



## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

### INTRODUCTION:

1. The objective of FUNDEPPO's Internal Regulations is to regulate its organizational life and complement the articles in its Legal By-laws that refer to such. When necessary, these Internal Regulations may be complemented by Terms of Reference and specific Procedures. These Internal Regulations are organized under the same general structure as that used in the current Legal By-laws.
2. These Internal Regulations, when necessary, reproduce texts from the [Legal By-laws, appearing in blue](#). Texts appearing in black are specifically the Internal Regulations. When only part of a paragraph from the Legal By-laws is used, this is indicated with [...]. In these cases please consult the current Legal By-laws for the complete text. By law, the legal by-laws may only be modified at an Extraordinary Assembly.
3. According to the Legal By-laws, FUNDEPPO's General Assembly has the sole authority to approve the Internal Regulations and/or its modifications, and in accordance, this version of the Internal Regulations was presented to and approved by FUNDEPPO's IV General Assembly on April 29, 2015 in Panama City, Panama.

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

#	INTERNAL REGULATIONS	REF. <sup>1</sup>
<b>1</b>	<b>GENERAL POINTS</b>	
<b>1.1</b>	<p>The organization's complete name is the Foundation of Organized Small Producers, Civil Association (<i>Fundación de Pequeños Productores Organizados, Asociación Civil, o A.C.</i>).</p> <p>The organization's name is commonly abbreviated as FUNDEPPO, except when it is legally necessary to use its complete name.</p>	<b>1</b>
<b>1.2</b>	<p>The Association's location will be Mexico City (Federal District), although its agencies, branches and correspondent offices may be established in any part of Mexico or abroad.</p> <p>Any representation established under FUNDEPPO or a different legal construct must be subject to an agreement between FUNDEPPO and such representation, recognizing FUNDEPPO's General Assembly as its highest governing authority.</p>	<b>2</b>
<b>1.3</b>	<p>The Principles and Values of FUNDEPPO and the Small Producers' Symbol (<i>Símbolo de Pequeños Productores</i>—SPP) are defined in the Declaration of Principles and Values, which establishes the philosophical principles and serves as a guide for all its activities and tools. The SPP's Code of Conduct is derived directly from the Declaration of Principles and Values.</p> <p>The Declaration of Principles and Values and the Code of Conduct of the SPP and FUNDEPPO may only be modified with approval from the General Assembly.</p>	
<b>1.4</b>	<p>FUNDEPPO's Social Objective is:</p> <p>The Association will have the following as its common and lawful, not primarily economic, non-profit OBJECTIVE: to promote actions aimed at improving the popular economy and providing a better quality of life to the population:</p> <p>A.- Represent Organized Small Producers in Latin America and the Caribbean, Africa and Asia belonging to the Association in relation to the fair trade movement.</p> <p>B.- Promote greater participation by small producers' organizations in promoting fair trade through the Small Producers' Symbol (SPP).</p> <p>C.- Authorize forums for discussion on fair trade systems.</p>	<b>5</b>

<sup>1</sup> References are made to FUNDEPPO's current Legal By-laws.

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<p>D.- Support small producers by promoting the development of their socio-business organizations, and dialogue among organizations and with other stakeholders in the market.</p> <p>E.- Strengthen the level of integration and exchange among small producers' organizations.</p> <p>F.- Define positions and develop joint proposals on the various aspects affecting small producers in the market.</p> <p>G.- Receive and manage contributions from Members and/or national or foreign entities for complying with the tasks emanating from this Social Objective.</p> <p>H.- Process, administer and promote the brands and/or permits of the Association and/or third parties, in line with the various components of this Social Objective.</p> <p>I.- Promote organized participation by the population in actions that will improve their own conditions for survival, for the benefit of the community.</p> <p>J.- Provide services to assist in the creation and strengthening of organizations that carry out activities that may be promoted in terms of the Law on the Promotion of Activities Conducted by Civil Society Organizations.</p> <p>K.- Build representations and "Networks of SPP Friends" at local and regional levels in countries or in geographic regions, both informal and formal in nature, to the degree required by their process of consolidation. In countries where National Networks of Fair Trade Small Producers already exist and have a formal commitment to FUNDEPPO, as Solidarity Members, for example, such spaces will be built in coordination with these National Networks.</p> <p>L.- Create spaces for coordination by product, among Small Producers' Organizations with SPP certification, both informal and formal in nature, to the degree required by their process of consolidation.</p> <p>With the aim of complying with the Association's social objective, all acts and actions necessary for the Association's subsistence and in compliance with the purposes for which it was constituted, may be carried out.</p>	
--	--	--

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	The Association is not-for-profit and its activities will be fundamentally designed to comply with its social objective, and therefore it may not intervene in political campaigns or engage in propaganda activities.	
<b>2</b>	<b>MEMBERS<sup>2</sup></b>	
<b>2.1</b>	<b>MEMBERS-OWNERS</b>	<b>6</b>
<b>2.1.1</b>	<b>Requirements</b>	<b>6</b>
a	Be legally constituted as a Small Producers' Organization (SPO).  SPP certification of the SPO in question is proof that it complies with the requirement that it be backed by a legal construct, since the latter is a requirement for SPP certification.	<b>6</b>
b	Be certified with the Small Producers' Symbol ( <i>Símbolo de Pequeños Productores--SPP</i> ). <i>Specifications:</i>  1. A small producers' organization may request membership as soon as it is in the process of becoming certified, but it may only be accepted as a Member after it has received its certification.  2. Suspension or inactivation of the certificate of a small producers' organization does not affect its status as a member, nor its respective rights and obligations.  3. The cancellation of the certificate of a small producers' organization will result in the automatic loss of its status as a member and its respective rights. Any economic obligations acquired prior to the cancellation continue to exist until liquidated.	<b>6</b>
<b>2.1.2</b>	<b>Rights</b>	<b>6</b>
a	Appoint delegates to the General Assembly in accordance with Internal Regulations  If the number of Members is greater than the maximum number of spaces for the General Assembly, the acting Board of Directors will publish in the Call to Participate a table with the maximum number of representatives or "delegates" of Members-Owners, by country and by product, proportional to the number of Members-Owners represented by each country or product. This table will guarantee that every product and every country and every product category will have the right to at least one representative or delegate.	<b>6</b>
b	Have voice and vote in the General Assembly through delegates, <sup>3</sup> in accordance with the Internal Regulations. This is the only category of Members that has the right to vote in the General Assembly.	<b>6</b>

<sup>2</sup> The correct term in Spanish for the members of a Civil Association, in accordance with local legislation, is "Asociado" and not "Socio."

<sup>3</sup> In the Legal By-laws, "delegate" is understood to be the same as a representative of a Member. By law, the number of votes is equal to the number of Members represented.

