

INSTITUTO BRASILEIRO DO ALGODÃO – IBA

BY-LAW

CHAPTER I

THE INSTITUTE

Article 1. *Instituto Brasileiro do Algodão*, hereinafter referred to as IBA, is a non-profit civil association, with assets, administrative and financial autonomy, that shall be governed by the laws of the Federative Republic of Brazil and by this By-Law.

Article 2. IBA has its headquarters at Setor de Grandes Áreas Norte, Quadra 601, Conjunto K, Parte, sala 10, Brasília/DF, and may open and maintain branches and representation offices anywhere in the Brazilian territory or in other countries.

Article 3. IBA is hereby established for an indefinite period of time.

Article 4. IBA's objectives are to manage and apply the monies to develop the following activities in accordance with the Memorandum of Understanding between the Government of the United States of America and the Federative Republic of Brazil with respect to the Cotton Dispute (WT/DS267) in the World Trade Organization, as published in *Diário Oficial da União* on 17 May 2010, hereinafter referred to as "Memorandum", regarding a fund for technical assistance and capacity building related to the cotton sector, excluding research:

- I. pest and disease control, mitigation and eradication ;
- II. application of post-harvest technology;
- III. purchase and use of capital equipment ;
- IV. promotion of use of cotton;
- V. adoption of plant varieties;
- VI. observance of labor laws;
- VII. training and education of workers and employers;
- VIII. market information services;
- IX. natural resources management and conservation;
- X. application of technologies to improve quality of cotton;
- XI. application of methods to improve grading and classing services;
- XII. extension services related to items I to XI above;

- XIII. international cooperation in the abovementioned activities, related to the cotton sector in countries in sub-Saharan Africa, in Mercosur member and associate member countries, in Haiti, or in any other developing country as per the Memorandum; and
- XIV. other activities authorized as per the Memorandum.

Sole Paragraph: Any participation in or contribution to political, religious or cultural initiatives or activities which are not directly related to the objectives established in the items of this article is prohibited.

Article 5. In all of its activities, IBA shall follow good governance practices, adopting, as objective rules, transparency, good faith, equity, impersonality, morality, publicity, economical rationality and efficiency.

CHAPTER II

ASSETS AND FINANCIAL RESOURCES

Article 6. IBA assets are autonomous, free and disentailed from any public or private body or entity, and shall be exclusively allocated to projects and/or programs pertaining to its social objectives and to the funding of the necessary and reasonable related administrative expenses, including investments in infrastructure for IBA's operation.

Article 7. IBA's assets shall consist of:

- I. transfers as provided for in the Memorandum;
- II. incomes and proceeds of assets, rights and services pertaining to IBA's objectives, as per this By-Law;
- III. yields from financial applications or from any other forms of investments; and
- IV. payments of rights and indemnities.

Article 8. IBA shall not distribute profits and dividends nor shall it remunerate members of the Management Board, of the Audit Committee or of the General Assembly.

CHAPTER III

THE ASSOCIATES

Article 9. IBA's shall have as Associates duly and legally constituted State or Federal District associations representing cotton producers that are associates of *Associação Brasileira dos Produtores de Algodão* – ABRAPA [National Association of Cotton Producers].

Sole Paragraph. Only one association of cotton producers per Federation State or of the Federal District shall be allowed to join IBA as an associate.

Article 10. The Associates shall not be subsidiarily liable for the obligations undertaken by IBA.

Article 11. The admission of new Associates shall be conditional on the submission of an application by the interested party, to which shall be attached personal documents of their directors, the ABRAPA membership certificate and a certified copy of their articles of association, as duly registered at the relevant public body. The application shall indicate the name(s) of their representative(s) at the General Assembly, who shall necessarily be cotton producer(s).

Article 12. The obligations of IBA's Associates are as follows:

- I. to faithfully comply and demand compliance with this By-Law, the resolutions by the General Assembly and the decisions by the Management Board;
- II. to provide the information required by the Executive Board to compose its database and organize and update the Associates' registration data;
- III. to determine and demand that its representatives exercise their functions with zeal and probity ;
- IV. to attend the General Assembly sessions or other meetings to which they have been convened;
- V. to commit to the achievement of IBA's objectives and to cooperate with the actions aimed at its development and at the development of its programs;
- VI. to appoint representative(s) to compose the General Assembly, as provided for by this By-Law;
- VII. to elect members of the Management Board and of the Audit Committee, and their respective alternates, to the positions reserved for the Associates;
- VIII. to communicate to the Executive Board, always in writing, whenever their representative(s) lack the qualification, ability or will to perform such function and to replace him/her/them;
- IX. to communicate to the Executive Board any necessary changes in its registration data.

