INSTITUTO CLIMA E SOCIEDADE - ICS

ARTICLES OF ASSOCIATION

Preamble

The INSTITUTO CLIMA E SOCIEDADE - ICS is a private non-profit civil association, established on March 2, 2015, headquartered in the city of Rio de Janeiro, state of Rio de Janeiro, with its first Articles of Association filed at the Company Register Office on May 11, 2015, under no. 265.126, and these Articles of Association were approved by the Extraordinary General Meeting of August 3, 2015.

CHAPTER I - NAME, HEAD-OFFICE, TERM AND PURPOSE

Article 1. The INSTITUTO CLIMA E SOCIEDADE - ICS, hereinafter simply referred to as "ICS" is a private non-profit civil association, headquartered in the Capital of the state of Rio de Janeiro, at Rua General Dionísio, 14 - Parte, Humaitá, ZIP Code 22271-050, governed by these Articles of Association and by other applicable legal provisions, and it has perpetual term of existence.

Sole paragraph. For compliance with its purposes, the ICS may organize itself in as many units as required, and it may open and/or close branches, offices and representations in any part of the national territory, upon decision of the General Meeting.

Article 2. The ICS has the corporate purpose of supporting actions related to climate change aligned with the defense, preservation and conservation of the environment and promotion of sustainable development.

Article 3. For compliance with its purposes, the ICS shall observe the principles of
lawfulness, impersonality, morality, publicity, economicalness and efficiency, and shall not make any distinction as to disability, race, color, gender, sexual orientation, social condition, political or religious creed, and it may, for such, promote and perform the following activities, by itself, or jointly or by means of partner organizations:

a) to develop, foster and support, including upon financial contribution, programs, projects and actions related to climate change, which involve the defense, preservation and conservation of the environment, sustainable and social development, as well as new technologies aimed to solve environmental and social problems;

b) to promote and sponsor courses, lectures, symposia and conferences for the consolidation of its corporate purpose;

c) to enter into partnerships, covenants, contracts with public or private, national or international organizations for consolidation of its corporate purpose;

d) to raise, manage and disburse funds and resources (financial, technical and material) for the consolidation of its corporate purposes; and

e) to develop any other lawful activities for the consolidation of its corporate purpose, provided that previously approved by the Supervisory Board.

Article 4. The ICS by decision of the General Meeting, may adopt Bylaws or set guidelines, manuals or specific rules to govern administrative procedures.

CHAPTER II - ADMINISTRATION BODIES

Article 5. The ICS Administration shall be conducted by the following bodies:

a) General Meeting;
b) Supervisory Board; and

c) Audit Committee.

**Sole paragraph.** The ICS bodies shall develop activities required to achieve its corporate purpose, unconditionally respecting the Articles of Association and legal provisions.

**Article 6.** In relation to the members of the administration bodies of the ICS, the following shall be observed:

a) No profit sharing is allowed at ICS;

b) They shall not receive any amounts for the payment of personal expenses, being, however, allowed advance payment of expenses in case of service for ICS, including travel costs, whose accounts shall be rendered.

c) They shall not respond, not even jointly, for the obligations assumed by the ICS due to regular management acts, being, however, criminally and civilly liable for harmful acts to third parties or to ICS, carried out for abuse of power, willful misconduct or negligence;

d) They are personally liable for noncompliance, as per legal, regulatory and statutory terms, with their duties as managers and investors of ICS assets and revenue, for the timely accountability of their management and for subjecting the management to the applicable control systems of ICS;

e) It is void the simultaneous participation of members of the Supervisory Board in the Audit Committee; and

f) It is void to members of ICS bodies to obtain, individually or jointly, personal benefits and advantages.
Article 7. The administration bodies shall adopt management practices necessary and sufficient to restrain the obtainment, by any one, individually or jointly, of personal benefits or advantages, due to participation in decision-making processes.

CHAPTER III - ASSOCIATES

Article 8. ICS shall have an unlimited number of individuals and companies as associates, who wish to cooperate with the consolidation of its corporate purpose, provided that they are qualified as follows:

a) Founding Members: individuals and/or companies attending the General Meeting for the Organization of the ICS, and signatories of its Minutes; and

b) Actual Members: individuals or companies who cooperate to materialize the corporate purpose of the ICS, by means of the provision of volunteer work, admitted as such by decision of the General Meeting.

