



BYLAWS of BIOFUND

November 17, 2014

FOREWORD

The Foundation for the Conservation of Biodiversity ("BIOFUND") is a Mozambique non-profit, private entity of public interest, endowed with legal status and administrative, financial, and patrimonial autonomy.

BIOFUND's mission is to support the conservation of aquatic and terrestrial biodiversity, and the sustainable use of natural resources, including the consolidation of the national conservation areas system.

BIOFUND has the following Governing Bodies: The General Assembly, the Board of Directors, and the Oversight Committee.

Pursuant to its powers granted under Article 29 (a) of the Articles of Incorporation, BIOFUND's Board of Directors, as the body responsible for managing BIOFUND, has approved these Bylaws in order to establish rules and procedures for carrying out the operations and activities of BIOFUND's Governing Bodies with respect to matters which may not otherwise be sufficiently covered in BIOFUND's Articles of Incorporation or BIOFUND's Operations Manual.

Pursuant to Article 46 of the Articles of Incorporation, in case of any conflicts or inconsistencies between these Bylaws and BIOFUND's Articles of Incorporation or Operations Manual, the Articles of Incorporation shall prevail over these Bylaws, and these Bylaws shall prevail over the Operations Manual.

Unless otherwise indicated, all terms defined in BIOFUND's Articles of Incorporation shall have the same defined meanings in these Bylaws.

Section 1

Grants

In order to carry out its Mission as defined in Article 6 of the Articles of Incorporation, BIOFUND may make grants to:

- a. organisations that manage one or more “conservation areas” (as this term is defined in the Glossary to Mozambique Law number 16/2014 of 20 June 2014);
- b. not-for-profit organisations in Mozambique whose primary purposes are scientific, educational or charitable, and that will only use BIOFUND's grants to carry out activities which are in furtherance of BIOFUND's Mission as defined in the Articles of Incorporation; and
- c. community-based organizations in Mozambique whose primary purposes include promoting environmentally sustainable development.

In addition, BIOFUND's grants must meet the eligibility criteria set forth in BIOFUND's Operations Manual.

Section 2

Composition of the Governing Bodies

The definition and composition of BIOFUND's decision-making bodies are set forth in the Articles of Incorporation. Wherever the term “non-governmental” is used in the Articles of Incorporation to refer to the characteristics of Members of Governing Bodies, this term shall mean Members who are not employed by, or part of, the Government of Mozambique. International donor agencies and their employees shall be considered “non-governmental” for purposes of determining the percentage of the Members of BIOFUND's Governing Bodies that are required to be from the non-governmental sector by articles 9, 25 and 26 of the Articles of Incorporation.

Section 3

Incompatibilities

The term “serious irregularities” in article 15 of the Articles of Incorporation includes acts that may be detrimental to the mission, reputation or operations of BIOFUND.

Section 4

Duties of Members of the Governing Bodies

It is the duty of every Member of the Governing Bodies, in addition to those established by Law and by the Articles of Incorporation:

- a. To fulfill with zeal, dedication, honesty, efficiency, and in the best possible manner, the professional roles assigned to him/her, and the duties that are imposed on him/her by the Foundation.
- b. Not disclose, use, or make reference, either directly or through a third party, any information regarding the activity of BIOFUND or that has been learned in the exercise of his/her role as a Member, if such information is considered confidential by the Governing Bodies or would reasonably be considered as confidential.
- c. Avoid situations that are likely to directly or indirectly generate conflicts of interest.
- d. Negotiate and act always in the interest of BIOFUND.
- e. Not use equipment or facilities belonging to BIOFUND for personal or other business use, except if the Board has explicitly authorized such usage.
- f. Not engage in political activities within the premises of BIOFUND or in meetings of the Governing Bodies.
- g. Behave towards other Members of the Governing Bodies, the staff of BIOFUND and members of the public with dignity, courtesy and correctness.
- h. Attend meetings of the Governing Bodies with punctuality and assiduity, when summoned;
- i. Notify the Chairperson in advance of his/her justified absences from meetings;
- j. Attend the meetings of the Governing Body duly prepared, after having read the documents that are intended to be discussed or acted on at a meeting, and participate actively and diligently in the meeting.