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>1. During voting processes, only representatives of Members-Owners, that is, small producers' organizations associated with FUNDEPPO, will be authorized to cast votes.</li> <li>2. If a delegate system is established in the Call to Participate in the General Assembly, it will consider, if necessary, the distribution of votes among Members' regions and/or products.</li> </ol>	
c	<p>Approve or ratify admissions and terminations of Members, by way of delegates.</p> <p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>1. If during the period between two ordinary General Assemblies, Members were allowed to join or leave the Association, as determined provisionally by the Board of Directors, this matter must be included in the official agenda for the following General Assembly.</li> <li>2. The Board of Directors, assisted by the Operations Team, must present the necessary information to enable the General Assembly to make informed decisions for ratification or non-ratification.</li> </ol>	6
d	<p>Appoint representatives and be appointed as representatives, by delegates, to the Board of Directors, in accordance with its Terms of Reference.</p>	6
e	<p>Occupy at least 75% of the seats available for the General Assembly. If this percentage is not attained, the Members-Owners in attendance can decide to not make full use of this right.</p> <p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>1. Members-Owners have the right to occupy 75% of the total seats available in the General Assembly, considering only the seats for all the Members, and not the seats occupied by any Honorary Members.</li> <li>2. In this context, "available seats" are understood to be the number of representatives of Members making up the General Assembly at the time it is declared open.</li> <li>3. If at the specific time of the General Assembly, the right of Members-Owners to occupy 75% of the available seats is not fulfilled, the General Assembly may be declared open as long as there is a simple majority of representatives of Members-Owners.</li> </ol>	6
2.1.3	<p><b>Obligations</b></p>	6
a	<p>Respect the Legal By-laws and Internal Regulations.</p> <p>Members-Owners must cover their Annual Membership Fee (previously, Annual Inscription Fee) punctually.</p>	6

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

<b>2.2</b>	<b>SOLIDARITY MEMBERS</b>	<b>6</b>
<b>2.2.1</b>	<b>A. PRODUCER NETWORKS</b>	<b>6</b>
<b>2.2.1.1</b>	<b>Requirements</b>	<b>6</b>
a	<p>Be a legally constituted National Network of Small Fair Trade Producers' Organizations.</p> <p>The specific names for this type of network of small fair trade producers' organizations may vary.</p>	<b>6</b>
b	<p>Have minimally three SPP-certified member small producers' organizations.</p> <p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>1. If, after its admission as a Member, its number of SPP-certified member small producers' organizations decreases to only two, the Member will not lose its rights.</li> <li>2. If, after its admission as a Member, its number of SPP-certified member small producers' organizations decreases to one or zero, the Member in question will lose its status as a Solidarity Member, unless the General Assembly grants temporary permission to continue as a Solidarity Member.</li> </ol>	<b>6</b>
<b>2.2.1.2</b>	<b>Rights</b>	<b>6</b>
a	Appoint delegates to the General Assembly, based on Internal Regulations.	<b>6</b>
b	Have a voice in the General Assembly, by way of delegates, in accordance with the Internal Regulations.	<b>6</b>
c	Propose, by way of delegates, its representatives to the Board of Directors, in accordance with the Board's Terms of Reference, if FUNDEPPO's General Assembly decides to include a representative for this category of Members among the representatives.	<b>6</b>
<b>2.2.1.3</b>	<b>Obligations</b>	<b>6</b>
a	<p>Respect by-laws and internal regulations.</p> <p>Cover the minimum annual membership fee of US \$100.</p>	<b>6</b>
<b>2.2.2</b>	<b>B. SPP REGISTERED COMPANIES</b>	<b>6</b>
<b>2.2.2.1</b>	<b>Requirements</b>	<b>6</b>
a	<p>Be a company registered with the Small Producers' Symbol as a "final buyer."</p> <p><i>Specifications:</i></p>	<b>6</b>

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<ol style="list-style-type: none"> <li>1. A company may request its admission as soon as it is in the process of becoming registered as a “final buyer.” However, it may only be admitted as a Member after it has obtained its respective registration.</li> <li>2. The suspension or inactivation of a company’s registration does not affect its status as a Member, nor its respective rights and obligations.</li> <li>3. The cancellation of a company’s registration will cause the automatic loss of its status as a Member and its respective rights. Any economic obligations acquired prior to the cancellation will continue to exist until liquidated.</li> </ol>	
b	Be legally constituted.	6
<b>2.2.2.2</b>	<b>Rights</b>	6
a	Appoint delegates to the General Assembly, based on Internal Regulations	6
b	Have a voice in the General Assembly, by way of delegates, in accordance with the Internal Regulations.	6
c	Propose, by way of delegates, its representatives to the Board of Directors, in accordance with the Board’s Terms of Reference.	6
<b>2.2.2.3</b>	<b>Obligations:</b>	6
a	<p>Respect by-laws and internal regulations.</p> <p>Solidarity B Members must cover their fees for using the SPP punctually.</p> <p>If it has not yet sold products with the SPP, a minimal annual fee of US \$100 will be paid.</p>	6
<b>2.2.3</b>	<b>C. ALLIED CIVIL ORGANIZATIONS</b>	6
<b>2.2.3.1</b>	<b>Requirements</b>	6
a	<p>Be a civil organization that is committed to the Small Producers’ Symbol.</p> <p>It must be formally recognized by FUNDEPPO as a civil organization that is committed to the Small Producers’ Symbol.</p>	6
b	Be legally constituted.	6
<b>2.2.3.2</b>	<b>Rights</b>	6
a	Appoint delegates to the General Assembly, based on Internal Regulations.	6
b	Have a voice in the General Assembly, by way of delegates, in accordance with the Internal Regulations.	6

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

c	Propose, by way of delegates, its representatives to the Board of Directors, in accordance with the Board's Terms of Reference, if FUNDEPPO's General Assembly decides to include a representative for this category of Members among the representatives.	6
<b>2.2.3.3</b>	<b>Obligations</b>	6
a	Respect by-laws and internal regulations. Cover minimum annual membership fee of US \$100.	6
<b>2.3</b>	<b>HONORARY MEMBERS</b>	6
<b>2.3.1</b>	<b>Requirements</b>	6
a	Be a legally constituted civil organization or a person with historic merit in relation to the Small Producers' Symbol. Have received a formal invitation from FUNDEPPO to become an Honorary Member due to relevant historic merit.	6
<b>2.3.2</b>	<b>Rights</b>	6
a	If a civil organization, appoint a representative to attend General Assemblies.	6
b	If a person, physically attend General Assemblies.	6
c	Participate in General Assemblies, not counted within the number of available seats for delegates.	6
d	Have a voice in the General Assembly, in this case through the voice of its representative, in accordance with the Internal Regulations.	6
e	Does not have the right to be appointed as a member of FUNDEPPO's Board of Directors.	6
<b>2.3.3</b>	<b>Obligations</b>	6
a	Respect by-laws and internal regulations.	6
<b>2.4</b>	Members-Owners and Solidarity Members must demonstrate that they have signed the Declaration of Principles and Values of the Small Producers' Symbol and its respective Code of Conduct, as part of the requirements for admission.  These documents must be signed by the Members' representatives, prior to the holding of a General Assembly.	6



## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

<b>2.5</b>	<p>The General Assembly of Members is authorized, solely and exclusively, to appoint or ratify new Members.</p> <p>The matter of admission and termination of Members will be on the agenda for each ordinary General Assembly.</p>	<b>6</b>
<b>2.6</b>	<b>Rules for Members-Owners and Solidarity Members:</b>	
<b>2.6.1</b>	<b>Rights</b>	
a	Each FUNDEPPO Member appoints a delegate, that is, a representative, to the General Assembly, in writing and signed by a legal representative of its organization.	<b>6</b>
b	The maximum number of Members that may be represented by a single person present at the General Assembly is three. <sup>4</sup> Representatives may be documented by way of a formal letter completed, signed and delivered for this purpose by each Member represented.	<b>6</b>
c	No person will be allowed to represent Members from different categories or sub-categories.	<b>6</b>
d	The right to speak will be granted by the President and Secretary appointed to facilitate the General Assembly. The President and Secretary will oversee the time periods established in the agenda, as well as equitable participation among representatives, seeking participation by the various Member categories in relation to their proportional representativeness.	<b>6</b>
e	Participation by representatives of Solidarity Members at the General Assembly should at no time hinder adequate participation by representatives of Members-Owners.	<b>6</b>
f	The Terms of Reference of the Board of Directors are based on the respective clauses of these Internal Regulations and are sometimes complemented with a specific Terms of Reference document for this body.	<b>6</b>
g	Any fees, whether ordinary or extraordinary, established for each Member category by FUNDEPPO's General Assembly must be covered.	<b>6</b>
<b>2.6.2</b>	<b>Obligations</b>	<b>6</b>
a	Representatives of Members must have the backing of those it is representing in order to accept a position, if appointed to serve on one of the bodies by the General Assembly.	<b>6</b>
b	Each Member category must appoint its representatives to the Board of Directors, Standards and Procedures Committee and any other bodies, as established in the Elections Procedures for each General Assembly.	<b>6</b>

<sup>4</sup> Enters into effect after the IV Ordinary General Assembly.

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

<b>2.7</b>	<b>Exclusion of Members:</b>  The General Assembly of Members is authorized to exclude its Members from the Association in the following cases:	<b>9</b>
a	Commitment of any intentional crime that causes harm to individuals, resulting in corporal punishment through an enforceable sentence.	<b>9</b>
b	When three or more ordinary or extraordinary fees, previously agreed upon by the Assembly in By-laws or Internal Regulations, have not been paid.	<b>9</b>
c	Any indiscretion by Members with respect to the confidential activities and information of this Association, contrary to established obligations, may be the cause for exclusion from the Association, regardless of any sanctions that may be legally merited.	<b>9</b>
d	When the Assembly considers that a Member has acted intentionally to the detriment of the Association.  The General Assembly may expel a Member from FUNDEPPO at the moment in which a violation of the Code of Conduct is verified.  FUNDEPPO's Dissents Committee has the authority to issue a precautionary expulsion, while waiting for ratification or non-ratification by the General Assembly, based on information provided.	<b>9</b>
<b>3</b>	<b>REGARDING THE ASSOCIATION'S PATRIMONY</b>	
<b>3.1</b>	The Association's patrimony will be dedicated SOLELY AND EXCLUSIVELY to achieving the aims constituting its social objective. The Association will NOT distribute among its Members any remaining amounts of public incentives or assistance received, and at the time of its liquidation, it will dedicate the entire amount of its patrimony to entities authorized to receive deductible donations. What is stipulated in this provision is irrevocable [...].	<b>10</b>
<b>3.2</b>	The Board of Directors will maintain a record of the assets contributed in each case, whether in cash or in kind.	<b>10</b>
<b>4</b>	<b>REGARDING ASSEMBLIES</b>	
<b>4.1</b>	The General Assembly of Members is the Association's highest-level body and will resolve the following matters: <sup>5</sup>	<b>11</b>
I	Admission and exclusion of Members.	<b>11</b>
II	The anticipated dissolution of the Association or its continuation.	<b>11</b>

<sup>5</sup> These matters are specified in the corresponding law.

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

III	The naming of members of the Board of Directors and any Committees, and the authority granted to these bodies.	11
IV	Approval of annual Financial Statements for the fiscal year just completed in the corresponding time period defined by the applicable law.	11
V	Revocation of appointments made.	11
VI	Other matters as mandated in the by-laws.	11
	<ol style="list-style-type: none"> <li>1. The General Assembly may address the following matters, among others:</li> <li>2. Admission and Expulsion of Members</li> <li>3. Approval of By-laws (Extraordinary General Assemblies)</li> <li>4. Approval of Internal Regulations</li> <li>5. Approval of annual Financial Statements (Ordinary General Assemblies)</li> <li>6. Appointments of members to serve on Board of Directors</li> <li>7. Appointments of members to serve on Standards and Procedures Committee</li> <li>8. Other appointments</li> <li>9. Approval of modifications to Vision, Mission and Positioning</li> <li>10. Approval of periodic goals and plans</li> <li>11. Approval of Public Declarations</li> <li>12. Definition of place and date for next General Assembly</li> <li>13. General Matters</li> </ol>	11
4.2	There are ordinary and extraordinary General Assemblies of Members. Ordinary Assemblies will be held once a year. Extraordinary Assemblies will be convened as necessary, according to stipulations in Points I-IV of this article.	12
4.3	<p>General Assemblies may be held at the location and the country decided upon by FUNDEPPO's Board of Directors.<sup>6</sup></p> <p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>1. General Assemblies are held every year, with physical attendance every three years, and virtual, long-distance participation, the other two years.</li> <li>2. The agenda for General Assemblies held virtually will address at least the following matters:</li> </ol>	12

<sup>6</sup> Local law requires that Ordinary General Assemblies be held annually, since the Assembly is the only entity authorized to approve annual financial statements. This requirement for the Ordinary General Assembly may not be bypassed.

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<ul style="list-style-type: none"> <li>a. Review and approval of FUNDEPPO's Financial Statements</li> <li>b. Admission and expulsion of Members</li> <li>c. Emergency matters</li> <li>d. General matters</li> </ul> <p><b>3.</b> The agenda for General Assemblies with physical attendance will minimally include all of the agenda points specified in point 4.1.</p>	
<b>4.4</b>	<p>General Assemblies will only address the matters included in the agenda established in the Call to Participate, under penalty of nullity. The agenda should include the date, time and place for the Assembly, which will be convoked by way of email notification. Those receiving the notification should actively confirm such receipt, with notification having been sent at least 30 calendar days prior to the day the Assembly will be held.</p> <p>In order to guarantee a high level of participation in General Assemblies, the first Call to Participate should be sent at least 3 months prior to the date programmed for each Assembly, specifying the date(s) and place (or means).</p> <p>It is the responsibility of the current Board of Directors to make known the agenda for the General Assembly in a timely, appropriate manner. The final version of the Agenda should be sent out at least 30 calendar days prior to the date the Assembly will be held.</p>	<b>12</b>
<b>4.5</b>	<p>General Assemblies of Members will be considered open and their resolutions valid, when there is attendance by representatives of at least 50% of the Members-Owners plus one, and with a second Call to Participate with the Members-Owners present, fulfilling the requirement for the minimum number of Members-Owners, as specified in the Internal Regulations.</p>	<b>12</b>
<b>4.5</b>	<p>Members will be admitted into the Assemblies, after presenting a letter establishing representation of a Member. A representative of a Member may represent and cast votes on behalf of the number of Members determined in the Internal Regulations, presenting the letters of representation for the Members represented.</p> <p>The maximum number of representations of Members that an individual may assume is determined by the Call to Participate for each Assembly.</p>	<b>12</b>
<b>4.6</b>	<p>At the beginning of each General Assembly, the proposal from the current Board of Directors for the Assembly's President and Secretary is submitted for approval. The role of the Assembly's President is to coordinate the General Assembly's due execution in accordance with the agenda and the by-laws. The role of the Assembly's Secretary is to assist the President in his/her functions, and to assign and supervise the tellers of the votes.</p> <p>The President and Secretary of the current Board of Directors may serve as the General Assembly's President and Secretary, but not necessarily. In any case, the appointment</p>	<b>12</b>

