

# BYLAWS

## TITLE I

### THE SOCIETY

**Article 1** - The Institute for Socioeconomic Studies (*Instituto de Estudos Socioeconômicos*) is a not-for-profit, nonpartisan, democratic, and pluralistic civil society organization, governed by the Brazilian Civil Code and guided by the public interest. INESC will operate nationwide and is headquartered within the jurisdiction of the city of Brasília, Federal District.

**Sole Paragraph.** The Institute for Socioeconomic Studies shall hereinafter be called INESC.

**Article 2** - INESC's objectives and purposes are:

I – To strive for sustainable development; the strengthening of the democratic process, plurality, and ethical principles; the promotion of citizenship, by guaranteeing respect for individual and collective human rights, and of social, political, economic, and cultural inclusion;

II – To strive to ensure that the Legislative Branch may strengthen the country's democratic process by advising lawmakers on social, economic and political matters and on the preparation of documents both related and intrinsic to the lawmaking process;

III – To advise grassroots' movements, non-governmental organizations, trade unions, social welfare institutions, and other Brazilian civil society organizations on the drafting of public policy proposals in the interest of the Brazilian civil society organizations they represent;

IV – To monitor the legislative process with the aim of informing civil society organizations about the status of their proposals and demands in National Congress, and vice versa, in order to integrate both;

V – To draw public policy proposals to be submitted to the Legislative, the Executive, and civil society organizations, and to conduct any actions and activities deemed necessary for their approval;

VI – To promote informal education and capacity building for the purpose of identifying, diagnosing, and proposing alternatives to political, social, economic, cultural, and environmental problems;

VII – To monitor and assess the implementation, on the part of the Executive Branch, of Brazilian civil society-driven public interest policies;

VIII – To promote and support cultural activities that may contribute to achieving INESC's institutional goals;

IX – To conduct studies and research that may contribute to achieving the goals mentioned in the aforementioned items;

X – To deliver consulting and advisory services to other national and international civil society entities or public bodies, within INESC's scope, and to organize and hold seminars, conferences, and related activities.

**Article 3** – In order to accomplish its institutional goals, INESC may partner up with technical and/or financial, public and private national and international institutions; and provide consulting activities and/or receive donations. All donations shall be fully invested in the accomplishment of the Entity's institutional purposes.

**Article 4** – INESC does not distribute profits, bonuses, dividends, or advantages of any kind, nor any share of its assets or income in the form of profit or profit sharing, to any of its funders or associates, investing all of its financial resources in Brazil with the aim of accomplishing its institutional goals. Any surplus made in a given fiscal year shall be used toward the attainment of INESC's institutional objectives or invested as deemed appropriate and in accordance with best management practices.

**Sole Paragraph.** INESC associates shall not acquire any rights over the Entity's assets and, in case of INESC's dissolution, shall not be entitled to any rights.

**Article 5** - The dissolution of the society shall be adopted by a majority of two thirds of the votes cast by full members in an Extraordinary General Assembly especially convened for such purpose, pursuant to Article 23 (XVI) of these Bylaws.

**Paragraph 1.** The Extraordinary General Assembly shall be convened by a quorum of two thirds of the membership.

**Paragraph 2.** The Assembly deciding on the dissolution of INESC shall be responsible for appointing a trustee in dissolution; provided all liabilities have been satisfied, any remaining assets shall be distributed to other nonprofit organizations duly registered with the National Council for Social Assistance.

## TITLE II

### MEMBERSHIP RIGHTS AND DUTIES

**Article 6** – Membership shall be composed of an unlimited number of members, regardless of social class, physical attributes, philosophical beliefs, race and ethnicity, gender, sexual orientation, nationality, profession, creed, and political convictions.

**Article 7** – INESC members shall consist of the following categories:

I – Full members: natural persons of good moral standing who are interested in INESC's democratic and pluralistic development, who support the entity's proposals, and who are not subordinated to its executive hierarchy;

II – Charitable members: natural persons or legal entities aligned with the entity's mission and proposals that, to some extent, contribute toward the advancement of INESC's goals;

III – Honorary members: natural persons or legal entities that have distinguished themselves in other institutional spaces for advancing the ethical principles INESC is committed to.

**Paragraph 1.** Honorary members are committed, both in private and public life, to INESC's ethical principles, and shall have the right to speak at the General Assembly.

**Paragraph 2.** No member, regardless of category, shall be paid for services provided to INESC.

**Article 8 –** Admission of full and charitable members shall be decided by a simple majority of the General Assembly, by nomination of the Steering Committee, or by proposal subscribed by at least five full members.

**Sole Paragraph.** Honorary membership shall be awarded exclusively by the Steering Committee. Awarding procedures shall be regulated in the Standing Orders.