Article 13. Associates' rights are as follows:

- I. to participate in the General Assembly sessions through their representative(s), with voting rights, and to resolve therein about matters listed in the call minutes;
- II. to vote through their representative(s) in the elections for the positions in the Management Board and in the Audit Committee designed for the Associates;

- III. to submit to the Management Board, for its analysis and approval, projects and/or programs which are pertinent to IBA's social objectives;
- IV. to submit to the Management Board opinions for or against the approval of any project and/or program not yet approved by that body;
- V. to report to the General Assembly facts known by them which contravene the rules and principles that govern IBA;
- VI. to submit written defense to the General Assembly, in case of initiation of administrative proceeding intended to apply penalties of admonishment, suspension or exclusion from the IBA's membership, in accordance with the provisions of its Internal Regulation; and
- VII. to request to the Executive Board their withdrawal from IBA's membership.

Article 14. Each Associate shall appoint one or more representatives to participate in the General Assembly.

Paragraph One. The number of representatives of each Associate shall be established in accordance with the quantity of hectares of cotton planted and produced in lands of the State represented by the Associate, to be calculated in accordance with the most recent official census of *Companhia Nacional de Abastecimento* – CONAB [National Supply Company], as follows:

- I. from 1 to 100,000 hectares of cotton production: 1 representative;
- II. from 100,001 to 200,000 hectares of cotton production: 2 representatives;
- III. from 200,001 to 300,000 hectares of cotton production: 3 representatives; and
- IV. more than 300,001 hectares of cotton production: 4 representatives.

Paragraph Two. Each representative shall be entitled to one (1) vote.

Paragraph Three. The representative(s) shall necessarily be cotton producer(s) and one of them shall indispensably be the Associate's President.

Paragraph Four. The Associate(s) may replace their representative(s), at any time, provided that the Executive Board is informed, by written notice at least two (2) days before the holding of the General Assembly session.

Paragraph Five. Associates' representative(s) cannot be represented by attorneys-in-fact at the General Assembly sessions.

Article 15. Any Associate may withdraw from IBA's membership upon written notice to the Executive Board, provided that it is not in default of its liabilities and that no administrative proceeding has been filed against it for verification of fault.

Article 16. Any Associate that commits a fault may be admonished, suspended or removed from IBA's chart of personnel by regular administrative proceeding, with guarantee of wide defense and the adversary system.

Sole Paragraph. The following acts shall be deemed faults subject to the penalties:

- I. to violate this By-Law or perform any act contravening IBA's social objectives; and
- II. to fail to comply with resolution of the General Assembly.

Article 17. Associates' rights shall be extinguished in case of their voluntary withdrawal or after exclusion determined by the General Assembly.

Paragraph One. The Associate's withdrawal or exclusion shall not ascribe thereto any right regarding IBA's assets.

Paragraph Two. Any Associate excluded from IBA's membership shall be prevented from submitting to the Management Board projects and/or programs for a period of 24 months as from its exclusion.

Paragraph Three. Any Associate excluded from IBA's membership shall only be readmitted 24 months after its exclusion.

CHAPTER IV

IBA MANAGEMENT

Article 18. IBA's deliberative bodies are:

- I. the General Assembly;
- II. the Management Board; and
- III. the Audit Committee.

SECTION I

THE GENERAL ASSEMBLY

Article 19. The General Assembly shall be composed by the Associates in full use of their rights as contained in this By-Law.

Paragraph One. The General Assembly shall hold an Ordinary Session up to the end of the first trimester of each calendar year, to resolve on the matters indicated in item II of Article 20, II.

Paragraph Two. In the event that the Ordinary Session of the General Assembly does not take place, the Audit Committee shall inform to the Associates, in writing, the reasons for its postponement, and shall suggest a new date for the holding thereof.

Paragraph Three. Any General Assembly session whose agenda relates to matters other than as indicated in Paragraph One shall always be an Extraordinary Session of the General Assembly.

