

Bylaws of the Águas do Nordeste (Northeastern Waters) Association - ANE

Chapter I

DENOMINATION, HEAD OFFICE AND DURATION

Article 1. The Águas do Nordeste Association, abbreviated as ANE, is a civil, non-profit association governed by these Statutes and the legal provisions applicable to it.

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Article 2. THE ANE will have its head office and school in the State of Pernambuco, in the city of Recife, at Rua Joaquim Xavier de Andrade, 44, Casa Forte, Recife. ZIP Code: 52.061-350.

Single Paragraph. THE ANE may have offices throughout the national territory and abroad, as approved by the Deliberative Council.

Article 3. The duration of the NCA is indefinite.

Chapter II

MISSION AND OBJECTIVES

Article 4. The ANE's institutional mission is to contribute to the knowledge, conservation and management of water in the Northeast region of Brazil.

Article 5. To fulfill its mission, The ANE has as objectives:

- a) Act in education and communication for the conservation and management of water;
- b) Support and develop academic initiatives in research, teaching and extension, focused on the environment and especially for aquatic ecosystems;
- c) Develop and maintain a scholarship and internship program;
- d) Contribute to technological innovation and the consolidation of technologies appropriate to the sustainable use of water;
- e) Develop cultural actions that value popular, scientific and historical knowledge related to water;
- f) Contribute to the formulation of public and private policies for the management of water resources and environmental sanitation;
- g) Support the watershed committees and collegiate water reservoir managers;
- h) Articulate actions with regional, national and international entities that maintain a commitment to sustainable development, having among its objectives the conservation of water resources;
- i) Assist and implement programs and projects, public or private, with the purpose of the recovery or conservation of aquatic ecosystems and protected areas;

- j) Develop and execute projects aimed at the management of urban rainwater and of the rural areas;
- k) Support civil society organizations in the planning and implementation of hydro sanitary actions that promote the improvement of the quality of life of urban and rural populations;
- l) Offer Technical Assistance, Rural Extension, and Certification of activities and products related to water resources and the environment;
- m) Produce, sell and donate seedlings and seeds tree, shrubs and herbaceous plants of native Brazilian and exotic species;
 - n) Develop and execute forest conservation, recovery, and restoration projects;
 - o) Produce, donate and commercialize gifts, kits and other products related to the entity's mission;

Paragraph 1. The actions resulting from the fulfillment of their objectives will be based on their own physical, human and financial resources, or resulting from donations, arrangements, contracts, agreements or partnerships, with individuals or legal entities, which may be public or private, mixed economy companies, foundations, associations, societies and other entities, civil or commercial, national or international.

Paragraph 2. To achieve its objectives, The ANE may be part of Councils, Commissions and other collegiate bodies, with direct or indirect action in the hydro environmental area. Bylaws of the Agues do Norwest Association - ANE

Chapter III

Regarding the Associates

Article 6. The ANE will have its social framework composed of individuals and legal entities who proposed to collaborate with the achievement of its institutional objective, admitted in accordance with these Statutes.

Single Paragraph. The associates who do not hold the position of management will not be jointly and alternatively liable for the obligations assumed by the association, with the exception of the possibility of civil liability for the practice of a deed or wrongful act in the performance of social duties or in the exercise of management powers.

Article 7. Three categories of associates are created, specifically: founder, staff, and contributor.

Paragraph 1. Founding Associate, having as a requirement to be a private individual and to have signed the Minute of The Company's Constitution;

Paragraph 2. Effective Associate, having as a requirement for admission to be a private individual, who as such registers and submits to approval by the Deliberative Council of the entity, being admitted the maximum number of 50 members;

Paragraph 3. Contributing Associate, having as a requirement for admission to be a natural or legal person, who registers as such, not requiring the prior approval of the Deliberative Council, being admitted the maximum number stipulated in the Rules of Procedure.

Article 8. - The rights of the founding and effective members are:

I – Attend the Assemblies, make propositions, discuss, vote, and be voted on;

II – Request, through a letter explicitly informing the reason, with the signing of approval of at least 10% (ten percent) of the founding and effective members in the enjoyment of their rights, the convening of an Extraordinary General Meeting;

III - Participate in the other activities of the Association;

IV - Receive the ordinary publications of the Association;

V – Enjoy other explicit prerogatives or implicitly provided for in this Statute and in the Rules of Procedure of the Association.

Article 9. - The rights of contributing members are:

I - Participate in the non-decision-making activities of the Association;

II - Receive the ordinary publications of the Association;

III – To enjoy other explicit prerogatives or implicitly provided for in this Statute and in the Rules of Procedure of the Association.

