§3 BUILDERS ASSOCIATES** These are natural or legal persons who work in the design, planning and execution of works that use earth as a raw material.

A - The BUILDERS ASSOCIATES will receive in their respective accounts the digital certificate registered on the Cardano blockchain with the title of BUILDER after payment of their first annuity.

B - The national BUILDERS ASSOCIATE shall contribute with the annuity in the amount of half (1/2) the current minimum wage, having as reference the minimum wage in Brazil.

C – The foreign BUILDERS ASSOCIATE shall contribute with the amount of the annuity referring to half (1/2) the Brazilian minimum wage, which will be transformed into ADA for the official account of the Institute Ecoterm.

D - The BUILDER ASSOCIATE will receive 2,000 (two thousand) IE governance tokens every time they renew their annuity.

**§4 AMBASSADOR ASSOCIATES:** are all natural or legal persons who contribute and help the Institute Ecoterm to promote sustainable construction techniques using earth as a raw material.

A – AMBASSADOR ASSOCIATES will receive in their respective accounts the digital certificate registered on the Cardano blockchain with the title of AMBASSADOR, after payment of their first annuity.

B - The national AMBASSADOR ASSOCIATE must contribute with the annual fee in the amount of one quarter (1/4) of the current Brazilian minimum wage, having as reference the minimum wage in Brazil.

C – The value of a quarter (1/4) of the minimum wage will be paid by the foreign AMBASSADOR ASSOCIATE, which must be transferred in ADA to the official account of the Institute Ecoterm.

D - The AMBASSADOR MEMBER will receive 1,000 (one thousand) IE governance tokens every time they renew their annuity.

E – Those who own 1 (one) or more NFTs of the Earth Natives project are also considered AMBASSADORS ASSOCIATES. These NFTs work as access keys to the members' portal. There is a total of 3,333 NFTs registered on the Cardano blockchain under the (Policy ID): eebf7f0deadaf8bbf24f032012f46311a0c77da84ad9ceb624e52d48.

## **CHAPTER II RIGHTS AND DUTIES OF ASSOCIATES**

**Art.7** The rights of the members of the Institute Ecoterm are:

- I. Indicate the inclusion of new members for approval by the Board;
- II. Participate in all association activities and events;
- III. Participate in general and extraordinary meetings;
- IV. Submit to the Board of Directors suggestions compatible with the objectives of the Institute;
- V. Request clarifications on the activities of the association, being able to consult its balance sheets and accounting books at any time at its registered office;
- VI. Vote and be voted for elective positions, in accordance with the conditions contained in these Constitution;
- VII. Elect the Board of Executive Officers and deliberate on the compensation of the Board members;
- VIII. Request the convening of a General Meeting;



- IX. Propose amendments to these Constitution, provided that the member holds at least fifty-five thousand (55,000) IE tokens from the Institute Ecoterm.
- X. Participate in monthly planning meetings, provided they are called by the Board electronically, and receive bonuses for participating in the meeting with Institute Ecoterm IE tokens;
- XI. Enjoy other rights that the association provides, under the conditions provided for in these Constitution.

**Art.8** It is an essential condition for the associate to enjoy the rights listed in the previous article that, in addition to the other provisions in these Constitution, he is up to date with his obligations and financial contributions.

**Art.9** The duties and obligations of all associates are:

- I. Cooperate to ensure that the Institute achieves its objectives.
- II. Comply with and enforce the determinations agreed upon in these bylaws.
- III. Maintain an account on the CARDANO blockchain platform and publish the address for public consultation.
- IV. Promptly pay their respective contributions.
- V. Respect the decisions made by the General and Extraordinary Assembly, Board of Directors, and other constituted bodies of the Institute.
- VI. Assist the Institute in fulfilling its respective purposes.
- VII. Carry out their assigned positions, tasks, or services with diligence.
- VIII. Provide, whenever possible, studies, projects, technical information, and works, authorizing their dissemination and/or publication.
- IX. Safeguard the reputation and assets of the Institute, as well as the integration of its members.

**Art.10** Members will not be jointly and severally liable for the debts and social obligations of the Institute Ecoterm.