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	of the General Assembly's President and Secretary must be approved by the Members with the right to vote.	
4.7	Each Member present at the General Assembly, directly or through its official representative, will have the right to a single vote. Votes will be counted by the tellers.  At the beginning of each General Assembly, a list of Members will be established, or when applicable, a list of their delegates with voice and vote, to establish the total number of voters.	12
4.8	Members will not vote on the decisions in which they, their organization or company represented, their spouse, ascendants, descendants or brothers or sisters has/have a direct interest.  This may happen, for example, in the case of a vote for the admission or termination of a Member.	
4.9	Powers of absolute domain, requiring an agreement reached in an Extraordinary General Assembly, will be solely and exclusively granted by the General Assembly of Members [...].	14
	Decisions will be made by consensus, and when consensus is not reached, decisions will be made by the majority of votes cast by Members having the right to vote, as follows:	14
	a).- 75% of votes will be required for the Association's dissolution.	14
	b).- 75% of votes will be required as a minimum for executing acts of domain in relation to the Association's immovable property, to modify the Association's Constitution and to reform its By-laws.	14
	c).- 50% of the votes plus one will be required for any other matter.	14
	Prior to each vote, the President of the General Assembly should announce the percentage of votes in favor required for the proposition to be approved, in accordance with the stipulations in these by-laws.	14
	In the case of a tie, the vote will be repeated, after a reconsideration of the arguments. In the case of a second tie, the Association's President will have the casting vote.	14
4.10	An Extraordinary General Assembly must be held in the following cases <sup>7</sup> :	15
I	For the Association's dissolution.	15

<sup>7</sup> This clause and its subparagraphs correspond to a local obligatory legal provision. The law does not permit, among other things, that a Constitution or Legal By-laws be modified through an Ordinary General Assembly.

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

II	For execution of acts of domain in relation to the Association's immovable property.	15
III	For modification of the Association's Constitution.	15
IV	For reform of these by-laws.	15
V	When the Surveillance Committee convenes.	15
4.11	In these instances, an Extraordinary General Assembly will be convoked and the only points on the agenda will be the matters for which the Extraordinary General Assembly was convened.	15
4.12	The execution of the acts approved by the General Assembly of Members will be the responsibility of the Association's Board of Directors and the individual or committee expressly designed for specific cases.	15
4.13	The resolutions of the General Assembly will be recorded in the Acts Record Book and will be signed by the Assembly's President and Secretary, as well as by the members of the Surveillance Committee in attendance and by the Members who so desire. Members or their representatives may personally express their agreement or through a Letter of Attorney possessed by a representative.	15
5	<b>REGARDING THE BOARD OF DIRECTORS</b>	

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

5.1	<p>The Association’s administration will be entrusted to a Board of Directors composed of a PRESIDENT, VICE-PRESIDENT, SECRETARY, TREASURER and MEMBERS, all of whom will be elected by the General Assembly.</p> <p>The exact number of members and the rights granted to the different categories of Members, in terms of the number of seats on the Board of Directors, as well as the procedures for their appointments, are specified in the Internal Regulations and Annexes.</p> <p>Members-Owners have the right to a minimum of 66.67% of the seats and to cast 66.67% of the votes in the Board of Directors, as well as to fill the main positions (President, Vice-President, Secretary and Treasurer).</p> <p><i>Specifications:</i></p> <p>The <b>Board of Directors (BD)</b> is composed of representatives of the following Member categories, as follows:</p> <table><tr><th>POSITION</th><th>TYPE OF MEMBER</th></tr><tr><td>1. President</td><td>Owner</td></tr><tr><td>2. Vice-President</td><td>Owner</td></tr><tr><td>3. Secretary</td><td>Owner</td></tr><tr><td>4. Treasurer</td><td>Owner</td></tr><tr><td>5. Member</td><td>Owner</td></tr><tr><td>6. Member</td><td>Owner</td></tr><tr><td>7. Member</td><td>Solidarity B</td></tr><tr><td>8. Member</td><td>Solidarity B</td></tr><tr><td>9. Member</td><td>Solidarity B</td></tr></table>	POSITION	TYPE OF MEMBER	1. President	Owner	2. Vice-President	Owner	3. Secretary	Owner	4. Treasurer	Owner	5. Member	Owner	6. Member	Owner	7. Member	Solidarity B	8. Member	Solidarity B	9. Member	Solidarity B	16
POSITION	TYPE OF MEMBER																					
1. President	Owner																					
2. Vice-President	Owner																					
3. Secretary	Owner																					
4. Treasurer	Owner																					
5. Member	Owner																					
6. Member	Owner																					
7. Member	Solidarity B																					
8. Member	Solidarity B																					
9. Member	Solidarity B																					
5.2	<p>Board members will remain in their position for a period of time determined in the Internal Regulations, and may be re-elected, as specified in the Internal Regulations. Board members may be removed by the General Assembly at any time, and due to reasons determined in the By-laws, and when applicable, in the Association’s Internal Regulations. The Assembly is authorized to remove the entire Board of Directors or one or any number of its members and elect new Board members, as stipulated in the Internal Regulations.</p>	16																				

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

### *Specifications:*

1. For each General Assembly, the current Board of Directors will establish, in the Procedures for Appointing Positions, the distribution of the seats for Member-Owners from the different geographic regions in which Members are located at the time the Assembly is convoked, seeking an equitable representation based on the number of Members located in each region or sub-region, and endeavoring to achieve representativity for all the participating regions.
2. Appointments for representatives of the different types of Members to serve on the Board of Directors are made during each physical General Assembly.
3. Board members must meet the following requirements:
  - a. Be appointed by the represented Member to fill this position. The represented Member must have been certified or registered with the SPP at least one year earlier.
  - b. Possess the willingness, technical capacity and commitment to fulfill the responsibilities of the position, in line with the profile for the position as a Board member.
  - c. Be committed to the SPP's Declaration of Principles and Values and its Code of Conduct.
  - d. Have regular access to internet.
  - e. Not serve on FUNDEPPO's Surveillance Committee or Standards and Procedures Committee.
4. Efforts should be made to achieve a proportional representation of the population sectors represented, including: women, men, young people and older adults.
5. After Board members have been elected, the primary positions are determined through a direct vote by Members with the right to vote.
6. Board members are appointed for three-year terms, with the possibility of re-election of the same person, independently of the position filled on the Board. The same person may not serve on the Board for more than six consecutive years. However, after three years, the person may be elected again to serve on the Board.
7. Persons remaining on the Board for a new term will not necessarily fill the same position as during the previous period, as this falls within the Assembly's authority to determine.
8. Positions corresponding to representatives of Solidarity Members are also subject to an election every three years.
9. A person may only be elected to serve on the Board if he/she personally attends the General Assembly. If one person represents different Members, his/her appointment will be made in representation of the Member with which he/she has a direct link, as its leader, member or employee.



## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<p><b>10.</b> If a person is replaced in the middle of a term, the person taking his/her place will be appointed to only finish the term, although the appointment will count as a full term when calculating the maximum of three terms on the Board per person.</p> <p><b>11.</b> Board members may be dismissed for any of the following reasons:</p> <ul style="list-style-type: none"> <li>a. Voluntary resignation</li> <li>b. Unjustified absence at more than 50% of the sessions and consultations in a one-year period.</li> <li>c. Absence at 75% or more of the sessions and consultations in a one-year period, regardless of whether reasons are justified.</li> <li>d. When eligibility requirements are no longer met, such as when the Member represented no longer backs the Board member.</li> <li>e. Having failed to respect the Code of Conduct, as determined by the Dissents Committee, after actions have been denounced.</li> </ul> <p><b>12.</b> When a seat on the Board is vacated due to a dismissal, it will be filled by making a call for candidates and conducting a virtual vote in which the sector represented by the dismissed Board member will participate. The replacement will fill the same position on the Board as that filled by the person dismissed, except in the case of the President, who will be replaced by the Vice-President until the following physical General Assembly.</p> <p><b>13.</b> Representatives on the Board of Directors will have the obligation to look after the interests of the entire region and category of Members represented.</p> <p><b>14.</b> Before the General Assembly approves a person elected to serve on the Board of Directors, the person should express his/her interest, commitment, technical capacity and leadership for fulfilling the position with support from his/her Member organization.</p> <p><b>15.</b> Serving as a member of the Board of Directors is an honorary, non-remunerated position.</p> <p><b>16.</b> The Board of Directors has access to FUNDEPPO's financial reports and all other legal and operational documents.</p> <p><b>17.</b> The Board of Directors is required to present a financial and activities report at each General Assembly.</p> <p><b>18.</b> The Board of Directors appoints one of its members to serve as its representative and observer on the Standards and Procedures Committee.</p> <p><b>19.</b> The exact procedure for appointing persons to fill positions on the Board of Directors will be provided in the Procedures for Appointing Positions at each General Assembly.</p>	
5.3	Board members will not step down from their positions even when the term for which they were elected has ended, until new members take their respective positions.	16

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

<p><b>5.4</b></p>	<p>In compliance with the Association's objective, the Board of Directors will be granted the broadest powers for leadership, management and administration of the Association's matters [...] in order to, including but not limited to: A) Represent and respond to demands, make denouncements of criminal and agrarian matters [...]; B) Administer, safeguard and defend, carry out all types of actions, reclaim credits, enter into all types of contracts and work toward transforming documents into public deeds; C) Take its representation to all types of individuals and entities; state, municipal and federal authorities; ordinary, special, federal and tribunal courts at any level and jurisdiction, including conciliation and arbitration courts, and for criminal and other matters, monitoring all proceedings, incidents, instance and resources [...]; D) BANKING POWER, so that on behalf of and in representation of the Association, contracts are completed, and necessary applications are made for opening any type of account with any public or private banking institution, Mexican or foreign, for the issuance of business cards, checks, payment orders and any other legal instrument for making payments and achieving the Association's objective; E) Authorization of the Association's annual financial statements for their presentation to the General Assembly, and subsequent approval, in line with applicable fiscal law.</p> <p><i>Specifications:</i></p> <p>The Board of Directors has the following powers and responsibilities:</p> <ul style="list-style-type: none"> <li>a. Legal representation</li> <li>b. General representation</li> <li>c. Administration and finances</li> <li>d. Banking matters</li> <li>e. Monitoring of Agreements reached by the General Assembly</li> <li>f. Appointments to Executive Committees</li> <li>g. Authorization of annual Financial Statements for their presentation to the General Assembly</li> <li>h. Approval of operations reports</li> <li>i. Approval of annual Operations Plans</li> <li>j. Appointment of Executive Director</li> <li>k. Supervision of Operations</li> </ul>	<p><b>17</b></p>
<p><b>5.5</b></p>	<p>The Board of Directors must report its actions, management and administration periodically, at least every two years, to the Members convened in the General Assembly, and must present Financial Statements every year for their approval by the General Assembly, in accordance with the law.</p>	<p><b>18</b></p>

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

5.6	<p>The Board of Directors will make its decisions by consensus, and when consensus is not reached, by the majority of votes, and will only validly function with attendance by at least 60% of the members representing Members-Owners.</p> <p>In the case of a tie, the vote will be repeated, after a reconsideration of the arguments. In the case of a second tie, the Board President will have the casting vote.</p> <p>Specifications:</p> <ul style="list-style-type: none"> <li>a. In the case of intermediate electronic consultations, with confirmation of receipt, the absence of approval or feedback within the time established by the Board President will be interpreted as approval.</li> <li>b. The Terms of Reference of the Board of Directors may provide more details regarding its functioning, as long as Internal Regulations are respected.</li> </ul>	18
5.7	<p>The Board of Directors is only limited in the exercise of its functions and attributions in cases stipulated in Article 14 mentioned previously and in cases of real estate acquisitions, the constitution of pledge and mortgage guarantees and in contracts involving domain, cases in which previous approval by an Extraordinary General Assembly of Members will be necessary.</p>	19
5.8	<p>The Board of Directors may, for the execution of special tasks, designate the number of executive committees that will be necessary, with powers determined by the Board of Directors.</p>	19
5.9	<p>The Board of Directors will hold the number of sessions considered necessary, with a minimum established in the Internal Regulations, and at the location it chooses.</p> <p>The Board of Directors will meet periodically, physically or virtually, at least three times a year, complemented by occasional electronic consultations, to follow up on Agreements reached by the General Assembly, to exercise its powers and responsibilities, and to guarantee FUNDEPPO's adequate functioning.</p> <p>At one of its sessions, to be held during the first quarter of each year, the Board must review, and if applicable, approve the qualitative and financial report from the Executive Director's office.</p>	20
5.10	<p>The Board of Directors may provisionally approve the admission and termination of Members, presenting such for ratification at a General Assembly; it may recommend to the General Assembly that the Association merge with another Association, or it may recommend the separation from another Association or other Associations with which it has merged.</p>	20
5.11	<p>The invitations to Board of Director meetings will be made by written notices sent to the most recent address provided to the Board, as noted in the Board's record kept for this purpose.</p>	20