Sole paragraph. The ICS associates, regardless of category, are not individually nor jointly liable for the obligations and commitments assumed by the ICS, and they shall have no rights in case of dismissal, exclusion or death.

Article 9. It is a requirement for the admission of new associates, the agreement to the terms hereof and to have its association request approved by the ICS at General Meeting.

Article 10. The ICS associates may withdraw/resign from ICS at any time, filing their withdrawal/resignation request at the office of the Chairman of the Supervisory Board.
Article 11. The following items are rights of all associates:

a) to have access to the whole contents of these Articles of Association;

b) to attend General Meetings with the right to issue opinions;

c) to appeal to the General Meeting in case of exclusion from the association;

d) to request information on accounting and financial statements of the ICS; and

e) to request the calling of General Meeting, as per the quorum provided in Article 23(b).

Sole paragraph. In addition to the rights provided in the heading of this article, the founding members and actual members have voting rights at General Meetings.

Article 12. The following items are duties of all associates:

a) to comply with and enforce compliance of these Articles of Association, any Bylaws, manuals and codes of conduct, the decisions of the General Meeting, as well as any internal policies and rules that may be adopted from time to time;

b) to care for the faithful compliance with ICS purposes, as well as for the preservation of its assets and reputation;

c) to defend the assets and interests of ICS;

d) to disclose at the General Meeting, to the Supervisory Board, to the Chairman of the Supervisory Board or to the Audit Committee, any irregularity found within the ICS;
e) to accept and abide by the decisions of corporate bodies made in regard to the Articles of Association and the law;

f) to attend General Meetings and other meetings they are called to as per the Articles of Association and the law;

g) to contribute to the consolidation of corporate purposes of the ICS; and

h) to inform the Chairman of the Supervisory Board, in writing, whenever there is a change of address, email and/or phone number.

Article 13. The associates will be subjected to the penalties of warning and suspension, in accordance with the type of breach, by justified decision of the Supervisory Board.

Article 14. In case of fair cause, the ICS associates may be excluded, by decision of the Chairman of the Supervisory Board, in procedure that ensures right of defense, in the following events:

a) when they fail to carry out any of their duties; or

b) when they breach any statutory provision, bylaw or any decision of administration bodies which are in conformity with the Articles of Association and the law; or

c) when they perform any act for their own benefit or which implies discredit of the ICS or its members.

Sole paragraph. The excluded associate may submit, within fifteen (15) days from receiving notice of such decision, appeal to the Chairman of the Supervisory Board, who will be responsible for calling a General Meeting specifically to decide, in final instance, on reviewing or not the associate's exclusion, as per these Articles.
Article 15. The associates are not liable, not even jointly, for the obligations assumed by the ICS, except in case of abuse of power or against the Law.

CHAPTER IV - CORPORATE ASSETS AND FUNDS

Article 16. The ICS assets shall be composed by tangible and intangible property, rights and financial recourse acquired or received as donation, bequests, grant in aid, allowance or in any other lawful way, and they shall be managed and used only in strict compliance with its corporate purposes.

Article 17. The following items are sources of funds to the ICS:

   a) allowances, contributions, donations, bequests, grants in aid and other lawful acts of associates or third parties;

   b) ICS revenue arising from activities inherent to its purpose;

   c) financial and asset revenue; and

   d) other income, including arising from exploration of activity, whose whole profit will necessarily be reverted to the ICS for consolidation of its corporate purpose.

Article 18. The Supervisory Board may reject donations, allocations and bequests which have encumbrances or liens of any kind, or which are also against the purposes of the ICS, its nature or the law.

Article 19. All the assets and revenue of the ICS shall be invested in its corporate
purpose, being void the distribution of any portion of its assets or revenue for any reason, among associates, grantors, benefactors, directors, board members of any other individual or company, except for costs and assets required for its administrative operation.

Artigo 20. In case of dissolution of the ICS, the respective net equity will be transferred to another, or other non-profit entities, in accordance with Act no. 9790/1999, which preferably have the same corporate purpose of the ICS and which will be determined by the General Meeting especially called for such end.

Paragraph 1. In case the ICS obtains and, further loses the qualification assigned by Act no. 9790/1999, the available assets, acquired with public funds during the period in which such qualification was valid, shall be ascertained and transferred to another legal entity qualified in the same Act, which preferably has the same corporate purpose of the ICS and which will be chosen by the General Meeting, especially called to decide on this matter.