### CHAPTER III PENALTIES, EXCLUSION AND DISMISSAL OF ASSOCIATES

#### SECTION I PENALTIES

**Art.11** The associates of the Institute Ecoterm are subject to the successive penalties of warning, suspension and exclusion, in the cases of:

- I. Absence from three (03) consecutive general meetings without justification;
- II. Violate the ethical principles that guide the conduct of members inside and outside the association;
- III. Failure to comply with the rules established in these Constitution.

**Art.12** It is incumbent upon the Board of Directors to apply the penalties of warning, fine and suspension of the member.

Single paragraph. When the penalty to be applied to the member is in the form of a fine, payment will be made in IE token.

**Art.13** When the violator is a member of the Board of Directors, the Fiscal Council or the Ethics Council, the warning and suspension penalties will be applied by the General Meeting.

**Art.14** By clause of the Statute or, in its silence, by resolution of the associates, when there is exclusion or dismissal, the associate will not be refunded any contribution he has made to the association's assets.

#### SECTION II EXCLUSION OF ASSOCIATES

**Art.15** The exclusion of the associate will depend on the approval of the majority of the founding partners, by reasoned deliberation of the expulsion in the General Assembly, specially convened for this purpose, due to conduct or procedure not consistent with the principles that guide the objectives of the Institute, being guaranteed to this associated with the right to full defense and appeal as provided for in these Constitution.



**§1** The removal of a member will be done by a unanimous vote of two-thirds of those present at the Assembly specially convened for this purpose. The Assembly shall not be able to deliberate, on the first call, with fewer than one-third of the associates present.

**§2** The excluded member will be notified in writing of the decision of the Assembly and may file a written appeal with suspensive effect against this decision within a maximum period of 10 (ten) working days, counted from the receipt of that decision, doing so before the General Assembly duly summoned for this purpose.

### **SECTION III DISMISSAL OF ASSOCIATES**

**Art.16** The associate may withdraw from the association in writing, by sending it to the Board of Directors, which will forward it for consideration at the first General Meeting to be held after the submission of the request.

**Art.17** The associate will be considered disconnected from the Institute on the date of the General Assembly that accepts his request for resignation.

### **TITLE III EQUITY AND INCOME**

**Art.18** The maintenance of the Institute Ecoterm and its Assets are made up of all the assets and rights that belong to him and those that he comes to possess, in the exercise of his activities, in the form of grants, contributions and national and international donations, legacies and acquisitions, free and clear of encumbrances.

**Art.19** The revenues for the maintenance of the association will consist of regular contributions from the associates established by the General Assembly and in these Constitution, national and international donations, legacies, aid, the provision of contracted services or agreements with other entities, aid from people physical or legal, private, or public, national or foreign, and for the income produced by its assets.

**Art.20** The non-fungible tokens - NFT's from the Institute Ecoterm will be managed by a multi-signature account on the Cardano blockchain - (multi-sign wallet).

**Art.21** Part of the income of the Institute Ecoterm will come from the CARDANO blockchain as described below:

- I. Two percent (2%) in royalties from the collection of NFT's from the Earth Natives project;
- II. Accepting donations in cryptocurrencies and crypto assets.

**Art.22** The Institute ECOTERM has the authorship (creation) of the following digital assets registered on the Cardano blockchain:

- I. *Earth Natives*– Immutable and limited to 3,333 (three thousand, three hundred and thirty-three). (Policy ID): eebf7f0deadaf8bbf24f032012f46311a0c77da84ad9ceb624e52d48
- II. IE Governance Token – Immutable and limited to 33,000,000 (thirty-three million). (Policy ID): 98dc34951aed76e97babf4f3f982db83ade2fd23c3950fef9ad125b4

**Art.23** The Institute's assets, under no circumstances, may have an application other than that established in these Constitution.

**Art.24** The IE QUALITY SEAL is a form of recognition that will be granted to founding members, manufacturers or builders, through a digital CERTIFICATE on the Cardano blockchain, and exclusively for members who meet the following evaluation requirements:

- I. Correct completion of the documentation of the request form;
- II. Delivery of the form within the period stipulated by the Board of Directors;
- III. Payment of a single fee to be stipulated by the Board of Directors;
- IV. Remain in the association, fulfilling all the obligations described in these Constitution, as well as paying the annuity within the specified period.