**Article 9 –** The natural persons who attended the first INESC General Assembly, held on August 20<sup>th</sup>, 1979, and signed the attendance book, are INESC founders.

**Article 10 –** Full members are entitled to:

I – Vote and be voted in the General Assembly;

II – Address, directly or in writing, any of the entity's bodies whether to share one's point of view on any matter, complain about decisions taken, or report any wrongdoing;

III – Receive a statement of membership;

IV – Have access to information concerning the entity;

V – Attend meetings of the Steering Committee and have the right to speak;

VI – Take part in entity-sponsored activities.

**Article 11 –** Full members are expected to:

I – Attend the General Assembly;

II – Carry out the orientations and tasks agreed by the General Assembly;

III – Should they be elected to an office, fulfill all related duties;

IV – Be fully aware of INESC's proposal, goals, and guiding principles;

V – Conduct themselves in accordance with INESC's ethical principles, both in private and in public;

VI – Abide by these Bylaws.

**Article 12 –** Charitable members are entitled to:

I – Speak at the General Assembly;

II – Take part in entity-sponsored activities;

III – Receive a statement of membership.

**Article 13** – Charitable members are expected to:

I – Contribute as proposed at admission;

II – Be fully aware of INESC’s proposal, goals, and guiding principles, and respect them;

III – Conduct themselves in accordance with INESC’s ethical principles, both in private and in public;

IV – Abide by these Bylaws.

**Article 14** – Members shall not be held jointly or severally liable for obligations conducted on behalf of the entity, nor shall members have any right of ownership over any of INESC’s assets or funds.

**Article 15** – INESC shall not be held jointly or severally liable for any obligations or damages caused by its members without written delegation thereto.

**Article 16** – Members failing to fulfill their obligations as set forth in these Bylaws are subject to the following penalties:

a) warning,

b) suspension,

c) expulsion.

**Paragraph 1.** Procedures regarding the penalties referred to in Article 16 shall be set out in the Rules and Regulations. Full right of defense shall be granted.

**Paragraph 2.** Warnings and suspensions shall be imposed by the Steering Committee, except when such penalties are applicable to Board members, in which case penalties shall be imposed by the General Assembly.

I – Penalties imposed by the Steering Committee shall be subject to appeal and shall not automatically suspend a member from attending the General Assembly.

**Article 17** – A member shall be expelled:

I – By resignation submitted in writing to the Steering Committee pending deliberation by the General Assembly;

II – Upon failure to fulfill a member’s obligations, thus indicative of noncommitment to the entity’s goals and principles;

III – If having caused serious moral or financial damages to INESC.

**Paragraph 1.** Expulsion as referred to in Article 17 (II) and (III) shall be submitted to the General Assembly by the Steering Committee or by 30% of the full members. Full right of defense shall be guaranteed.

**Paragraph 2.** An expulsion must be approved by an absolute majority of full members present at the General Assembly.

### TITTLE III

#### SOCIAL FUND

**Article 18** – INESC’s Social Fund consists of:

- I – members’ spontaneous contributions;
- II – income derived from services provided pursuant to Article 2(X);
- III – funds allocated via agreements or grants by Brazilian governmental agencies;
- IV – national and international cooperation funds;
- V – donations from natural persons or legal entities;
- VI – financial investments;
- VII – a Reserve Fund.

**Sole Paragraph.** The Reserve Fund shall be regulated in INESC’s Rules and Regulations.

**Article 19** – All funds received by INESC shall be used in the country for the sole purpose of attaining its goals.

**Article 20** – An annual balance sheet shall be submitted to the Ordinary General Assembly and, once approved, publicly disclosed.

**Sole Paragraph.** All assets shall be identified and recorded in the appropriate book.

### TITTLE IV

#### GOVERNANCE

**Article 21** – INESC’s steering, management, and oversight bodies are:

- I – General Assembly;
- II – Steering Committee;
- III – Management Board;
- IV – Audit Committee.

**Sole Paragraph.** INESC members shall not be considered to the Management Board.

## CHAPTER I

### GENERAL ASSEMBLY

**Article 22** – The General Assembly is INESC’s highest deliberation and decision-making authority. The General Assembly shall be composed of all full members.

**Sole Paragraph.** Charitable and honorary members, and staff working at INESC shall be allowed to take part in the General Assembly with the right to speak.