Section 5

Conflicts of Interest

- a. Pursuant to Article 13 of the Articles of Incorporation, the Chairperson of each of the Governing Bodies shall establish and maintain a Register of Interests, which shall be available for any Member of any of the Governing Bodies to inspect at BIOFUND's office during normal business hours.
- b. It is the responsibility of:
 - i. each Member of the Board of Directors
 - ii. each Member of the Oversight Committee, and
 - iii. the Chairperson, Deputy Chairperson and Secretary (hereafter referred to as "Officers") of the General Assemblyto review their statement of interests that is recorded in the relevant Register, and to update their statement no later than one month after any changes of their interests by sending a signed revised statement of their interests by paper or electronic version to the Chairperson of the relevant Governing Body for inclusion in that Governing Body's Register of Interests.

- c. In addition, the Chairpersons of the Board of Directors and of the Oversight Committee shall send a written request once every year to each of their respective Members, and the Chairperson of the General Assembly shall send a written request once every year to its Officers, to submit a new, signed statement of interests, which the Chairpersons shall cause to be included in the Register of Interests for their respective Governing Body.
- d. A Member of the Board of Directors or of the Oversight Committee, or an Officer of the General Assembly, who is aware of any conflict of interest or potential conflicts of interest which has not yet been disclosed to the full membership of the respective Governing Body, should disclose such issues prior to the discussion of the matter on which such conflicts may impact.
- e. Each Governing Body shall examine and evaluate the circumstances of any reported conflict of interest, and determine whether a conflict of interest exists with respect to particular matters.
- f. A Member of the Board of Directors or of the Oversight Committee, or an Officer of the General Assembly, who has a conflict of interest shall not participate in the meeting of the respective Governing Body when the matter for which the conflict exists is being discussed, deliberated and voted on.
- g. When a Governing Body determines that a conflict of interest exists, all materials and papers for the matter in which the conflict exist shall be withheld from the Member or Officer who is involved in the conflict.
- h. The General Assembly shall ultimately determine if the nature of the conflict of interest is such that it is considered to be a violation which requires a Member of the Board Director or the Oversight Committee to resign and to have the seat declared vacant.

Section 6

Removal of Governing Body Members

- a. Reasons for termination of membership in the General Assembly that are listed in Article 11 of the Articles of Incorporation shall also apply to termination of membership in the other Governing Bodies, including membership in any committees or advisory bodies that are established by any of the Governing Bodies.
- b. Removal from office of a Member of any Governing Body shall be in accordance with Article 17 of the Articles of Incorporation. A Member of any Governing Body may be removed for any of the matters described in Articles 15 and 16 of the Articles of Incorporation, or for any act of a Member which two-thirds of the General Assembly decides could bring BIOFUND into disrepute or otherwise harm the interests of BIOFUND.
- c. Removal of a member of any committee of a Governing Body may be done with or without cause by a majority vote of the Governing Body that appointed the members of that Committee.
- d. The Chairperson of a Governing Body can be dismissed at any time, with or without cause, by a vote of at least two thirds of all current Members of the Governing Body, without thereby ceasing to be a Member of that Governing Body.

Section 7

Grant of a Power of Attorney for Representation at Meetings

- a. A Full Member of any of BIOFUND's Governing Bodies that is an organization whose regular representative is unable to attend a particular meeting of that Governing Body may grant a signed written power of attorney to any other individual to represent the organization, clearly indicating any restriction on such power.
- b. In accordance with Article 31 (2) of the Articles of Incorporation, a Member of the Board of the Board of Directors may not grant a power of attorney to another Member of the Board to represent him or her.
- c. Any individual Full Member of the General Assembly may grant a signed written power of attorney to another Full Member of the General Assembly to represent him or her at a meeting of the General Assembly, clearly indicating any restriction on such power.