Article 10. - The duties of all members are:

I - Comply with the provisions of this Statute and the Rules of Procedure of the Association;

II - Keep up to date on the payment of contributions due to the Treasury of the Association;

III – To ensure the good name of the Association, to honor the initiatives, and to cooperate for the development of the Association.

Article 11. - They are eligible to be excluded from the social framework by decision of the Deliberative Council, which shall be appealed to the General Assembly:

I - Associates who flout the precepts of this Statute;

II – Non-founding members who fail to pay three (3) consecutive or 5 (five) alternate annuities;

III – Members who have committed an act detrimental to the Association.

Chapter IV

REVENUES, SOCIAL ASSETS, AND THEIR DESTINATION

Article 12. The assets of The ANE will consist of movable, immovable, securities, rights, and amounts acquired or received in the form of donations, legacies, grants, aid or else lawfully, of individuals or legal entities, public or private, national or foreign, whether associated or not.

Article 13. Sources of revenue of the ANE are:

a) voluntary contribution of the Associates;

b) aid, donations, legacies, grants, and other lawful acts of the freedom of Associates or third parties

- a) the results of promotional campaigns, courses, seminars, and lectures promoted by THE ANE;
- b) revenue stemming from the activities inherent to its objectives;
- c) all other revenues admitted by law, including from the usage of services, products, and activities that generate resources.

Article 14. All income, resources or operating results of the ANE will be mandatorily applied in the country, in the achievement of its institutional objective and, under no circumstances will the entity distribute among its associates, advisers, directors, employees or donors any operating surpluses, gross or net, dividends, bonuses, equity or portions of its equity, earned through the exercise of its activities.

Article 15. In the event of dissolution of the ANE, the respective remaining net worth shall be transferred to another legal entity qualified pursuant to law no. 9,790 of March 23, 1999, preferably with identical or equivalent objectives, to be defined by the General Meeting, at the same meeting at which it deliberates for dissolution.

Chapter V OF THE PUBLIC BODIES

Article 16. The ANE's public bodies are:

- a) General Meeting;
- b) Deliberative Council;
- c) Fiscal Council;
- d) Executive Board.

Chapter VI REGARDING THE GENERAL ASSEMBLY

Article 17. The General Assembly, the sovereign body of the ANE, is composed of the founding and effective Associates, in full enjoyment of their social rights, and some may be represented by others, by proxy with special and expressed powers for the convened Assembly.

Single Paragraph. the meetings of the general assembly shall be chaired by the President of the Deliberative Council, or in the absence of the latter, by any member, chosen by those present. The meetings shall be secretariat by a person appointed by the President of the Assembly, chosen by him among the members present.

Article 18. The General Assembly shall meet ordinarily once a year, in the month of the conception of the entity, convened by the President of the Deliberative Council.

Paragraph 1. The General Assembly will meet extraordinarily upon convocation of the President of the Deliberative Council, at the initiative of an absolute majority of the members of the Deliberative Council, or 10% (ten percent) of the members in the enjoyment of their rights.

Paragraph 2. The General Meeting shall be convened at least 30 (thirty) days in advance, if ordinary, and 10 (ten) days, if extraordinary.

Paragraph 3. The assemblies of the General Meetings will operate, at the first call, with an absolute majority (minimum of half plus one) of the votes of the members in the enjoyment of their rights, or, in a second call, 30 (thirty) minutes later, with any number of members in those conditions.

Paragraph 4. The deliberations of the assemblies of the General Meetings shall be taken by an absolute majority (minimum of half plus one) of the votes of the members present in the enjoyment of their rights. When summoned to deliberate specifically on the statutory amendment, the agreed vote of two thirds of those present will be required, and it may not deliberate, at first call, without an absolute majority of members, or with less than one third in the following convocations.

Paragraph 5. The minutes of any assembly of the General Meeting shall be approved at the first subsequent assembly unless the minutes for its approval are immediately drawn up before the meeting is dissolved.

Chapter VII

REGARDING THE DELIBERATIVE COUNCIL

Article 19. - The Deliberative Council shall be composed of 06 (six) holders, selected among the founding or effective members, elected by the General Assembly. In addition to these members, 02 (two) alternate members will be elected, who will be invited when a holder is absent.

Paragraph 1. The members of the Deliberative Council shall be elected for a term of two (2) years, and re-elections are permitted.

Paragraph 2. The members of the Deliberative Council will not receive any remuneration for the performance of their duties as Directors, nevertheless they may receive it for the provision of specific services, respecting the values practiced by the market in the region corresponding to its area of operation.

Paragraph 3. The members of the Deliberative Council do not respond, civilly or criminally, to the debts assumed by the Association.