**Article 23** – The General Assembly shall:

I – Set INESC’s goals and guidelines;

II – Deliberate on the main courses of action proposed by the Steering Committee;

III – Approve amendments to these Bylaws;

IV – Elect the members for the Steering Committee pursuant to Articles 32 and 33 of these Bylaws;

V – Confer power to the Steering Committee and fill existing vacancies;

VI – Elect and confer power to the Audit Committee, pursuant to Article 39 of these Bylaws;

VII – Terminate, by the vote of an absolute majority of full members, the term of the Steering Committee or of any of its members;

VIII – Decide on the application of penalties to members of the Steering Committee pursuant to Article 16 of these Bylaws;

IX – Approve members’ admission and exclusion;

X – Evaluate and approve, annually, the entity’s activity report;

XI – Evaluate and approve, annually, the entity’s balance sheet;

XII – Decide on other matters of original competence or, in case of an appeal, on what is requested;

XIII – Authorize, with the favorable vote of two thirds of full members, Steering Committee decisions to dispose of, or use as collateral, INESC fixed assets;

XIV – Decide on all matters not provided for in these Bylaws;

XV – Decide on other matters of interest to INESC when called upon;

XVI – Decide on, in an Extraordinary General Assembly especially convened for such purpose, and with the favorable vote of two thirds of full members, the dissolution of the entity and the fate of its assets pursuant to Article 5 of these Bylaws.

**Paragraph 1.** The General Assembly shall convene ordinarily or extraordinarily.

**Paragraph 2.** In case of removal of the Steering Committee or of any of its members for misconduct, INESC accounts shall be audited by a qualified and reputable auditing firm to support the Audit Committee's report and the General Assembly's decision-making.

**Paragraph 3.** In case of removal of members of the Steering Committee, an Extraordinary General Assembly shall be called thereto.

**Article 24 –** An Ordinary General Assembly shall be convened every April of any given year by the Steering Committee or at the request, in writing, of 30% (thirty percent) of full members.

**Article 25 –** An Ordinary General Assembly shall be convened by the Steering Committee with, at least, 30 (thirty) days' notice sent by registered mail to all members, and a notice posted at INESC headquarters.

**Article 26 –** The Extraordinary General Assembly shall convene as established by a previous General Assembly, or at the request of a majority of full members, or still at the request of two thirds of the Steering Committee, in which case it shall be communicated to all full members by mailed written notice not later than seven business days prior to the meeting.

**Article 27 –** A quorum for the General Assembly shall be 50% (fifty percent) of full members in the first call and 25% (twenty-five percent) in the second and last call, half an hour later.

**Paragraph 1.** In the absence of a quorum, another Assembly shall be convened within 7 (seven) business days from the first call, and may be established, in the first call, with 50% (fifty percent) of full members, and, in the second call, with any number of members present.

**Article 28 –** The General Assembly shall be established by a member of the Steering Committee who shall conduct business.

**Article 29 –** The General Assembly's decisions, except those contrary to these Bylaws, shall be adopted by a simple majority of the full members present.

## CHAPTER II

### STEERING COMMITTEE

**Article 30 –** The Steering Committee is INESC's senior body in charge of setting courses of action and approving the budget and the annual working plan in accordance with the General Assembly's resolutions.

**Article 31 –** The Steering Committee shall:

I – Comply with and implement the Bylaws and the General Assembly's decisions;

II – Disclose INESC's goals and Charter of Principles;

III – Consider, amend, and deliberate on the annual budget and working plan, as drawn by the Management Board, and disclose them to members' knowledge;

IV – Assess, monitor, and update the general lines of the Entity’s policies as approved by the Assembly;

V – Closely follow INESC’s relations with civil society, Congress, and the other Branches;

VI – Set in place mechanisms that may enable implementation of guidelines and decisions adopted by the General Assembly;

VII – Provide a conclusive statement on the annual activities’ report;

VIII – Follow the Entity’s budget execution through reports prepared regularly by the Management Board;

IX – Decide, by an absolute majority of its members, on the acquisition of fixed assets and on applications for financial loans;

X – Request authorization from the General Assembly for disposal of fixed assets based on an opinion issued by the Management Board;

XI – Submit the Audit Committee’s report on the use of sources to the General Assembly;

XII – Submit to the General Assembly requests for member admission and withdrawal;

XIII – Impose penalties on members in accordance with these Bylaws;

XIV – Appoint up to three members of the Management Board, as well as their removal;

XV – Analyze, amend, and deliberate on the Entity’s pay grade, as presented by the Management Board;

XVI – Set personnel and pay guidelines and follow their implementation;

XVII – Decide on all matters not provided for in these Bylaws pending approval by the General Assembly;

XVIII – Approve INESC’s Rules and Regulations and alterations thereto;

XIX – Convene the General Assembly, in accordance with these Bylaws.

XX – Legally represent INESC in all matters, judicially and extrajudicially, by appointing two (2) members who may, on its behalf, open, operate, and close bank accounts, financial investment funds, savings accounts; request and withdraw checkbooks; request account balances and bank statements, and fulfill all financial and bank-related duties; to sign and cancel agreements, contracts, donations, and related instruments; confer power of attorney to conduct other related financial matters, clarifying the scope of representation to Management Board members, who conduct their business jointly, providing a minimum of two signatures.