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	Notices will be sent by email. It is the Board member's responsibility to maintain FUNDEPPO's Operations Office informed of any change in contact information.	
<b>5.12</b>	<p>Procedures for electing the various members of the Board of Directors and the Surveillance Committee are approved by each General Assembly in which respective appointments are made, in accordance with the by-laws, and when applicable, the Association's Internal Regulations.</p> <p>The General Assembly will approve the Procedures for Appointing Positions for the specific assembly.</p>	<b>21</b>
<b>6</b>	<b>REGARDING THE SURVEILLANCE COMMITTEE</b>	
<b>6.1</b>	<p>In accordance with that stipulated in Article 7.903 of the Civil Code of the State of Mexico, Members have the right to see that quotas, other revenue and activities are dedicated to the aim proposed by the Association, and to this end, they may examine its accounting records and other documents at any time. For this reason, the General Assembly of Members appoints a <b>Surveillance Committee</b> that will be composed of a President, and if decided by the Assembly, one or two members who may or may not be Members of the Association, and that will be authorized to convoke an Extraordinary Assembly, through a unanimous vote by all of its members, when it considers it to be necessary.</p> <p>The Surveillance Committee functions in accordance with stipulations in the Internal Regulations.</p> <p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>The Surveillance Committee consists of: <ol style="list-style-type: none"> <li>President</li> <li>Member</li> <li>Member</li> </ol> </li> <li>The Surveillance Committee should be composed of a representative of each of the following Member categories: <ol style="list-style-type: none"> <li>Members-Owners (small producers' organizations)</li> <li>Solidarity B Members (final buyers)</li> <li>Solidarity C Members (allied civil entities), preferably representing the consumer sector.</li> </ol> </li> <li>The representative of the Members-Owners category will be the President of the Surveillance Committee.</li> <li>Members of the Surveillance Committee should meet the following requirements: <ol style="list-style-type: none"> <li>Enjoy full recognition of his/her work, experience, principles and values in the area of FUNDEPPO's objectives.</li> </ol> </li> </ol>	<b>22</b>

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<ul style="list-style-type: none"> <li>b. Be appointed by the represented Member to fill this position. The represented Member must have been certified or registered with the SPP at least one year earlier.</li> <li>c. Possess the willingness, capacity and commitment to fulfill the responsibilities of the position.</li> <li>d. Be committed to the SPP's Declaration of Principles and Values and its Code of Conduct.</li> <li>e. Have regular access to internet.</li> <li>f. Not serve on FUNDEPPO's Board of Directors or Standards and Procedures Committee.</li> </ul> <ol style="list-style-type: none"> <li>5. Efforts should be made to achieve a proportional representation of the population sectors represented, including: women, men, young people and older adults.</li> <li>6. The Surveillance Committee will be informed in a timely, appropriate manner regarding all meetings and decision-making processes involving the Board of Directors. To this end, the same information received by Board members will be provided to members of this Committee.</li> <li>7. The Surveillance Committee will have access to FUNDEPPO's financial reports and all other documents.</li> <li>8. The Surveillance Committee should participate as an observer in all virtual Board of Director meetings.</li> <li>9. Serving as a member of the Surveillance Committee is an honorary, non-remunerated position.</li> <li>10. In the case of physical meetings, FUNDEPPO should assure the physical participation of at least the President of the Surveillance Committee, or in his/her absence, the Vice-President. In these cases, the President or Vice-President will be responsible for subsequently informing the other Committee members if they were absent.</li> <li>11. The minimum quorum required for holding a Surveillance Committee meeting is attendance (virtual or physical) by two of its members.</li> <li>12. The Surveillance Committee must present an activities report at each General Assembly.</li> <li>13. The Surveillance Committee must hold at least one ordinary (virtual or physical) meeting each year, prior to the next General Assembly. It may also convoke intermediate extraordinary meetings. It may request operational and information support through FUNDEPPO's Board President for any meeting it holds.</li> <li>14. The Surveillance Committee will reach agreements by consensus, or when consensus is not achieved, by a majority of votes. Any decision to convoke an Extraordinary General Assembly must be made with 100% of the votes.</li> <li>15. If a member of the Surveillance Committee fails to participate in obligatory meetings on more than two consecutive occasions or no longer fulfills the necessary requirements for the position, such as by losing the support of the Member represented at the time of his/her appointment or by violating FUNDEPPO's Code of Conduct, the Board of Directors will convene an electronic voting process among</li> </ol>	
--	---	--

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<p>Members-Owners to replace such a member for the rest of the term for the position held.</p> <p>16. Appointments of Surveillance Committee members are for three-year terms, with the possibility of re-election, independently of the position on the Committee held. The same person may not serve on the Surveillance Committee for more than six consecutive years. However, after three years, he/she may be selected to serve on the Committee again.</p> <p>17. Persons remaining on the Surveillance Committee for a new period will not necessarily fill the same position as during the previous period, as this falls within the Assembly's authority to determine.</p> <p>18. The Terms of Reference of the Surveillance Committee may provide more details regarding its functioning, as long as Internal Regulations are respected.</p>	
<b>7</b>	<b>REGARDING OBLIGATIONS OF THE BOARD OF DIRECTORS, COMMITTEES AND EXECUTIVE DIRECTOR</b>	
<b>7.1</b>	<p>It is the obligation of the Association's <b>PRESIDENT</b> to convoke and direct the Board of Directors to oversee the Association's proper functioning and to facilitate the various proceedings with official administrative and legal departments that are necessary or convenient for the Association's signature.</p> <p>When an emergency or immediate decision is required, the <b>PRESIDENT</b> of the Board of Directors may make a decision in the framework of the Agreements reached by the General Assembly and/or the Board of Directors, without exceeding the general powers of the Board of Directors.</p> <p>The Association's Internal Regulations may assign specific or complementary functions to the <b>PRESIDENT</b>.</p> <p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>1. The Association's President maintains periodic virtual or physical meetings with the Association's Executive Director to be informed of FUNDEPPO's activities on an ongoing basis and to sometimes provide orientation within the framework of decisions made by the Board of Directors and/or the General Assembly.</li> <li>2. When considered necessary, the President will involve the rest of the Board of Directors.</li> <li>3. When the need to make emergency or immediate decisions presents itself, the <b>PRESIDENT</b> should inform the Board of Directors in this regard at its next meeting.</li> </ol>	<b>23</b>
<b>7.2</b>	<p>The <b>VICE-PRESIDENT</b> of the Association's Board of Directors is required to assist the <b>PRESIDENT</b> and take his/her place when he/she is temporarily absent.</p> <p>The Association's Internal Regulations may assign specific or complementary functions to the <b>VICE-PRESIDENT</b>.</p> <p><i>Specifications:</i></p>	<b>24</b>