## CHAPTER I EQUITY SECURITIES

**Art.25** The tokens that will be registered by the Institute Ecoterm on the CARDANO blockchain platform will be considered equity securities.

- I. The Institute Ecoterm has a maximum total of thirty-three (33) million Governance Tokens in circulation, which have already been generated and their Policy ID is immutable.
- II. IE governance tokens are registered under the Policy ID:  
*98dc34951aed76e97babf4f3f982db83ade2fd23c3950fef9ad125b4*

**Art.26** The amounts pertaining to the annuities can be settled in the national currency or in ADA for foreign members through the Cardano blockchain. Additionally, the benefits regarding contributions and other specific situations that may arise will be determined annually by the General Assembly, which will approve the accounts and the report of activities for the concluded year.

## TITLE IV MANAGEMENT

### CHAPTER I GENERAL PROVISIONS

**Art.27** The Institute Ecoterm will have as deliberative and executive bodies:

- I. General meeting.
- II. Board;
- III. Fiscal Council;
- IV. Ethics Council;

**Art.28** Directors, directors and committee members are prohibited from receiving, under any pretext, bonuses, surpluses or dividends, bonuses, participations or advantages.

**Art.29** The Director or Counselor who, without justifiable reason - previously communicated - fails to attend successively 03 (three) or, alternately 05 (five) meetings, whether general, ordinary or extraordinary, within the term of the mandate will automatically lose his mandate.

**Single paragraph:** A General Assembly must be called to fill vacant positions.

**Art.30** The votes of associates residing outside the municipality of the Institute's headquarters can be cast electronically, through video conference, which must be recorded and stored for verification purposes.

**Art.31** All associates may be represented by proxy, provided that the meeting/assembly is held in person.

### CHAPTER II GENERAL MEETING

**Art.32** The General Assembly is the highest and sovereign body for deliberation and supervision of the association, and will be made up of members who are in full enjoyment of their statutory rights and will take any and all decisions of interest to the Association.

**Single paragraph.** The resolutions of the General Assembly will be taken by a simple majority of votes, except in the cases described in these Constitution and bind all associates, even if absent or in disagreement.

**Art.33** The General Assembly will be presided over by the President of the Board of Directors or by his legal substitute as stated in these Constitution, who will have the casting vote in the event of a tie in the votes, assisted by the Secretary of the association.

**Art.34** The minimum quorum of:

- I. Two-thirds of the number of members able to vote on first call;



- II. On second call with any number of those present, 30 (thirty) minutes after the scheduled date for its realization.

**Single paragraph.** Verification of the quorum will be carried out by the number of members present at each call and will be done by their signatures on the attendance list.

**Art.35** The General Assembly will be convened by the President, by the absolute majority of its Associates, by any of the commissions, or even if there are serious and urgent reasons.

**Art.36** The General Meeting will be convened at least thirty (30) days in advance, via email, containing the agenda of matters to be dealt with by public notice.

**Art.37** The call notice for the General Meeting must contain:

- I. The name of the Association, followed by the expression: "Convocation of the Ordinary and/or Extraordinary General Assembly", as the case may be;
- II. The day, time and place of its performance;
- III. The ordinal sequence of summons;
- IV. The agenda for the work with the due specifications of the matters to be dealt with and general matters;
- V. The date and signature of the person responsible for the call.

**Art.38** At the General Meeting in which accountability is discussed, the President of the Board of Directors, after reading the Board of Directors' Report, the accounting documents and the Fiscal Committee's opinion, will make himself available to the Meeting for any clarifications that may be requested.

**§1** All facts that occurred at the General Meeting must be included in detailed minutes, drawn up in the proper book, approved and signed at the end of the work, by all those present.

**§2** General Assemblies can be held electronically, using new technological supports through networked computers.

**§3** Deliberations at the General Assembly will be taken upon approval by the simple majority of those present with the right to vote, with each member present having the right to only 01 (one) vote per token, regardless of the number of member representatives.

**§4** Voting by proxy is allowed in face-to-face meetings, provided that it is through a private power of attorney, with special powers set out for specific purposes.

**§5** In the case of voting by proxy in face-to-face meetings, the private instrument must be delivered to the President before starting the work, so that the fact can be verbally declared.