Section 8

Internal Organisation of the Board of Directors

- a. The Board of Directors is chaired by its Chairperson, assisted by the Deputy Chairperson and the Secretary, who shall each be elected from among the members of the Board by a vote of the majority of all serving members of the Board.
- b. The term of office of the Chairperson, Deputy Chairperson and Secretary of the Board of Directors is two years, renewable twice.
- c. The Chairperson shall chair all meetings of the Board of Directors and in general perform such other duties as may be delegated by the Board. In the absence of the President, the Deputy Chairperson shall chair meetings of the Board of Directors.
- d. The Deputy Chairperson shall exercise such authority and perform such functions as may be determined by the Board of Directors.
- e. The Secretary shall cause notices to be mailed of all meetings of the Board, and shall attend all such meetings and keep the minutes thereof. The Secretary shall have custody of the records and books of BIOFUND, other than books of account, and perform such other duties as the Board may from time to time prescribe. If the Secretary is unable to attend a meeting of the Board, the Board may delegate certain functions of the Secretary to an employee of BIOFUND or to another Board member another for that particular meeting of the Board.

Section 9

Voting by Secret Ballot

A Member of the Board of Directors who participates in a meeting of the Board through the use of a conference call or similar communications equipment pursuant to Article 31 of the Articles of Incorporation may cast a secret ballot by:

- a. Requesting the Chairperson, at least 10 days in advance of the Board meeting, to send the Member an unmarked written ballot by mail, email attachment, fax, or other means of expedited delivery;
- b. Marking the Member's vote on the written ballot;
- c. Placing the ballot inside of an unmarked envelope;
- d. Placing the sealed unmarked envelope inside of another envelope which bears the identifiable signature of the Member, and is then sealed;
- e. Sending the outer sealed envelope to the Chairperson by any means of delivery which will ensure that it is delivered to the Chairperson before 12:00 midnight of the day before the meeting of the Board at which a secret vote will be held.

Section 10

Staggered Terms of Members of the Board of Directors

Pursuant to Article 23(f) of the Articles of Incorporation, the General Assembly shall vote once every two years to replace or reappoint the two Directors who have been longest in office since their last appointment or reappointment. As between persons who were appointed or last reappointed Directors on the same day, the General Assembly may vote on which of them are to be replaced or reappointed, or may decide this by any commonly recognized method of random selection, such as writing the Directors' names on equal sized folded pieces of paper and then asking someone to select one or more of them from a container without looking at the container.

Section 11

Executive Committee

Pursuant to Article 28 of the Articles of Incorporation,

- a. The Executive Committee named by the Board of Directors shall include at least one person who has an investment or finance background, because of the potential need for the Executive Committee to act quickly to protect BIOFUND's investments;
- b. Meetings of the Executive Committee may be called by the Chair or by BIOFUND's chief executive officer. The agenda for the meeting shall be sent at least two calendar days before the meeting to all Executive Committee members.
- c. The Executive Committee shall meet whenever it is required but at least once every two months. Meetings may also be held and resolutions may also be adopted by telephone or by means of a written document circulated among all members electronically or otherwise.

- d. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof;
- e. At each meeting of the Executive Committee all questions and business shall be determined by a majority vote of those present, or without a meeting by majority consent in writing;
- f. The Executive Committee may communicate by telephone, by email, in person, or by any means appropriate for the business at hand; and
- g. The Executive Committee shall report in writing to the Board of Directors all of its decisions and resolutions within 3 working days. Decisions by the Executive Committee shall be deemed to have been validated by the Board, unless and until a majority of the Board votes to reject or modify such decisions.