Paragraph 2. The institution that receives the ICS assets may not share profit, distribute dividends or any other similar advantage to its associates or directors.

CHAPTER V - GENERAL MEETING

Article 21. The General Meeting is the sovereign decision-making body of the ICS.

Article 22. The General Meeting shall:

a) elect the members of the Supervisory Board;

b) dismiss the Chairman of the Supervisory Board, the members of the
Supervisory Board and the Audit Committee;
c) decide on the application of penalty for cause, as per Article 14 hereof;
d) decide on the dissolution of the ICS, as per Article 40 hereof;
e) amend the Articles of Association on the whole or in part.

Article 23. The General Meeting shall convene annually, and extraordinarily whenever required, to discuss matters related to ICS interest, called by:

a) the Chairman of the Supervisory Board; or

b) 1/5 (one fifth) of the associates.

Article 24. The General Meeting shall be convened upon prior and general announcement, by means of notice sent to all associates by email, fax or any other media with acknowledgement receipt, or also by means of posts on the bulleting board of ICS head-office within, at least, seven (7) days mentioning the agenda, date, time and location.

Sole paragraph. The call notice shall be dismissed if all members attend the General Meeting.

Article 25. The General Meeting will be opened at first call with 2/3 (two thirds) of associates and, upon second call, after the elapse of thirty (30) minutes, with any number of attendees.

Article 26. The decisions of the General Meeting shall be made by simple majority vote of the associates attending it, and in case of tie, the Chairman of the
Supervisory Board will have casting vote and, in case of his absence or in the cases provided in Article 29, paragraph 6, the casting vote will be given by the member designated by the Supervisory Board, as per article 30, paragraph 1.

Paragraph 1. The associates attending the General Meeting shall choose the Chairman of the Meeting to direct the affairs, and the latter will choose the Secretary.

Paragraph 2. The decisions of the General Meeting will be drafted in minutes, signed by the attendees and duly filed.

Paragraph 3. The attendance of associates, who are overseas, will be allowed upon written vote sent by email, fax or any other reliable means, as well as their representation by proxy with specific powers.

CHAPTER VI - SUPERVISORY BOARD

Article 27. The Supervisory Board will be composed by, at least, three (3) members and a maximum of eleven (11) members, appointed by the General Meeting, among associates and non-associates, and shall carry out functions, jointly, during a term of office of three (3) years, one (1) reelection being allowed. In exceptional cases, approved by the General Meeting, more than one reelection will be allowed.

Paragraph 1. The members of the Supervisory Board shall remain in their offices until the appointment and vesting of their successors or reelection.

Paragraph 2. In case of permanent vacancy of the elected member, the General Meeting, if it understands as necessary, shall convene to appoint a new member, who shall remain in office until the end of the term of its predecessor.

Paragraph 3. The new member, appointed by the General Meeting to complete the term of the vacant office, shall only be reelected for one (1)
more term.

**Paragraph 4.** The members of the Supervisory Board do not receive any remuneration, wage, bonus or compensation for the services provided to the ICS.

**Article 28.** The Supervisory Board shall:

a) discuss and decide on matters of the ICS interest;

b) establish guidelines and general performance targets of the ICS to be contemplated in the annual strategic plan;

c) comply and ensure compliance with the Articles of Association and Bylaws of the ICS;

d) elect the members of the Audit Committee;

e) review and approve the proposed annual budget and strategic plan of the ICS made by the Chairman of the Supervisory Board;

f) approve the balance sheet, accounting statements and respective annual report prepared by the Chairman of the Supervisory Board at the end of each fiscal year;

g) decide on the acceptance or rejection of donations, allocations and bequests that have encumbrances or liens of any kind, or which may also be against the purposes of the ICS, its nature or the law;

h) hire or dismiss the non-statutory executive officer of the ICS; and

i) settle cases not provided for in these Articles.

**Article 29.** The Supervisory Board shall convene at least twice a year, the first of such meetings to take place until April of each year. The Supervisory Board may convene extraordinary whenever required, provided that called by its Chairman.
Paragraph 1. The Supervisory Board meetings shall be called upon prior notice, sent to all associates by email, fax or any other media with acknowledgement receipt, or also by means of posts on the bulletin board of the ICS head-office, within, at least, seven (7) days, mentioning the agenda, date, time and location. The call notice shall be dismissed if all members of the Supervisory Board attend the meeting.