**§6** All facts that occurred at the General Meeting held electronically must be included in detailed minutes, digitally signed by the members, who must be holders of a digital certificate, issued by an accredited certifying authority.

**§7** A digital signature is considered the set of encrypted operations that allow proof of authorship, integrity and authenticity of a given electronic file.

**§8** For each General Assembly, the Institute's treasury will release 100,000 IE tokens to be distributed equally among the participants present who have voted.

**§9** The action to annul the deliberations of the General Meetings, riddled with error, deceit, coercion, injury, state of danger and fraud, expires in 04 (four) years, and prescribes in 02 (two) years the period to annul the deliberations taken in violation of these Constitution, counting from the date on which the Meeting was held.

## SECTION I ANNUAL GENERAL MEETING

**Art.39** The Ordinary General Meeting will be held mandatorily once a year, during the first semester, or at any time requested, and will deliberate on the following matters:

- I. Approve the accountability of the Board of Directors, accompanied by the opinion of the Fiscal Committee;



- II. Election every 02 (two) years of the members of the Board of Directors;
- III. Elect and remove directors;
- IV. Supervise the members of the association in achieving their objectives;
- V. Establish the value of monthly/annuity fees for members;
- VI. Decide on the purchase and sale of association properties;
- VII. Approve the internal regulations, which will regulate the various sectors of the Association's activities;
- VIII. Amend, in whole or in part, these Constitution;
- IX. Decide on the dissolution of the association;
- X. Decide, as a last resort, on any and all matters of social interest, as well as on cases not covered by these Constitution.

**Single paragraph.** The approval of the Board of Directors' report, balance sheet and accounts relieve its components of responsibility, with exception in cases of vices of consent and violation of these Constitution.

**Art.40** It is the exclusive competence of the Ordinary General Meeting, the election and/or dismissal of the members of the Board of Directors, of the Fiscal Committee, of the Ethics Committee, as well as their commissions.

**Art.41** In the event of resignation or dismissal of members that may affect the regularity of the Board of Directors and/or its commissions, the General Assembly may designate, among the members present, one or more of them to exercise the position(s), provisionally, until the election and investiture of new Officers and/or Directors, which shall occur within a period of 30 (thirty) days, after the provisional appointment in question.

**Art.42** The present Statute may be reformed in any of its provisions, in an Ordinary General Assembly, in which 55% (fifty-five percent) of the associates are present, for a quorum of half and one more of the associates present.

**Art.43** Decisions involving elections for the Board of Directors and Fiscal Council and the judgment of the Board of Directors' acts regarding the application of penalties will be taken by secret ballot.

## SECTION II EXTRAORDINARY GENERAL MEETING

**Art.44** The Extraordinary General Assembly will be held according to the needs of the Institute, whenever there is an important matter and may resolve on any matter of interest to the Institute that must be included in the call notice.

**§1** The Extraordinary General Meeting will be convened electronically, at least fifteen (15) days in advance, containing the agenda of matters to be dealt with by public notice.

**§2** For the installation of the Extraordinary Assembly, a minimum quorum of two thirds of the number of members able to vote will be required, otherwise it will be considered a simple meeting, and even so, minutes of the meeting must be drawn up.

**§3** The minutes of the Extraordinary Meetings will be drawn up by the Secretary and, once digitally signed, will no longer be printed.

## CHAPTER III OF THE BOARD

**Art.45** Art. 45 - The Board of Directors is the association's executive body and will be composed of the President, Vice-President, 1st and 2nd Secretaries, and Treasurer, all of whom are legal representatives of the associates. At the end of each term, it is mandatory to renew at least 1/3 (one-third) of its members through the election process.

**Art. 46** The members of the Board of Directors are not personally responsible for the commitments they undertake on behalf of the association. However, they will be held personally liable for damages resulting from their actions, individually or jointly, if they act unlawfully, intentionally, and/or negligently, including if it causes harm to individual members.

**Art.47** The Board of Directors is governed by the following rules:

- I. Meet ordinarily once a month, every first Monday of the month at 19:00 (19:00), Brasilia-BR time, when convened by the President, by the Board itself, by request of the Fiscal Committee or the Ethics Committee, and also, by call of the majority of the associates.