Article 20. It shall be incumbent on the General Assembly:

- I. to discuss and approve amendments to the By-Law, as well as any additional regulations necessary to IBA's proper operation, upon prior opinion by the Management Board;
- II. to approve the Annual Report and the accounts provided by the Executive Board in relation to the preceding fiscal year;
- III. to approve IBA's Internal Regulation and any amendments thereto;
- IV. to decide on the admission of new Associates;
- V. to elect the members of the Management Board and of the Audit Committee for the positions reserved for the Associates and to dismiss them;
- VI. to resolve on any administrative procedures initiated against Associates and members of the Management Board and of the Audit Committee who hold positions reserved for the Associates, and to apply the applicable penalties;
- VII. to resolve, upon prior opinion of the Management Board, on the acquisition, disposal, constitution of encumbrances, assignment, lease, replacement, subrogation and/or exchange of real properties belonging to IBA's assets;; and
- VIII. to resolve, upon prior opinion by the Management Board, about IBA's dissolution and liquidation, and on the allocation of the remaining assets.

Sole Paragraph. The General Assembly shall not admit changes to these by-laws that are incompatible with the Memorandum while it is in force.

Article 21. General Assembly sessions shall be convened at least 4 business days in advance, by call notice containing the Agenda, to be sent to the Associates by mail or e-mail.

Article 22. General Assembly sessions may be convened:

- I. by the Management Board;
- II. by the Executive President; or
- III. by document signed by at least one fifth (1/5) of the Associates.

Article 23. General Assembly sessions shall be installed at the first call, upon attendance of the majority of the Associates and, at the second call, with any quorum.

Article 24. The General Assembly's resolutions shall be taken by majority vote of the representatives present, without inclusion of blank votes.

Sole Paragraph. The resolutions of the General Assembly related to amendments to the By-Law or to acquisition, disposal, constitution of encumbrances, assignment, lease, replacement, subrogation and/or exchange of real properties shall only be taken upon approval by at least two thirds (2/3) of the total number of representatives of the Associates that compose IBA's membership.

Article 25. Minutes of the works and resolutions of the General Assembly shall be drafted and signed by the members of the presiding committee and by the representatives present thereat.

Article 26. General Assembly sessions shall be chaired by the Executive President or, in his absence, by a representative of the Associates selected among those present.

SECTION II

THE MANAGEMENT BOARD

Article 27. The Management Board is IBA's collegiate body in charge of strategic guidance and responsible for the management of the application of the resources to be allocated to the projects and programs pertaining to its social objectives.

Article 28. The Management Board shall be composed by the following members:

- I. 3 regular members and 3 alternates elected by the General Assembly, in accordance with this By-Law; and
- II. 3 regular members and 3 alternate representatives of the Brazilian Government, appointed by the Chamber of Foreign Trade (CAMEX).

Paragraph One. The alternates shall replace the regular members in their absence, vacancy or impediment. In case of recurrent absences of the regular members or the alternates, it shall be incumbent on the General Assembly to resolve on the loss of the mandate.

Paragraph Two. The members of the Management Board shall not receive compensation or subsidies, on any account, except for, in the case of elected Members, reimbursement of expenses, to a reasonable amount, eventually incurred in by virtue of attending the Management Board Assembly.

Article 29. The three (3) regular members and the three (3) alternates elected by the General Assembly shall hold office for two (2) years, and only one reelection shall be permitted.

Article 30. The three (3) regular members and the three (3) alternates appointed by CAMEX shall not necessarily hold office for a pre-established period and may be freely replaced at the discretion of CAMEX.

Article 31. It shall be incumbent on the Management Board:

- I. to issue an opinion on any proposals for amendment to the By-Law prior to the analysis by the General Meeting, or on any additional regulations necessary to IBA's proper operation;
- II. to approve projects and programs presented in accordance with Art. 32, as well as the amounts to be released, the form of disbursement thereof and possible considerations to be required from the beneficiaries of the resources;
- III. to establish the financial limits of the Executive Board's decisions;
- IV. to approve the rendering of accounts and the reports related to projects and/or programs;
- V. to request to the Executive Board or to the Audit Committee, when it deems necessary, submission of extraordinary reports on the execution of projects or programs;
- VI. to give consent to the hiring of an accredited and independent external auditing firm, as proposed by the Audit Committee;
- VII. to approve semi-annual reports to be published and submitted to CAMEX about the application of IBA's resources, as duly audited by accredited and independent external auditors;
- VIII. to verify the proper application of IBA's resources in the approved projects and programs, as well as the execution of the projects and/or programs as approved by the Management Board;