Paragraph 2. The Supervisory Board meetings will be opened with the majority presence of members.

Paragraph 3. The Supervisory Board meetings shall be chaired by its Chairman, in case of absence, as per Article 30, paragraph 1.

Paragraph 4. The decisions will be made by the favorable vote of most members of the Supervisory Board attending the meeting, and in case of tie, the Chairman of the Supervisory Board will have casting vote and, in case of his absence or in the cases provided in Article 29, paragraph 6, the casting vote will be given by the member designated by the Supervisory Board, as per article 30, paragraph 1.

Paragraph 5. The minutes of the Supervisory Board meetings will be drafted, which will be signed and sent to the knowledge of the General Meeting.

Paragraph 6. The Chairman of the Supervisory Board shall not cast vote in decisions of the Supervisory Board or the General Meeting addressing:

   a) the election of the successor or substitute to the office of the Chairman of the Supervisory Board; or

   b) approval of acts/documents performed/made by the Chairman of the Supervisory Board, as per article 31.

Paragraph 7. The members of the Supervisory Board shall be deemed as attendees of the meetings and may cast their vote, even if they are not
physically present at the place of meeting, if they can, by phone, videoconference or another similar means of communication, remain in direct contact with the other members.

SECTION I - CHAIRMAN OF THE SUPERVISORY BOARD

Article 30. The ICS shall be directed by the Chairman of the Supervisory Board appointed by its own members, who shall carry out its functions during a term of office of three (3) years, one (1) reelection being allowed. In exceptional cases, approved by the General Meeting, more than one reelection will be allowed.

Paragraph 1. In case of absence or temporary impediment of the Chairman of the Supervisory Board, the Chairman shall appoint another member of the Supervisory Board to temporarily take office.

Paragraph 2. The Chairman of the Supervisory Board shall remain in office until the election and vesting of its successor.

Paragraph 3. In case of permanent vacant office of the Chairman of the Supervisory Board, the General Meeting shall convene to elect its successor, who shall remain in office until the end of the term of its predecessor.

Article 31. The Chairman of the Supervisory Board shall:

a) represent the ICS as defendant and claimant, in and out of court;

b) call Annual and Extraordinary General Meetings;

c) call and chair meetings of the Supervisory Board;

d) open and close bank accounts, sign contracts, request and sign checks, make electronic transactions with bank accounts, representing the ICS at
private and official banking institutions;

e) grant power of attorney, provided that previously approved by the General Meeting. The General Meeting approval will be dismissed in case of granting of power of attorney for purposes of representation in administrative proceedings or lawsuits;

f) submit to the Audit Committee, the accounting books, balance sheets and accounts of the ICS;

g) make the proposed annual budget and strategic plan for the next fiscal year and submit the annual report of activities and rendering of accounts related to the ended fiscal year for approval by the Supervisory Board;

h) sign contracts, covenants, partnerships and commitments for technical cooperation and/or agreements of any kind;

i) hire employees and/or service providers of the ICS; and

j) receive appeal from excluded associate for cause as per Article 14 and call General Meeting to specifically decide, in final instance, for reviewing or not the associate's exclusion;

k) receive termination letters from ICS associates as per article 10 and inform the Supervisory Board;

l) any other tasks assigned by the Supervisory Board or by the General Meeting.

Paragraph 1. The Chairman of the Supervisory Board may delegate, through proper instrument, its functions.

Paragraph 2. The Chairman of the Supervisory Board may not be a member of the Audit Committee.
Article 32. If the association is qualified as Civil Society Organization of Public Interest ("OSCIP" in its Portuguese acronym), as per Act no. 9790/99, the ICS shall not compensate its director who effectively acts in the executive management and that who provide specific services, according to, in both cases, the amounts enforced by the market in the region where its activities are carried out and the limitations of the law, provided that the market value does not exceed the wage ceiling established for servants of the Executive branch of the Brazilian Federal Government.

CHAPTER VIII - AUDIT COMMITTEE

Article 33. The Audit Committee shall supervise the ICS administration, proposing measures that contribute to its financial balance, aimed at efficiency, transparency and quality in the consolidation of its corporate purposes.