**Article 32** – The Steering Committee is composed of 5 (five) members chosen among full members and elected by the General Assembly for a three-year-term, and who shall be eligible for one reelection

**Paragraph 1.** The Steering Committee shall work as a collegiate body.

**Paragraph 2:** The General Assembly shall choose from the members of the Steering Committee two members who shall act as legal representatives, with duties provided for in Article 31(XX), and who shall also be charged with coordinating the Steering Committee activities.

**Paragraph 3.** In the absence of one or of both representatives, or in case of vacancy, the Steering Committee shall appoint a substitute or substitutes who shall conduct legal affairs and representation until the following General Assembly.

**Article 33** – Steering Committee members are elected by direct voting, as proxy voting shall not be allowed.

**Paragraph 1.** Should the number of candidates and vacancies be the same, the election may take place by acclamation.

**Paragraph 2.** Having been a full member for at least 3 (three) months shall be a prerequisite for voting.

**Paragraph 3.** The ticket that wins a simple majority of votes shall be elected.

**Paragraph 4.** The members of the Steering Committee remain in duty until the next members take office.

**Article 34** – Members elected to the Steering Committee shall not, directly or indirectly, be compensated for their position.

**Article 35** – The Steering Committee shall meet ordinarily every three months, in person or online, to deliberate on matters within the Committee's competence, and extraordinarily whenever necessary, provided a quorum of a simple majority of members has been reached.

**Paragraph 1.** At least two annual meetings must be in person.

**Paragraph 2.** The Steering Committee will meet extraordinarily when called upon by a simple majority of its members or in a previous meeting.

**Paragraph 3.** Preferably, the Steering Committee shall deliberate by consensus. If no consensus is reached, it shall deliberate according to a simple majority of votes, except when stated otherwise in the Bylaws.

**Paragraph 4.** The members of the Management Board take part in Steering Committee Meetings, with speaking rights, except when otherwise decided by the Steering Committee.

## CHAPTER III

### MANAGEMENT BOARD

**Article 36** – The Management Board is responsible for managing and implementing the programs, plans, and projects set out in the guidelines established by the General Assembly and the Steering Committee.

**Sole Paragraph.** The Management Board is composed of up to three (3) people, appointed by the Steering Committee.

**Article 37** – The Management Board shall:

I – Implement decisions of the General Assembly and the Steering Committee;

II – Provide the General Assembly, the Steering Committee, and the Audit Committee with all information required for the decision-making process;

III – Comply with and enforce INESC Bylaws and Rules and Regulations.

**Article 38** – Management Board members' functions shall be regulated by the Steering Committee.

## CHAPTER IV

### AUDIT COMMITTEE

**Article 39** – The Audit Committee is composed of full members, three titular members and two alternates, who shall be elected in the General Assembly for a 3-year term, which can be renewed once.

**Article 40** – The Audit Committee is INESC's economic and financial oversight body. As such, it shall be responsible for examining and overseeing financial operations, requesting information and documents it deems relevant, and providing guidance.

**Article 41** – The Audit Committee shall release an annual report on the Management Board's accounts, INESC's balance sheet, and cash flow statement for a preceding year, providing any further information deemed relevant by the General Assembly for its assessment.

**Article 42** – The Audit Committee shall meet at least once every three (3) months, or whenever called upon by its Coordinator or 2 (two) of its members.

**Sole Paragraph.** The Audit Committee Chair shall be chosen from Committee members in the first meeting.

**Article 43** – The Audit Committee shall submit any irregularities, errors, and frauds found to the Steering Committee or, depending on the gravity of the case, to the General Assembly, advising on the appropriate measures to be taken.

## TITLE V

### GENERAL AND TRANSITIONAL PROVISIONS

**Article 44** – Upon approval of these Bylaws, the Management Board shall submit a draft of INESC’s Rules and Regulations to the Steering Committee for discussion and deliberation within sixty (60) days, which may be extended for another sixty (60) days.

**Article 45** – These Bylaws shall be in effect for an indefinite period of time, and any of its provisions shall only be amended by the General Assembly. At the time this General Assembly is called, all members shall be informed of its purpose of altering the Bylaws.

**Sole Paragraph.** The quorum required for the General Assembly mentioned in Article 45 shall be fifty percent (50%) of full members. Adoption of alterations shall require a two-thirds majority of members present.

**Article 46** – Cases not covered by these Bylaws shall be resolved by the Steering Committee pending approval of the General Assembly.

**Article 47** – All counselors shall be elected by the April 2010 General Assembly pursuant to Articles 32 and 33 of these Bylaws.

**Article 48** – The Bylaws herein shall take effect on the date of their approval by the General Assembly.

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