- II. All resolutions will be taken by vote of the simple majority of its members, reserving the chairperson to exercise the tie-breaking vote.
- III. The Executive Board's resolutions must be included in the minutes drawn up in the proper book, read and approved at the end of the work at each meeting, by all those present.

**Art.48** It is incumbent upon the Executive Board, within the legal limits of these Constitution, in compliance with the decisions or recommendations of the General Meeting, to plan and outline the rules for operations, services and control of results.

**Art.49** The duties of the Board of Directors are:

- I. Comply with and enforce the provisions of this Statute, the Institute's regulations, decisions of the Assemblies, as well as take the necessary measures for good administration;
- II. Establish norms for the operation of the Institute in the form of instructions that will constitute the Internal Regulations;
- III. Preparing and approving the rendering of accounts and the annual activity report, for submission to the Fiscal Committee;
- IV. Prepare the annual budget;
- V. Organize internal administrative services, set conditions for filling positions, salaries, functions, benefits and duties, as well as appointing, admitting and dismissing employees and professionals at the service of the association;
- VI. Manage the facilities and assets, ensuring their maintenance;
- VII. Designate at which banking establishments the cash and amounts received will be collected;
- VIII. Acquire, dispose of or encumber the association's real estate, with the express authorization of the General Assembly constituted for the specific purpose;
- IX. Present to the Ordinary General Meeting the reports and accounts of its management;
- X. Collaborate with all committees, providing them with the necessary data for the proper performance of all functions;
- XI. Hire, if necessary, an audit service;
- XII. Create special committees, transitory or not, observing the rules established in these Constitution to study, plan and coordinate the solution of specific issues;
- XIII. Solve the omissions in these Constitution and the doubts that arise.

**Art.50** The President's duties are:

- I. Supervise all activities of the company;
- II. Frequently monitor the cash balance;
- III. Sign, together with the Director-Treasurer, any documents relating to financial transactions, payment orders and checks;
- IV. Actively and passively represent the Institute, in and out of court;
- V. Present to the General Assembly the work plans formulated for the coming year;
- VI. Assign assistants to specific functions;
- VII. Call and preside over the General Assembly and Board meetings.

**Art.51** The President will be replaced in his absences and impediments by the Vice-President, and in his absence, by the 1st and 2nd Secretaries, and by the 1st and 2nd Treasurers, and by the General Counsel, successively.

**Art.52** It is incumbent upon the Vice President:

- I. Assume and exercise the functions of the Presidency in cases of absence and impediments of the President or in the vacancy of the position;
- II. Assist the President in his duties.

**Single paragraph.** During the periods in which the Vice-President exercises the Presidency, the substitutions will be made in accordance with the provisions of the previous article.

**Art.53** It is incumbent upon the Treasurer:

- I. Coordinate Treasury services, moving the association's accounts, issuing and endorsing checks, together with the acting President;



- II. Keep the association's Cash Book up to date, preparing balance sheets, reports and accounting documents for the appreciation of the Fiscal Committee and the General Assembly;
- III. Collect and account for member contributions, income, aids and donations;
- IV. Have under your custody and responsibility all values belonging to the association;
- V. Analyze and approve the payment of all Institute expenses;
- VI. Sign with the acting President, any other documents or titles of credit, for which results pecuniary responsibility for the company;
- VII. Preparing the monthly financial report;
- VIII. Submit to the Fiscal Committee the half-yearly balance sheets and the annual balance sheet;
- IX. Prepare, annually, the list of the association's assets, presenting it, when requested, to the General Assembly;
- X. Replace the Secretaries in their absences or impediments.

**Art.54** The Secretaries, in the order of their appointments, are responsible for:

- I. Secretary and draw up the minutes of meetings of the Board of Directors and General Assemblies, being responsible for the related books, documents and files;
- II. Ensure the company's correspondence and the responsibilities delegated to them by the Board of Directors;
- III. Coordinate the activities of the secretariat.

**Art.55** It is the responsibility of the Executive Board to develop and improve internal processes, aiming to enhance administrative activities and reduce the operating costs of the organization.

#### **CHAPTER IV FISCAL COUNCIL**

**Art.56** The Fiscal Council, internal control body, will be composed of a minimum of 01 (one) and a maximum of 03 (three) members representing the associates, all appointed by the President and approved by the General Assembly, being mandatory, at the end of each term, the renewal of at least one third (1/3) of the members.

