

## STATUTES

(Approved by the Ordinary General Assembly on 12/12/2007)

### I – MISSION AND OBJECTIVES

**Art. 1. – First Paragraph** – The Brazilian Institute for the Defense of Consumers (Instituto Brasileiro de Defesa do Consumidor – IDEC) is a non-profit, civil association with social goals. IDEC maintains its independence from all political parties, is regulated by current legislation and these Statutes, and has been established for an indeterminate period of time. IDEC is located at Desembargador Guimarães Street, 21, Sao Paulo, Sao Paulo.

**Second Paragraph** – IDEC’s mission is to defend consumers, in the broadest sense of the term, representing them in all types of legal relations, including those with financial institutions and public authorities.

**Art. 2.** – The objective of the Institute is to contribute to:

- a) the establishment of an ethical balance in consumer relations, through increased consumer awareness and participation and improved access to the legal system;
- b) the implementation and improvement of legislation pertaining to the defense of consumers and other related issues;
- c) the elimination of abuses of economic power in consumer relations and in other related legal relations;
- d) the promotion of a better quality of life, namely by improving the quality of products and services offered.

**Art. 3.** – To meet these objectives, the following activities may be developed:

- a) inform and guide consumers on products and services and all other aspects of consumer relations, including legislation, regulations, auditing and ethics;
- b) conduct comparative tests on products and services offered to consumers in Brazil;
- c) plan, produce and edit informational materials to be used to meet the Institute’s objectives;
- d) work with public authorities to improve legislation, audit norms and other procedures used for the defense of consumers, as well as to enforce consumer defense laws and norms already in effect;
- e) work with private institutions to improve technical norms and procedures related to the provision of products and services;
- f) act judicially or extrajudicially to defend consumers, both members and non-members, in consumer relations and all other related types of relations, collectively or individually. Defend consumers before public authorities, including cases in which consumers may be harmed by the exaction of taxes;
- g) act judicially or extrajudicially to provide supra-individual protection of diffuse and collective interests and also homogeneous individual (fragmented) interests or rights;
- h) promote studies, surveys and events related to consumer relations, quality of products and services, defense of consumers and sustainable consumption,
- i) promote the exchange of technical and scientific knowledge and of professional training with professionals and organizations in Brazil and abroad.

**Art. 4.** – The activities described above may be carried out by entering into contracts or technical and financial cooperation agreements with public and private entities, provided that they do not violate line b of Article 31 of these statutes.

### II - MEMBERS: RIGHTS AND OBLIGATIONS

**Art. 5.** – The Association is composed of Members and Full Members.

**§ 1** - A Member is any individual that becomes a member of the Institute, by using any means of communication put at his or her disposal. His or her membership becomes effective from the moment the Institute receives confirmation of the payment of his or her first contribution.

**§ 2** - A Full Member is any member granted this status by the Board of Directors.

**§ 3** - A Member may request his or her own admission to the category of Full Member, or recommend any other associate for admission to the Board of Directors, provided that the individual, in either situation, has been a member for at least 1 (one) year.

**§ 4** – A Member or Full Member who donates goods will be awarded the title of Honorary Member.

**Art. 6.** – All members have the right to benefit from the activities developed by the Institute, which consist of:  
**a)** receiving, free of obligation, the publications included in the list approved by the Board of Directors;  
**b)** acquiring at a reduced price other publications;  
**c)** receiving services and orientations in the terms defined by Article 3 of this Statute and according to his or her membership option;  
**d)** present suggestions and demands that are relevant to the Institute's social objectives.

**Art. 7.** – A Full Member has the following rights:  
**a)** to participate and have the right to vote in General Assemblies;  
**b)** to vote and to be elected;  
**c)** to request the convocation of a General Assembly, in accordance with Art. 17;  
**d)** to have access to the Institute's financial balance sheets, as foreseen by Art. 29;  
**e)** to nominate others as full members.

**§1.** – Full members who have been employees, scholarship recipients or interns of IDEC may participate in the Ordinary and Extraordinary General Assemblies. They may not exercise the right to vote.