- IX. to determine the cancellation or suspension of the transfer of resources to projects or programs that fail to comply with the determinations issued by the Management Board;
- X. to approve partnerships, agreements and contracts signed for execution of the projects and programs approved by the Management Board;
- XI. to approve the filing of administrative or judicial suits for collection of values, in the cases of rejection of accounts or cancellation of projects and/or programs, on account of non-compliance with the rules contained in the partnerships, agreements and/or contracts;
- XII. to approve the Norms for Preparation, Analysis and Approval of Projects and Programs;
- XIII. to contract and dismiss the Executive President;
- XIV. to approve the hiring of experts for issuance of opinions on projects and/or programs to help the Management Board in its decision-making;
- XV. to approve the administrative management plans and the annual budget submitted by the Executive Board;
- XVI. to deliberate, prior to the General Assembly, on the acquisition, disposal, constitution of encumbrances, assignment, lease, replacement, subrogation and/or exchange of real properties belonging to IBA's assets;
- XVII. to approve the creation of branches or agency offices anywhere in the Brazilian territory or abroad;
- XVIII. to watch over IBA's values and purposes and to assure compliance with its social objectives; and
- XIX. to issue an opinion, prior to the General Assembly, about IBA's dissolution, its liquidation and allocation of its remaining assets.

Sole Paragraph. The semi-annual reports to be submitted to the Federal Government shall be made available to the public in IBA's website, in Portuguese and English.

Article 32. The following entities may present and submit projects and/or programs to the Management Board, subject to the Norms for Preparation, Analysis and Approval of Projects and Programs:

- I. the Associates;
- II. IBA's Executive Board;
- III. ABRAPA; and
- IV. entities of the Federal Public Administration.

Article 33. The Management Board's meeting shall only be held upon attendance by all members.

Paragraph One. The Executive President shall convene the Management Board's meeting with a minimum of four (4) working days.

Paragraph Two. The Executive President shall preside over the office of Management Board's meetings, without voting rights.

Article 34. The Management Board's meetings shall be chaired by one of its members, to be preferably selected among the regular members present thereat.

Article 35. Each member of the Board shall be entitled to one (1) vote at the meetings.

Sole Paragraph. The Management Board's decisions shall be taken by the qualified majority of two thirds (2/3) of votes, with blank votes and abstention being barred.

Article 36. All Management Board's meetings shall be recorded in minutes, which shall be approved at the following meeting, before discussions of the matters on the Agenda. The minutes shall be made available in IBA's website. The minutes shall be drafted and signed by those present.

Sole Paragraph. The minutes shall necessarily contain the result of each voting, appointing by name the defeated members, in case of non-unanimous decision.

Article 37. The processing and release of IBA's resources to the projects and programs presented to the Management Board shall necessarily follow the rules provided for in the Norms for Preparation, Analysis and Approval of Projects and/or Programs.

SECTION III

THE AUDIT COMMITTEE

Article 38. The Audit Committee is a collegiate body in charge of submitting an opinion on the Executive Board and the Management Board's accounts, and of conducting the examination of the records and other books of IBA's management, and shall consist of 3 regular members and 3 alternates, of whom 2 regular members and their alternates shall be elected by the General Assembly and 1 member and his alternate shall be appointed by CAMEX.

Paragraph One. The Audit Committee members elected by the General Assembly shall hold office for two (2) years, and only one reelection shall be permitted.

Article 39. It shall be incumbent on the Audit Committee:

- I. to examine the interim balance sheets, treasury books and cash position of IBA, and to issue a quarterly report;
- II. to examine and issue a conclusive opinion on the financial statements for the fiscal year;
- III. to request to the Executive Board, at any time, evidentiary documentation on the economic and financial operations conducted by IBA;
- IV. to select and hire, upon approval of the Management Board, accredited and independent external auditing firm;
- V. to follow the work of independent external audits;
- VI. to unanimously convene an Ordinary Session of the General Assembly for approval of the Annual Balance Sheet if the Executive Board postpones for more than 15 days such measure;
- VII. to convene a General Assembly session to denounce any error, fraud or crime against IBA's assets verified in the exercise of its duties, so that the necessary steps for the protection of its interests may be taken; and
- VIII. to issue an opinion, whenever requested by the General Assembly, the Management Board or the Executive Board, on matters within the scope of its duties.