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<ol style="list-style-type: none"> <li>1. The VICE-PRESIDENT should be informed of the matters being addressed by the PRESIDENT in the exercise of his/her functions.</li> <li>2. The VICE-PRESIDENT should respond to any requests by the PRESIDENT to share responsibilities or activities in the exercise of his/her functions.</li> </ol>	
<b>7.3</b>	<p>It will correspond to the <b>TREASURER</b> of the Association's Board of Directors to supervise the proper administration of resources and the reliability of the Association's accounting system, in accordance with decisions made by the General Assembly and by the Board of Directors and in correspondence to the Association's by-laws, and when applicable, Internal Regulations.</p> <p>The Association's Internal Regulations may assign specific or complementary functions to the <b>TREASURER</b>.</p> <p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>1. The <b>TREASURER</b> of the Board of Directors should receive monthly financial reports and has the right to any respective clarification.</li> <li>2. The <b>TREASURER</b> should review the annual financial report, prior to its approval by the Board of Directors. This review may be virtual, or when the economic means are available, as determined by the Board of Directors, such review may take place in FUNDEPPO's central administrative office.</li> <li>3. The <b>TREASURER</b> should report any abnormality detected to the rest of the Board and to the Surveillance Committee.</li> </ol>	<b>25</b>
<b>7.4</b>	<p>The Association's accounting system will be carried out in records duly authorized, and will cover an annual cycle from January to December, with the exception of the first year when it will begin from the date of the signing of this writing.</p>	<b>26</b>
<b>7.5</b>	<p>It is the obligation of the <b>SECRETARY</b> of the Association's Board of Directors to guarantee the correct recording of the minutes of Agreements reached by the General Assemblies held, in the respective files, and to keep a registry of Members in the authorized file.</p> <p>The Association's Internal Regulations may assign specific or complementary functions to the <b>SECRETARY</b>.</p> <p><i>Specifications:</i></p> <ol style="list-style-type: none"> <li>1. The Minutes of Agreements for each General Assembly should be approved during each Assembly session.</li> <li>2. The Minutes for Board of Directors meetings are approved by all Board members in a maximum of two rounds of reviewing drafts. When there are disputes regarding the contents of the Minutes, the Board Secretary will seek to generate a new consensus, and when necessary, place the issue in question to an electronic vote.</li> <li>3. The due process of compiling agreements, and preparing and approving the Minutes for the Assembly and the Board of Directors is carried out and supervised by the Secretary.</li> </ol>	<b>27</b>



## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

7.6	It is the obligation of BOARD MEMBERS to assist in the tasks entrusted to them by the Assembly and the Board, and potentially, by the Internal Regulations.	28																		
7.7	<p>Fees paid by Members will be deposited, in all cases, in the banking institution agreed upon.</p> <p>The Board of Directors should authorize the opening of any of FUNDEPPO’s banking accounts.</p>	29																		
7.8	<p>The Association will, in its Internal Regulations, agree upon any amounts of resources that members of the Association’s various decision-making bodies may receive for services provided.</p> <p>Positions in FUNDEPPO’s decision-making bodies are honorary, that is, non-remunerated, in nature.</p>	30																		
7.9	<p>The functioning of any Committees appointed by the General Assembly of the Board of Directors will be defined in the Association’s Internal Regulations.</p> <p>The budgets and decisions of Committees will be supervised by the Board of Directors. When decisions made by these Committees intervene directly in the Association’s Social Objective, they will be subject to ratification by the General Assembly.</p>	31																		
7.10	<p>The General Assembly appoints a Standards and Procedures Committee with the following characteristics:</p> <ol style="list-style-type: none"><li>Members-Owners will fill the primary positions (President and Vice-President) of the Standards and Procedures Committee, and will have the right to 66.67% of the positions.</li><li>The Standards and Procedures Committee is composed of the following positions:</li></ol> <table><tr><th>Position</th><th>Member Category</th></tr><tr><td>1. President</td><td>Owners</td></tr><tr><td>2. Vice-President</td><td>Owners</td></tr><tr><td>3. Member</td><td>Owners</td></tr><tr><td>4. Member</td><td>Owners</td></tr><tr><td>5. Member</td><td>Owners</td></tr><tr><td>6. Member</td><td>Owners</td></tr><tr><td>Member</td><td>Solidarity B</td></tr><tr><td>Member</td><td>Solidarity B</td></tr></table>	Position	Member Category	1. President	Owners	2. Vice-President	Owners	3. Member	Owners	4. Member	Owners	5. Member	Owners	6. Member	Owners	Member	Solidarity B	Member	Solidarity B	31
Position	Member Category																			
1. President	Owners																			
2. Vice-President	Owners																			
3. Member	Owners																			
4. Member	Owners																			
5. Member	Owners																			
6. Member	Owners																			
Member	Solidarity B																			
Member	Solidarity B																			



## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

Member	Solidarity C (Preferably representing the consumer sector)	<ol style="list-style-type: none"> <li>3. If the Members category has more than one representative, the distribution of representatives will be based on “groups by product,” in line with the proportional distribution of the number of Members by groups of products at the point in time, will be part of the Procedures for Appointing Positions for each Assembly, subject to review and approval by this Assembly.</li> <li>4. Members of the Standards and Procedures Committee must meet the following requirements: <ol style="list-style-type: none"> <li>a. Be appointed by the represented Member to fill this position. The represented Member must have been certified or registered with the SPP at least one year earlier.</li> <li>b. Possess the willingness, capacity and commitment to fulfill the responsibilities of the position.</li> <li>c. Be committed to the SPP’s Declaration of Principles and Values and its Code of Conduct.</li> <li>d. Not serve on FUNDEPPO’s Board of Directors of Surveillance Committee.</li> </ol> </li> <li>5. Appointments for members of the Standards and Procedures Committee are for three years, with the possibility of re-election for the same person, regardless of his/her position on the Committee. The same person may not serve on the Standards and Procedures Committee for more than six consecutive years. After a three-year break, the person may be elected once again to the Committee.</li> <li>6. Persons remaining on the Standards and Procedures Committee for a new period will not necessarily fill the same position as during the previous period, as this falls within the Assembly’s authority to determine.</li> <li>7. Efforts should be made to achieve a proportional representation of the population sectors represented, including: women, men, young people and older adults.</li> <li>8. The Standards and Procedures Committee will meet periodically, physically or virtually, at least three times a year, complemented by occasional electronic consultations, to follow up on Agreements reached by the General Assembly, to exercise its powers and responsibilities, and to guarantee the adequate functioning of FUNDEPPO’s system of Standards and Procedures for certification and for the use of the Small Producers’ Symbol.</li> <li>9. The minimum quorum required for holding a Standards and Procedures Committee meeting is attendance (virtual or physical) by more than 50% of all the Committee’s members, with the condition that more than 60% of those in attendance are members representing Members-Owners.</li> <li>10. The Standards and Procedures Committee will make its decisions by consensus, and when consensus is not reached, by the majority of votes.</li> <li>11. In the case of intermediate electronic consultations, with confirmation of receipt, the absence of approval or feedback within the time established by the Committee’s President will be interpreted as approval.</li> </ol>
--------	--	---