**§2.** – IDEC's employees, scholarship recipients or interns may present their candidacy to the Board of Directors, provided that they are full members and, once elected, they give up their relation with the Institute as an employee or any other relation involving remuneration.

**Art. 8.** – The obligations of all members are:  
**a)** contribute to the strengthening of IDEC and cooperate with the Institute so as to attain the objectives foreseen by these Statutes;  
**b)** comply with these Statutes and decisions made by the Institute's competent bodies;  
**c)** pay on time the contributions and fees established by the Board of Directors.

**Art. 9. – First Paragraph** – Non-compliance with financial obligations will result in the loss of members' rights and the consequent suspension of all benefits made available to the member having defaulted on his or her financial obligations.

**Second Paragraph** – In the case of any other violation of the statutes or of conduct that is offensive to the Institute, penalties in the form of a warning, or the suspension or expulsion of a member could occur. The member will be guaranteed the right to defense and an adversary proceeding, in accordance with the terms defined in these statutes.

**Art. 10. – First Paragraph** – Cases of violation of statutes and offensive conduct will be subject to an internal procedure to verify facts. This procedure will be initiated when a member, employee, collaborator, counselor or director of the Institute submits a complaint or communiqué, addressed to the Executive Coordination.

**Second Paragraph** – The Executive Coordinator, when faced with a manifestly unsubstantiated claim may, in the first phase, dismiss the communiqué or complaint. It is possible to appeal the decision before the Board of Directors; appeals must be presented within a period of 15 (fifteen) days.

**Art. 11.** – Upon receiving the communiqué or complaint, the individual concerned will be notified so that he or she, once aware of its content and so desiring, may defend him or herself, manifesting his or her position on the alleged facts, within a period of 15 (fifteen) days. This period starts from the moment the individual concerned became aware of the content of the communiqué or complaint.

**Art. 12. – First Paragraph** – Sanctions in the form of a warning and suspension will be imposed by the Executive Coordination, regardless of the category of the member, based on a substantiated decision. Appeals may be presented to the Board of Directors.

**Second Paragraph** – Depending on the graveness of the reported incident, the Executive Coordination may act cautiously to suspend the rights of the member.

**Art. 13. – First Paragraph** – The decision to expulse a member and a full member is to be made by the Executive Coordination and the Board of Directors, respectively.

**Second Paragraph** – Appeals of the Board of Directors' decisions are to be made to the General Assembly.

**Art. 14.** – Appeals must be presented within a period of 15 (fifteen) days, starting from the moment the individual concerned is made aware of the decision being appealed, and judged during the first ordinary or extraordinary meeting of the competent body that takes place after the submission of the appeal.

**Art. 15.** – Members are not responsible, in any way, for the obligations of the Institute or for the actions of its directors.

### **III - ORGANISATION**

**Art. 16.** – The Institute's governing bodies are:

- **a)** General Assembly;
- **b)** Board of Directors;
- **c)** Finance Committee;
- **d)** Consultation Council;
- **e)** Executive Coordination.

#### **General Assembly**

**Art. 17.** – The General Assembly is constituted by full members and is the highest deliberative body of the Institute. Its meetings are ordinary or extraordinary.

- a)** The Ordinary General Assembly takes place once a year and is called by the Executive Coordinator. Its function is to deliberate on the Institute's annual report and program of activities.
- b)** The Extraordinary General Assembly takes place when called by the Board of Directors or upon the request of at least one-fifth of full members or according to the law. In such cases, debates and deliberations are to be strictly limited to the content of the agenda stated in the convocation or request. The demand or request must clearly state the purpose of the Assembly and precisely define the meeting's agenda.
- c)** The General Assembly, ordinary or extraordinary, will be convened in writing, in accordance with the regulations approved by the Board of Directors.
- d)** The General Assembly, ordinary or extraordinary, will meet, at the first convocation, with a minimum of 50% (fifty percent) plus 1 (one) of the full associates.
- e)** At the second convocation, the General Assembly will take place on the same date, 30 (thirty) minutes after the time of the first convocation, whatever the number of full associates may be.
- f)** Decisions of the General Assembly will be made by the majority of those present, except decisions regarding the dismissal of elected members, the transformation or dissolution of the Institute, statutory alterations and alterations to the acts of the Board of Director and the Executive Coordination. These decisions will be made when approved by two-thirds of the full members with the right to vote present in an assembly specifically convened for this purpose, in which the assembly can not deliberate without the absolute majority of the full members being present at the first convocation or, in subsequent convocations, with less than one-third present.