Article 34. The Audit Committee shall consist of up to three (3) members and will carry out their duties during a term of office of three (3) years, and it shall:

a) analyze and issue opinions on financial statements, as well as on financial and accounting performance reports and on the asset operations conducted by the ICS, issuing reports for appraisal of the Supervisory Board and/or the General Meeting;

b) suggest actions to the financial management of the ICS;

c) follow up the work of any independent auditors; and

d) care for the observance of fundamental accounting principles and the Brazilian Accounting Standards, in the rendering of accounts and correlated acts of the ICS, as per Act no. 9790/99.

Paragraph 1. The Audit Committee shall convene annually until April
and extraordinarily whenever required, upon call of the Chairman of the Supervisory Board.

**Paragraph 2.** The decisions will be made by simple voting majority, and shall be included in the minutes drafted, read, approved and signed by the attending members of the Audit Committee and sent to the General Meeting.

**Paragraph 3.** The members of the Audit Committee shall remain in their offices until the election and vesting of their successors or reelection.

**Paragraph 4.** In case of permanent vacant office of the elected member, the Supervisory Board shall convene within sixty (60) days to elect a new member, who shall remain in office until the end of the term of its predecessor.

**Paragraph 5.** The members of the Audit Committee shall not be compensated for their statutory functions.

---

**CHAPTER IX - RENDERING OF ACCOUNTS**

**Article 35.** The rendering of the ICS accounts shall observe, at a minimum:

a) the fundamental accounting principles and the Brazilian Accounting Standards;

b) the publication, by any effective means, at the end of the fiscal year, of the activity report and financial statements, including debt clearance certificates at the Federal Revenue Service of Brazil and the FGTS (Brazilian Severance Pay Fund), placing them at disposal for analysis by any citizen;

c) the performance of audit, including by independent auditors, if applicable;
and

d) the provision in the sole paragraph of Article 70 of the Federal Constitution of Brazil, for the rendering of accounts of all funds and assets of public origin received by the **ICS**.

---

**CHAPTER X - MISCELLANEOUS**

**Article 36.** The fiscal year of the **ICS** ends on December 31\(^{st}\) of each calendar year.

**Article 37.** The **ICS** may acquire insurance in favor of any director, board member or employee who incurs liability arising from their position or office at the **ICS**.

**Article 38.** The associate who resigns or is excluded from the **ICS** shall not be entitled to any compensation or reimbursement from contributions or donations it may have made to the **ICS**.

**Article 39.** Individuals or companies that contribute to the **ICS** with donations or any other type of monetary contribution, shall expressly waive, for themselves and their heirs and successors, upon the act of donation or contribution made, any kind of reimbursement, even in case of dissolution or winding-up of the **ICS**.

**Article 40.** The dissolution of the **ICS** shall only be possible by decision of the General Meeting, specifically convened to decide on such matter, and which has the approval of 2/3 (two thirds) of associates.
**Article 41.** Individuals or companies that provided relevant services to the entity or that have a prominent performance in areas related to its corporate purpose may receive the title or "Honorary Member" or "Benefactor Member" of the ICS, without any associative relationship, as per decision of the General Meeting.

**Article 42.** The cases not provided herein shall be resolved by the Supervisory Board.


*(signed): Leonardo Vieira Lacerda*

Chairman of the General Meeting

Founding Member and Chairman of the Supervisory Board

*(signed): Rodrigo Maciel de Sá Fiães*

Secretary of the General Meeting

Founding Member and member of the Supervisory Board

*(signed): Lúcia Cassab Nader*

Founding Member and member of the Supervisory Board

*(There appears three Notarizations of the above signatures of Leonardo Vieira Lacerda, Rodrigo Maciel de Sá Fiães and Lúcia Cassab Nader, by the 5th Notary’s Office of Rio de Janeiro, on August 7, 2015).*
There appears three stamps of the 5th Notary’s Office of Rio de Janeiro.

**Civil Registry for Vital Statistics – Rio de Janeiro**

09345

AA090636

This is to certify the filing of the enrollment, protocol and date below.

Enrollment: 205126

201508131305593

September 26, 2015.

(signed): Alnir F. da Silva

Deputy Registrar.

EBCP 07225 GUQ

Fees: R$ 145.68  Tax: R$ 61.77