Article 40. Should not the Audit Committee submit, within up to fifteen (15) days before the General Assembly, the opinion on the examination conducted in the accounts, the Management Board may request to the General Assembly and CAMEX the dismissal thereof, and appointment of its alternates to prepare such opinion.

Article 41. It shall be incumbent on the Audit Committee, in the exercise of its duties, to demand and assure the transparency of the information related to IBA's activities and to the rendering of accounts by its Executive Board and by the entities which are beneficiaries of resources originating from IBA's assets, subject to:

- I. observance of the principles of legality, impersonality, morality, publicity, economic rationality and efficiency;
- II. adoption of administrative management practices, as necessary and sufficient to prevent the obtainment, during the entire process of granting and release of financial resources to fund projects and/or programs, either individually or collectively, of personal benefits or advantages, in consequence of participation in the respective process of decision on the evaluation of the projects; and

- III. observance of norms related to the rendering of accounts that: (a) respect the fundamental accounting principles; (b) make available to the public, by any efficient means, including at the end of the fiscal year, the report on the activities and the financial statements of the entity; and (c) guarantee auditing, including by independent external auditors, on the application of the resources comprising IBA's assets.

CHAPTER V

THE EXECUTIVE BOARD

Article 42. IBA's Executive Board is the executive body whose primary function is to execute the decisions by the General Assembly and the Management Board.

Article 43. The Executive Board shall consist of:

- I. the Executive President;
- II. the Administrative and Finance Director;
- III. the Technical Director; and
- IV. the Internal Auditor.

Article 44. It shall be incumbent on the Executive Board:

- I. to manage the IBA;
- II. to comply with and enforce the resolutions by the General Assembly and the decisions by the Management Board, as well as to observe and demand compliance, during the entire execution of the projects and/or programs, with the By-Law, the Internal Regulation and the Norms for Preparation, Analysis and Approval of Projects and/or Programs;
- III. to annually prepare the budget proposal and the management plan;
- IV. to semi-annually submit to the Management Board a detailed report on the application of the resources in the projects and programs approved by the Management Board;
- V. to render account of the administrative expenses incurred, to the Management Board, at the end of each fiscal year;
- VI. to issue an opinion on IBA's strategic issues;
- VII. to submit to the Management Board projects and/or programs related to the social objectives, and to execute them;
- VIII. to evaluate and discuss proposals for amendment to the By-Law and submit them to the Management Board for it to issue its opinion;

- IX. to analyze the documentation submitted by entities interested in joining IBA and to submit them to the General Assembly for resolution;
- X. to receive from Associates requests of withdrawal from IBA and to report the resulting withdrawal to the General Assembly;
- XI. to keep Associates' registration data always updated, with all identification data of their representatives and members of their executive boards;
- XII. to keep the register of all immovable and movable assets that form IBA's assets, as well as to manage the contracts entailed thereto;
- XIII. to represent IBA before federal, state and municipal governmental authorities, as well as those of foreign countries;
- XIV. to evaluate and discuss proposals for amendment to the Norms for Preparation, Analysis and Approval of Projects and/or Programs, and submit them to approval by the Management Board; and
- XV. to evaluate and submit to the Management Board, for approval thereby, the directives that shall guide the application of financial resources originating from IBA's assets.

Article 45. The Executive President shall be the head of the Executive Board, who shall be indicated and contracted by the Management Board to exercise his functions.

Article 46. The other members of the Executive Board shall be, when necessary, contracted and dismissed by the Executive President, and shall report to him/her.

Article 47. It shall be incumbent on the Executive President:

- I. to call and chair the Executive Board meetings;
- II. to call and chair the Management Board meetings, pursuant to Article 33;
- III. to propose annual work plans to the Management Board;
- IV. to represent IBA in and out of court, both actively and passively;
- V. to authorize expenses and investments, as necessary for achievement of IBA's social objectives, if inserted in the annual budget and approved by the Management Board;
- VI. to jointly sign checks with the Administrative and Finance Director, as well as, also jointly, to open, operate and close bank accounts, to make financial investments, to sign foreign exchange contracts, to contract loans and other acts of banking routine;
- VII. to sign accounting documents, including IBA's books;
- VIII. to convene a General Assembly session;
- IX. to approve operating and administrative rules, as necessary for IBA's proper operation, establishing the respective duties and competences;