**Art. 18. – First Paragraph – The General Assembly is responsible for:**

- a)** approving regulations for the electoral process;
- b)** electing the President and the members of the Board of Directors and the Finance Committee, in accordance with the regulations for the electoral process.
- c)** electing substitutes who will complete mandates in the Board of Directors or Finance Committee, if a vacancy should arise during the exercise of these functions;
- d)** revoking elected or non-elected members' social powers, when the assembly has been called for this purpose;
- e)** deliberating on amendments or modifications to these Statutes, when the assembly has been called for this purpose;
- f)** deciding on the future of the Institute, its transformation or dissolution, when the assembly has been called for this purpose;
- g)** authorizing any negotiation of real estate belonging to the Institute, when proposed by the Board of Directors;
- h)** approving the balance sheet;
- i)** deciding, at the appellate level, on the expulsion of full members.

**Second Paragraph** – The Assembly will be presided over by the President of the Board of Directors or another Board member designated by the President, who, in both hypotheses, should indicate the secretary of the assembly. If the President of the Board of Directors is unable to do so, the Assembly will choose, according to the criteria defined by the Assembly, who will assume the presidency of the Assembly.

**Art. 19** – The president of the Assembly is responsible for conducting and maintaining order in the meeting, make decisions to break ties during nominal votes and proclaim the decisions of the Plenary.

### **Board of Directors**

**Art. 20** – The Board of Directors is composed of 1 (one) President and 7 (seven) other members, elected amongst full members, for a 4 (four)-year mandate. Re-election is possible, in accordance with the specifications of § 2.

**§ 1** – Every 2 (two) years, there will be an election to renew half of the positions in the Board of Directors.

**§ 2** – Of the 4 (four) members elected every 2 (two) years, a maximum of 2 (two) may be re-elected.

**§ 3** – On the same occasion, a sufficient number of councilors will be elected in order to fill vacancies that may arise in the duration of the mandate.

### **Art. 21 – The Board of Directors is responsible for:**

- a) watching over the Institute's prestige and suggesting measures to protect it;
- b) outlining policies and action guidelines for the Institute to ensure that it meets its objectives, and approving its budget and operational plan;
- c) making decisions regarding affiliations to institutes or organizations;
- d) establishing the rules for the elections of the members of the Board of Directors and the Finance Committee, according to the Statutes;
- e) setting up the electoral process, defining the date of elections and forming an electoral commission;
- f) interpreting these Statutes and resolving cases not covered by them;
- g) approving the admission of full members;
- h) appointing the Executive Coordinator;
- i) making decisions regarding the hiring of independent auditors to analyze the Institute's accounts, if deemed necessary,
- j) making decisions regarding the expulsion of full members;
- k) deciding, at the appellate level, on the expulsion of members;
- l) naming, in the case of a vacancy in the President's position, one of its members to assume the position until the next General Assembly.

**Art. 22** – The Board of Directors meets at least twice a year, with the majority of its members in attendance. Any board member may request an extraordinary meeting, stating clearly in the request the purpose of the convocation.

### **Consultation Council**

**Art. 13** – The Consultation Council will have a minimum of 10 (ten) and a maximum of 30 (thirty) members, chosen by the Board of Directors from individuals recognized for their vast knowledge and their immaculate reputation for a 4 (four)- year mandate.