**§1** The term of office of the members of the Fiscal Council will coincide with the term of office of the Executive Board.

**§2** In the event of the temporary removal of any of the titular directors, it will be up to the substitute to replace him/her, until the end of the mandate for which he/she was elected.

**§3** In the event of permanent removal of any of the directors, the vacancy will be filled by an associate appointed by the other members of the Fiscal Committee, until the end of the term of office of the elected directors.

**Art.57** It is incumbent upon the Supervisory Board:

- I. Exercise assiduous supervision over the operations, activities and general services of the association;
- II. Check the balance of the existing cash on a monthly basis, verifying that it is within the limit established by the board;
- III. Check whether the bank account statements match the bookkeeping;
- IV. Examine whether the amounts of expenses and investments made are in accordance with the plans, budgets and decisions of the board;
- V. Verify that the operations carried out and the services provided correspond in volume, quality and value, to the forecasts made and to the economic and financial conveniences of the association;
- VI. Examine whether the Board of Executive Officers meets as determined in the Constitution and whether there are vacant positions;
- VII. Find out if there are complaints from members regarding the services provided;
- VIII. Check whether credits are received regularly and whether commitments are met on time;
- IX. Determine whether there are requirements or duties to be fulfilled with the tax, labor and social security authorities;
- X. Issuing an opinion on the balance sheet and the annual report of the Board of Directors, for consideration and voting at the Ordinary General Meeting;
- XI. Inform the Board of Directors about the conclusions of its work, denouncing the irregularities found, calling the Extraordinary General Meeting if there are serious and urgent reasons, as well as communicating the facts to the associates;
- XII. Request from the 1st Treasurer, at any time, supporting documentation of the economic and financial operations carried out by the Association;



- XIII. Monitor the work of any independent external auditors;
- XIV. Opinion on the acquisition and disposal of assets.

**Art.58** The Fiscal Committee meets ordinarily 01 (one) time every 90 (ninety) days and extraordinarily whenever necessary, with the participation of at least 1/3 (one third) of its members.

**§1** Meetings may be called by the majority of its members, by the Board of Directors and by the General Assembly.

**§2** The Fiscal Committee's resolutions will be taken by simple majority vote and will be recorded in the Minutes drawn up in the proper book, read, approved, and signed at the end of the works, in each meeting, by the attending Fiscal Committee members.

**§3** The term of office of the Fiscal Council will be 02 (two) years, coinciding with the term of office of the Board of Directors.

## **CHAPTER V ETHICS COUNCIL**

**Art.59** The Ethics Council is the body that assesses issues and acts performed by associates involving the principles established in these Constitution.

**Art.60** The Ethics Council is composed of a minimum of 01 (one) and a maximum of 03 (three) members representing the associates, all appointed by the President and approved by the General Assembly, being mandatory, at the end of each term, the renewal of no at least one third (1/3) of the members.

**§1** The Board will choose from among its participants the President and the Vice-President, with their competence and performance in Internal Regulations.

**§2** At the first meeting of the Directors, each one must indicate an alternate, to be approved by that body, to represent him in case of absence or temporary impediment to exercise his attributions.

**Art.61** The Ethics Council is responsible for:

- I. Acting and deciding on actions and issues related to the general and specific ethical principles of the association;
- II. Submit to the Board of Directors the necessary measures to remedy irregularities and/or application of a penalty determined in a decision rendered in an ethical process;
- III. Decide on matters that the Board of Directors submits to its appreciation;
- IV. Strictly enforce this Statute, the General Regulations and the regulations of the association, recommending the application of the penalties provided for violators;
- V. Take care to develop the defense of the interests of the associates;
- VI. Prepare an opinion on ethical matters when requested by the Board of Directors and/or General Meeting;
- VII. Elaborate Internal Rules to define its performance and functioning, as well as to have rite, acts and procedural deadlines specific to ethical disciplinary processes;
- VIII. Carry out technical visits to associates, or indicate the associate who should carry out the visit, when deemed necessary.

**Art.62** The Ethics Committee meets whenever necessary, with the participation of all its members.

## **CHAPTER VI THE ELECTIONS, THE MANDATE AND THEIR LOSS**

**Art.63** Elections for the Board of Directors will be held at the Annual General Meeting of the year in which the respective terms end.