- X. to grant, jointly with the Administrative and Finance Director, powers of attorney to grantees, for them to represent, whenever necessary, IBA in administrative and judicial matters;
- XI. to submit to the Management Board, prior to the analysis of the projects and/or programs, the technical opinions and the assessments conducted by the Executive Board, for the purpose of subsidizing the Management Board's decision;
- XII. to create and extinguish, upon authorization by the Management Board, directorates, departments and sectors, excepting the Administrative and Finance Directorate, the Technical Directorate and the Internal Audit;
- XIII. to sign the contracts and partnerships, as approved by the Management Board, with entities and companies whose projects and/or programs were approved;
- XIV. to coordinate and inspect the projects and/or programs presented by the Executive Board and approved by the Management Board;
- XV. to contract, establish the remuneration of, to grant leave to, suspend and dismiss IBA's employees. and
- XVI. to contract technical and specialized assistance and consultancy, as necessary for IBA's good administration.

Article 48. The Administrative and Finance Directorate shall be responsible for the financial and accounting control of IBA's accounts, including financial investments, and shall be further responsible for the management of IBA's activities related to administration, human resources and infrastructure.

Sole Paragraph. It shall be further incumbent on the Administrative and Finance Directorate:

- I. to supervise treasury and accounting services;
- II. to keep the custody of IBA's assets and accounting books;
- III. to sign receipts of contributions, fees and other values charged by IBA from its Associates and to provide the payment of expenses;
- IV. to deposit with an Official Bank or a private bank establishment of acknowledged probity, previously accredited by the Executive Board, the cash balances exceeding the limits established by the Executive Board;
- V. to grant, jointly with the Executive President, powers of attorney to grantees, whenever necessary, for them to represent IBA in administrative and judicial matters;
- VI. to sign, jointly with the Executive President, checks and other credit securities; and
- VII. to provide, whenever requested, information and documents necessary for preparation of the annual budget.

Article 49. The Technical Directorate shall be responsible for the technical evaluation of the projects and/or programs submitted to the Management Board, through issuance of

technical opinions, by its own technicians or by hired experts, if being further incumbent thereto:

- I. to execute projects and/or programs approved by the Management Board, when applicable;
- II. to take part in meetings with public and private institutions, for mutual cooperation in activities of common interest;
- III. to help the Executive President, providing cooperation and attending to the meetings whenever called, evaluating projects and/or programs of IBA's interest;
- IV. to assist the Executive President in the preparation of the administrative management plans and of the annual budget; and
- V. to assist the Executive President with respect to IBA's strategic matters and institutional policies.

Article 50. The Internal Audit shall be responsible for inspecting the execution and the accounts of the projects and/or programs approved by the Management Board.

Sole Paragraph. It shall be incumbent on the Internal Audit to publish all IBA's management reports and also those related to the grant of resources to the projects and/or programs approved by the Management Board.

Article 51. The Administrative and Finance Directorate, the Technical Directorate and the Internal Audit shall be organized in departments and sectors, in accordance with the budget and the management plan approved by the Management Board.

CHAPTER VI

TERMINATION OF THE MEMORANDUM

Article 52. At the end of the Memorandum's term, any monies from transfers occurred during its duration shall necessarily be applied in accordance to the purposes set forth by Article 4.

CHAPTER VII

IBA'S DISSOLUTION

Article 53. In the event of IBA's dissolution by decision of the General Assembly, the remaining net worth, as calculated after liquidation of all liabilities, shall be allocated to another non-profit entity related to the cotton culture development, to be selected by the General Assembly, provided that the conditions provided for in Articles 4 and 52 above are met.

Article 54. IBA's dissolution shall be resolved in a General Assembly session exclusively called for such purpose, upon the Management Board's prior manifestation and approval. The resolutions on IBA's dissolution, form of its liquidation and allocation of the assets shall only be valid if approved by the vote of 2/3 of the total number of representatives of the Associates that compose IBA's membership.

CHAPTER VIII

GENERAL AND TRANSITORY PROVISIONS

Article 55. In the assembly of creation of IBA, the Associates shall grant powers of attorney to grantees, with the sole powers to open bank account(s), in Brazil or abroad, in the name of IBA, to receive the monies described in the Memorandum, until the Executive President and the Administrative and Finance Director are in charge as per this By-Law.

Article 56. This By-Law shall become effective on the date of its approval, and shall produce effects after its registration with the pertinent Civil Registry of Legal Entities.

Article 57. Any omissions in this By-Law shall be decided by the General Assembly, in accordance with the legislation in force.

Brasília/DF, 7 June 2010.