### **Art. 24** – The Consultation Council is responsible for:

- a) watching over the Institute's prestige and suggesting measures to protect it;
- b) providing opinions on any relevant issue, including those that, in the Board of Directors' opinion, must be submitted to the General Assembly.

### **Finance Committee**

**Art. 25** – The Finance Committee is composed of 3 (three) effective members and 3 (three) substitutes, elected amongst full members for a 4 (four)-year mandate.

**Art. 26** – The Finance Committee is responsible for accompanying and auditing the Institute's budgetary activities, its accounts and accounting and for emitting a report that is to be submitted to the Board of Directors, according to the procedures established by its own regulations.

**Art. 27** – The members of the Board of Directors, the Finance Committee and the Consultation Council will not receive from the Institute any form of remuneration, profit, bonus or any other benefits.

### **Executive Coordination**

**Art. 28** – The Executive Coordinator is responsible for the execution of the Institute's Annual Program of Activities. The Executive Coordinator is appointed and dismissed by the Board of Directors and participates in the Board's meetings, without having the right to vote.

**Art. 29** – The Executive Coordinator is responsible for:

- a)** presenting to the Board of Directors for its approval professionals chosen to exercise the functions of the Executive Coordination;
- b)** representing IDEC in contracts and agreements of technical and financial nature signed by the Institute, as well as in other situations, including in court;
- c)** preparing the annual budget and submitting it to the Board of Directors;
- d)** preparing the Institute's Operational Plan, according to the guidelines of the Board of Directors;
- e)** executing the approved Operational Plan;
- f)** admitting and dismissing members; submitting cases of admission and dismissal of full members to the Board of Directors;
- g)** managing the Institute and supervising its employees, installations, equipments and property;
- h)** calling the Board of Directors' meetings;
- i)** submitting annual balance sheets and the Finance Committee's report to the Board of Director for its approval;
- j)** providing information to full members on the annual balance sheets and the Finance Committee's conclusions.

### **IV – PROPERTY, REVENUE, BUDGET AND FISCAL YEAR**

**Art. 30** – The Institute's goods and resources will be used exclusively to attain its objectives.

**Art. 31** – The Institute's property and the revenue may be composed of:

- a)** contributions and fees paid by members;
- b)** goods and rights transferred to the Institute in the form of subsidies, financing and donations, which must be previously examined by the Board of Directors, including those generated by services provided by the Institute. The Institute will not accept any contribution, in any form, from private product and service providers or of their affiliates or subsidiaries;
- c)** goods or rights acquired by exercising its activities;
- d)** remuneration from specialized technical services provided to third parties and/or members, in forms and values established by the Institute's Board of Directors;
- e)** funds generated by the editing and sale of publications and/or audio-visual materials, that may or may not be produced by the Institute.

**Art. 32 - First Paragraph** – IDEC may request to qualify as a Civil Society Organization with Public Interests, in accordance with current legislation.

**Second Paragraph** – In case of loss of the aforementioned status, the property acquired with public funds during the period in which the status was held shall be passed on to another Civil Society Organization with Public Interests.

**Art. 33** – The fiscal year begins on January 1<sup>st</sup> and ends on December 31<sup>st</sup>.

**Art. 34** – The budget for the following fiscal year must be approved by December 15<sup>th</sup> of every year.

**Art. 35** – For plans and programs whose execution extends beyond one fiscal year, a global budget divided into years of execution with the amount of funds to be allocated for each year will be approved.

**Art. 36** – During the fiscal year, the budget could be revised or altered by proposals from the Executive Coordination with the Board of Directors' approval.

#### **V- DISSOLUTION**

**Art. 37** – According to the terms of these Statutes, the decision to dissolve the Institute lies with the General Assembly. If dissolved, its property will necessarily be passed on to a non-profit organization with similar goals.

**VIDAL SERRANO NUNES JÚNIOR**  
**PRESIDENT OF IDEC'S BOARD OF DIRECTORS**

**MARCOS DIEGUES RODRIGUES**  
**OAB/SP 89320**