Article 20. - The election for the Deliberative Council is forbidden, as well as the permanence of persons who:

- a) have legal pending with the Association;
- b) are directly or indirectly connected to entities that have conflicting interests with the objectives of the Association;
- c) are in default with the Association;
- d) have been judicially convicted with the decision rendered final, for conduct contrary to the objectives of the Association;

e) are part of the Executive Board.

Article 21. - The Deliberative Council shall be headed by a President and a Vice-President, chosen by an absolute majority, by the Deliberative Council itself, among its members.

Single Paragraph. - The members of the Board of Executive Board, President and Vice-President, shall have terms of two (2) years, and deliberative renewal may be permitted among its members.

Article 22. - The Deliberative Council shall meet ordinarily at least once every six (6) months, or extraordinarily when necessary, through the formal convocation of its Chairman.

Paragraph 1. The Deliberative Council shall be installed with the presence of an absolute majority of its members and shall act by voting on the absolute majority of the members present, with its Chairman, in addition to the joint vote of a member, the vote of quality.

Paragraph 2. The Counselor who misses three (3) successive meetings, without prior leave or just reason, will lose his or her term, which will be considered vacant.

Article 23. - It is incumbent upon the Deliberative Council to:

- I) Establish guidelines and rules of procedure, setting the general orientation of the activities of the Association;
- II) Define guidelines regarding the conclusion of agreements with national and international institutions for financial and institutional technical cooperation;
- III) Deliberate on the amount, form, and criteria for collecting admission fees and annuity of the members;
- IV) Establish and approve the organization chart of the Association, as well as its plan of positions and salaries;
- V) Approve the hiring of paid personnel to occupy functions on the Executive Board of the Association, as well as approve the salary policy of the Association's employees;
- VI) Appoint attorneys to represent the Association, when necessary in situations of a legal nature;
- VII) Supervise the deed of the Association's accounting and approve the general balance sheets, accounts, and financial reports, performing annual audits, including the applications of any resources subject to any Partnership Agreement that may be consolidated;
- VIII) Convene, when necessary, the General Assembly;
- IX) Decide on the affiliation of entities with common objectives to the Association, or the Association with any of its similar entities, upon proposal presented by the President of the similar Association or by any member of this Council;
- X) To ensure the patrimony of the Association;
- XI) Deliberate on the installation of the Association's offices, disposals or encumbrances of its properties or high-value equipment;
- XII) Deliberate acceptance of donations with charges;
- XIII) Approve the annual budget proposal and authorize budget funding transfers;

- XIV) To draw up the Internal Rules of the Association and its amendments;
- XV) Propose amendment of the Statute of the Association, respecting the provisions of Article 34 of this instrument;
- XVI) Propose the termination of the Association, in accordance with the provisions of Article 34 of these Statutes and the applicable legal provisions, as well as present the justifications that recommend such a measure;
- XVII) Deliberate the exclusion of members of the Association, of any category, who have behavior or activities incompatible with the objectives of the Association;
- XVIII) Decide on the suspension of activities or deactivation of any office;
- XIX) Resolve cases omitted in the Bylaws and Internal Regulations.

Article 24. - It is the responsibility of the Chairman of the Deliberative Council:

- I) Represent the Association in any acts of social and scientific obligation, including the conclusion and signing of agreements;
- II) Convene and preside the General Meetings;
- III) Convene the meetings of the Deliberative Council;
- IV) Preside the meetings of the Deliberative Council and give his/her vote of quality, whenever necessary;
- V) Sign together with the Executive Director, the Association's expense order;
- VI) Represent judicially, extrajudicially, actively and passively the Association;
- VII) Request, with the Municipal, State and Federal Government, Certificates, Declarations, Credentials, and other Documents necessary for the operation of the Association.

Article 25. - It is the responsibility of Vice-President to replace the President in his impediments and absences, assisting him in the performance of the duties assigned to him.

Chapter VIII

REGARDING THE SUPERVISORY BOARD

Article 26. - The Fiscal Council is the supervisory body of the assets and the accounting-financial administration management of the Association, consisting of 3 (three) full members elected by the General Meetings

Paragraph 1. - The members of the Fiscal Council shall be elected for a term of two (2) years, and re-elections are allowed.

Paragraph 2.- The members of the Fiscal Council shall not receive any remuneration for the exercise of the position, as well as any bonus, profit sharing, or any other monetary advantage.