**Art.64** In the case of entries from a single slate, the acclamation system may be adopted.

**Art.65** The Call Notice for the Ordinary General Meeting in which there are elections for the Board of Directors, will be sent to the associates by electronic means, at least 60 (sixty) days in advance.



**Art.66** The registration of the slates must be carried out up to 10 (ten) days before the Ordinary General Assembly, non-extendable and must be made in writing by whoever heads the slate, and such application must be delivered at the Headquarters of the Association.

**Single paragraph.** Applications from members who do not meet the requirements set forth in these Constitution will not be accepted.

**Art.67** The slate must contain, obligatorily, the nominal list of the associates that integrate it, with the indication of the positions for which they compete.

**Art.68** Registration of the same candidate will not be allowed, even for different positions, in more than one slate or for more than one position in the same slate.

**Art.69** If the vote is secret, a ballot will be adopted for each slate containing the nominal list of all candidates and the positions for which they are running.

**Art.70** In the event of a tie, a new election will be held immediately after the result of the first one, and at the same Ordinary General Meeting.

**§1** If the tie persists, the positions will be maintained temporarily, with the board of directors having expired, until another Ordinary General Meeting is called for a new election.

**§2** The new Meeting must be called by the acting President within 30 (thirty) days from the date of the Ordinary General Meeting where the tie occurred.

**§3** If there is still a tie, the candidate whose position for President is the oldest member running according to age criteria will be considered the winner.

**§4** The winning slate will thus be declared at the Ordinary General Meeting and immediately sworn in with the signature of the members in the Book of Minutes.

**Art.71** The term of office of the Board of Directors, Fiscal Committee, Ethics Committee, as well as any Commissions will be 02 (two) years, renewal being possible consecutive.

**Art.72** The member of the Board of Directors, Fiscal Committee, Ethics Committee, as well as any Committee members who:

- I. Being excluded from the association at your own will;
- II. Is excluded from membership, by decision taken by the General Assembly, as regulated in this Statute.

## **TITLE V** **DISSOLUTION**

**Art.73** The dissolution of the association, outside of the cases provided for by law, will only be decided by resolution of 02 (two) Extraordinary General Assemblies, called especially for this purpose, with a minimum interval of thirty days, and by a vote of 2/3 (two thirds) members present and entitled to vote.

**§1** Once the dissolution of the association has been decided, the Board of Directors must arrange for the payment of all liabilities and the receipt of all assets.

**§2** In the dissolution of the association, the associates must receive in restitution, the updated value of the contributions that they have made to the association, in the last 12 (twelve) months.

**Art.74** The association has a distinct existence from that of its members, and they are not jointly or severally liable for the obligations assumed by the entity.



**TITLE VI  
OF BOOKS**

**Art.75** The Association shall have the following books:

- I. Book of Minutes of General Meetings (ordinary and extraordinary);
- II. Book of Minutes of the Fiscal Council;
- III. Book of Minutes of the Ethics Council.

**TITLE VII  
GENERAL PROVISIONS**

**Art.76** The fiscal year will coincide with the calendar year, drawing up, on December 31 of each year, the balance sheet and the respective financial statements required by law.

**Art.77** No form of profit, bonus or financial advantage will be distributed to members.

**Art.78** Omitted cases will be resolved by the General Assembly, after hearing the competent entities or bodies, or in accordance with the Law, when the capacity of its governing bodies is insufficient for this purpose.

**Art.79** The forum of the region of Pratápolis, State of Minas Gerais, headquarters of the Association is elected to resolve any doubts that may arise with reference to the Association.

**Art.80** These Constitution come into force on the date of their approval at the General Meeting.

*Brazil - Pratápolis, Minas Gerais, March 2, 2023.*

\_\_\_\_\_  
*President*

\_\_\_\_\_  
*Treasurer*

\_\_\_\_\_  
*Vice President*

\_\_\_\_\_  
*Fiscal Counselor*

\_\_\_\_\_  
*1st Secretary*

\_\_\_\_\_  
*Ethics Counselor*

\_\_\_\_\_  
*2nd Secretary*

\_\_\_\_\_  
*Attorney*