Section 12

Appointment of an Auditor

- a. Pursuant to Article 23(g) and Article 29(k) of the Articles of Incorporation, the Board of Directors may appoint an independent external auditor of internationally recognized standing and competence to audit the financial accounts of BIOFUND on an annual basis.
- b. The auditor shall verify BIOFUND's balance sheet and other financial accounts for each Fiscal Year and shall prepare a comprehensive, detailed written report that shall be presented to the Directors no later than three (3) months after the conclusion of BIOFUND's Fiscal Year. A copy of the auditor's completed annual report shall be provided to the Members and the Board.

Section 13

Investment Management Committee

Pursuant to Article 33 of the Articles of Incorporation, the Board of Directors shall create an Investment Management Committee to advise and support it in overseeing the management of BIOFUND's investments.

- a. The Board of Directors will appoint the members of the Investment Management Committee, and the Chairperson of the Investment Management Committee will be drawn from the membership of the Board of Directors. Other members of the Committee may be Board of Directors members or outside experts. The Committee shall consist of at least 5 persons who have an investment, finance or economics background. No person with a potential conflict of interest (e.g. a relationship with an investment professional who has been contracted or is under consideration to be contracted by BIOFUND, or a personal interest in promoting certain investments) may serve on the Committee, and no Committee member will be permitted to receive any bonus, commission or consideration for referrals of BIOFUND's investment business.

- b. The Investment Management Committee's primary responsibility is to oversee the management of BIOFUND's financial assets in accordance with BIOFUND's investment policy.
- c. The term of service of Investment Management Committee members will be 3 years renewable by the Board of Directors. The terms of the members shall be staggered to the extent practicable. The Committee shall designate one member to serve as Chairperson.
- d. The Investment Management Committee Chairperson will convene at least quarterly meetings of the Committee to review the Investment portfolio performance in accordance with BIOFUND's investment goals and recommend changes if necessary.
- e. The Investment Management Committee will provide a semi-annual report to the Board of Directors on the performance of the investment portfolio.
- f. The other duties of the Investment Committee are to:
 - i. Recommend investment management professionals to the Board of Directors;
 - ii. Oversee and evaluate the performance of the investment management professional(s);
 - iii. Formulate a sound investment policy and investment guidelines for Board approval, periodically review the same, and recommend any changes necessary
 - iv. Ensure prudent implementation of the investment policy and guidelines to meet the required investment goals;
 - v. Carry out periodic reviews of investment performance and make appropriate decision which respect to asset allocations.

Section 14

Chief Executive Officer

- a. Pursuant to Article 32 (1) of the Articles of Incorporation, the day-to-day activities of the Foundation shall be managed by a Chief Executive Officer to be recruited by the Board of Directors, supported by a technical unit of a size appropriate to the amount of activities to be undertaken.
- b. The responsibilities of the Chief Executive Officer shall be defined in his/her terms of reference and his/her performance shall be assessed on the basis of annual work plans.
- c. In addition to the powers defined in the Chief Executive Officer's terms of reference, he/she shall:
 - i. Implement the strategy and work programme of BIOFUND, in both its technical and its administrative and financial aspects, and assist the

Board of Directors with proposals, analyses and information necessary to the decisions of the Board;

- ii. Comply and ensure compliance with the statutory provisions and the operational directives determined by the Board of Directors;
- iii. Channel proposals and requests for financial support and projects for a decision by the Board of Directors, after the necessary assessment;
- iv. Draw up and/or channel to the Board of Directors, within the deadlines envisaged in the relevant internal manuals:
 - The work plans and budgetary proposals;
 - The activity reports and financial reports;
 - The balance sheets of operations undertaken up until the month prior to that of the meeting of the Board of Directors;
 - The opinions of the independent auditor.

Section 15

Date of Effectiveness and Amendments

These Bylaws shall come into force on the date of their approval by the Board of Directors, and may be amended at any time by vote of a two-thirds majority of all the currently serving members of the Board, provided such proposed amendment is set forth in full in the notice of such meeting.

Maputo, November 17, 2014