Article 27. – It is the responsibility of the Fiscal Council:

- I) Issue a written report on the association's balance sheet, information and financial statements, making provisos whenever they are necessary;
- II) Examine, without restriction, at all times, the accounting books and any other financial and accounting documents of the Association;
- III) To give an opinion about the balance sheets and the financial and accounting performance reports, as well as the balance sheet operations carried out, issuing opinions to the higher bodies of the Association;
- IV) Recommend the conduct of an external audit in the Association, when deemed necessary;
- V) Attend the meetings of the Deliberative Council and the General Assembly whenever there is a need for further clarification on its opinions.

Single Paragraph. – The Fiscal Council shall meet ordinarily every six (6) months and, extraordinarily, when necessary.

Chapter IX

REGARDING THE EXECUTIVE BOARD

Article 28. - The Executive Board shall be composed of an Executive Director and units that carry out the activities of the Association, as set forth in these Statutes and in the Bylaws.

Single Paragraph. The members of the Executive Board of the Association, as well as those who provide services to it, will be admitted or dismissed according to current labor legislation, being remunerated for their functions at prices charged by the market in the region corresponding to their area of operation, and will have civil and criminal liability for their actions.

Article 29. - The Executive Board, composed of persons with employment contracted by the Association, will be structured according to the decision of the Deliberative Council, according to the functional needs and the availability of financial resources.

Article 30. - The Executive Director shall administer the Association.

Single Paragraph. The Director is allowed to delegate powers to another member of the Executive Board, by proxy with the prior consent of the Deliberative Council.

Article 31. - It is responsibility of the Executive Director:

- I) The administrative and scientific supervision of the Association, following the guidelines set by the Deliberative Council;
- II) To participate, with the right to voice, in the Deliberative Council meetings;
- III) Guide the administrative and scientific units on the guidelines, policies, and plans of the Association;
- IV) Support the development of technical-scientific projects, for fundraising and development by the entity, in accordance with the established guidelines;

- V) Prepare the annual budget of the Association, and comply with it in accordance with its approval by the Deliberative Council;
- VI) Study, propose, and implement administrative, financial and economic measures;
- VII) Forward to the Deliberative Council general plans, budgets, reports, balance sheets, and accounts of the Association, in line with the fundamental principles of accounting, as well as the annual budget proposal;
- VIII) Sign official documents relating to the administration of the Association, including labor documentation and annual income statements;
- IX) Sign contracts for the provision of services with third parties;
- X) Acquire and rent movable property necessary for the operation of the Association, after the approval of the Deliberative Council and maintain updated control of the stock of materials, as well as asset registration;
- XI) Sign leasing contracts for the immovable properties necessary for the operation of the Association, after prior consent of the Deliberative Council;
- XII) Submit the bookkeeping of the Association's revenues and expenses to the Deliberative Council periodically, or whenever requested by the same;
- XIII) Prepare and submit to the Deliberative Council, annually, report of its activities, balance sheet and provision of accounts of the previous year, including negative debt certificates with municipal, state, and federal agencies, giving them publicity through any effective means, and making them available for examination of any citizen, in addition to the plan of activities and budget forecasts for the following year. This account shall be done as determined by the sole paragraph of Article 70 of the Federal Constitution;
- XIV) Open and use bank accounts on behalf of the Association, allowed to issue checks, signing them together with the President of the Deliberative Council, requesting checkbooks, soliciting bank balance, making deposits, and other acts necessary for the administration of the Association before credit institutions. The Executive Director will not be permitted to withdraw loans or carry out risky financial investments, except when duly authorized in writing by the Deliberative Council;
- XV) Submit to the Deliberative Council a report of the Association's activities and financial statements of the previous year, before the ordinary meeting of the General Assembly;

Chapter X

REGARDING TRANSITIONAL ARRANGEMENTS

Article 32. - The Association's Fiscal Year will coincide with the calendar year.

Article 33. - The reform of these Bylaws may only occur by resolution of the Ordinary General Meeting, requiring for the decision, 2/3 (two thirds) of the favorable votes of the founding and effective members present and in the enjoyment of their rights, and no vote is allowed, in any case, by proxy.

Article 34. – The termination of the Association may only be requested submitted at the Ordinary General Meeting, when it is made by a minimum number of 1/3 (one third) of the founding and effective members present, under statutory conditions to vote, and in any case, vote by proxy is not allowed.

Article 35. – Until the Executive Director is hired, the legal representation of the ANE, active and passive, in and outside court, shall be exercised by the Chairman of the Deliberative Council, for an interim and unpaid term.

Article 36. - The omission cases in these Bylaws shall be resolved by the Deliberative.

Article 37. These Statutes are effective from the date of their approval.

Ricardo Augusto Pessôa Braga

Chairman of the Deliberative Council

Edneida Rabêlo Cavalcante

Vice-Chairman of the Deliberative Council