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

- 12.** The Standards and Procedures Committee has access to all documents in FUNDEPPO's system of Standards and Procedures for certification and for the use of the Small Producers' Symbol.
- 13.** The Standards and Procedures Committee has access to the minutes of agreements reached by the Board of Directors.
- 14.** Serving as a member of the Standards and Procedures Committee is an honorary, non-remunerated position.
- 15.** The Standards and Procedures Committee should present occasional consultations on issues directly involving the Social Objective to all Members during the General Assembly, or in the case of urgent matters, through a virtual consultation, as in the case of proposals for changes in the general definition of a small producers' organization.
- 16.** If a person is replaced in the middle of a term, the person taking his/her place will be appointed to only finish the term, although the appointment will count as a full term when calculating the maximum of three terms on the Committee per person.
- 17.** Members of the Standards and Procedures Committee may be dismissed for any of the following reasons:
  - a. Voluntary resignation
  - b. Unjustified absence at more than 50% of the sessions and consultations in a one-year period.
  - c. Absence at 75% or more of the sessions and consultations in a one-year period, regardless of whether reasons are justified.
  - d. When eligibility requirements are no longer met, such as when the Member represented no longer backs the Board member.
  - e. Having failed to respect the Code of Conduct, as determined by the Dissents Committee, after actions have been denounced.
- 18.** When a position on the Committee is vacated due to a dismissal, it will be filled by making a call for candidates and conducting a virtual vote in which the sector represented by the dismissed Committee member will participate. The replacement will fill the same position on the Committee as that filled by the person dismissed, except in the case of the President, who will be replaced by the Vice-President until the following physical General Assembly.
- 19.** Representatives on the Standards and Procedures Committee will have the obligation to look after the interests of the entire region and category of Members represented.
- 20.** If a member of the Standards and Procedures Committee fails to participate in obligatory meetings on more than two consecutive occasions or no longer fulfills the necessary requirements for the position, such as by losing the support of the Member represented at the time of his/her appointment or by violating FUNDEPPO's Code of Conduct, the Board of Directors will convene an electronic voting process among Members in the same category, and if applicable, among the Products Group that appointed him/her at the time, to replace such a member for the rest of the term for the position held.

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<p><b>21.</b> The President of the Standards and Procedures Committee is responsible for authorizing the agendas for Committee meetings and for the occasional electronic consultations.</p> <p><b>22.</b> The President also presides over all Committee sessions, except when a conflict of interest presents itself.</p> <p><b>23.</b> The Vice-President carries out the President's functions in the case of the latter's absence or when a conflict of interest presents itself.</p> <p><b>24.</b> FUNDEPPO's Operations Team takes on the function of serving as the Secretariat for the Standards and Procedures Committee, as proposed by and under the responsibility of the Executive Director.</p> <p><b>25.</b> The Secretariat makes preparations for the meetings of the Standards and Procedures Committee, with the necessary information and respective proposals with their corresponding substantiation, and also prepares the drafts of the minutes from meetings.</p> <p><b>26.</b> The Annual Work Plan for the Committee is prepared by the Committee, and must have backing from the Board of Directors. The Board has the power to make modifications in this work plan.</p> <p><b>27.</b> The Standards and Procedures Committee functions within the framework of the existing Procedures for the Definition of Standards and Procedures.</p> <p><b>28.</b> The Standards and Procedures Committee may accept different observers, without the right to vote, at its sessions, as long as they are previously accepted by the Committee's President. Such observers may only speak if granted approval from the Committee's President.</p> <p><b>29.</b> FUNDEPPO's Board of Directors has a permanent observer with the right to speak but not vote at the sessions of the Standards and Procedures Committee.</p> <p><b>30.</b> The Terms of Reference of the Standards and Procedure Committee may provide more details regarding its functioning, as long as Internal Regulations are respected.</p>	
<b>7.11</b>	<p>The <b>Dissents Committee</b> has the following characteristics:</p> <ol style="list-style-type: none"> <li>1. It is an ad hoc committee that functions only on the basis of needs.</li> <li>2. It is composed of the following members of the acting Board and respective Committees: <ol style="list-style-type: none"> <li>a. President of the Surveillance Committee</li> <li>b. President of the Standards and Procedures Committee</li> <li>c. President of the Board of Directors</li> </ol> </li> <li>3. It will function in accordance with the Dissents Procedures approved by the Standards and Procedures Committee and the Board.</li> <li>4. The Dissents Committee will be assisted by FUNDEPPO's Operations Team in preparing information, files and reports on cases to be reviewed by this committee.</li> <li>5. This Dissents Committee may delegate non-controversial matters to the Operations Team, which is under the Executive Director's responsibility, with clear procedures</li> </ol>	<b>31</b>

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	<p>and criteria consistently defined for the selection and review of these cases, and with supervision over the quality of the work guaranteed by the committee.</p> <p>6. The Terms of Reference of the Dissents Committee may provide more details regarding its functioning, as long as Internal Regulations are respected.</p>	
<b>7.12</b>	<p>The Board of Directors will appoint an <b>Assistance and Promotion Committee</b> with the following functions:</p> <ol style="list-style-type: none"> <li>1. Design and definition of the SPP's and FUNDEPPO's communication policies and strategies and general positions.</li> <li>2. Supervision of the execution of communication policies and strategies and positioning at the various levels of SPP-FUNDEPPO.</li> <li>3. Preparation of proposals for Strategic Alliances aimed at enhancing the scope and strength of SPP-FUNDEPPO and its members.</li> </ol> <p>The <b>Assistance and Promotion Committee</b> will report to the Board of Directors and should be presided over by a representative of a Member-Owner.</p> <p>The <b>Board of Directors</b> will develop the specific Terms of Reference for this Committee's functioning.</p>	<b>31</b>
<b>7.13</b>	<p>The <b>SPP Assistance Fund Committee</b> has the following characteristics:</p> <ol style="list-style-type: none"> <li>1. It is an ad hoc committee that functions only on the basis of needs.</li> <li>2. It is composed of the following members: <ol style="list-style-type: none"> <li>A. A representative of Members-Owners</li> <li>B. A representative of Solidarity Members</li> </ol> </li> <li>3. Members of the SPP Assistance Fund Committee are appointed by FUNDEPPO's Board of Directors for a three-year period, and may be re-elected once, for a maximum of six consecutive years on the Committee. After three-year break, a person may be selected once again for this Committee.</li> <li>4. Members of the SPP Assistance Fund Committee must meet the following requirements: <ol style="list-style-type: none"> <li>a. Be appointed by the represented Member to fill this position. The represented Member must have been certified or registered with the SPP at least one year earlier.</li> <li>b. Possess the willingness, capacity and commitment to fulfill the responsibilities of the position.</li> <li>c. Have regular access to internet.</li> <li>d. Not serve on any other FUNDEPPO body.</li> </ol> </li> <li>5. The primary function to be fulfilled by members of the SPP Assistance Fund Committee is the qualitative review of requests for assistance, following a technical review conducted by FUNDEPPO's Operations Team.</li> <li>6. The Terms of Reference of the SPP Assistance Fund Committee may provide more details regarding its functioning, as long as Internal Regulations are respected.</li> </ol>	

## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

7.14	<p>The functions of the Executive Director appointed by the Board of Directors are:</p> <ol style="list-style-type: none"> <li>1. Execute the operations corresponding to the resolutions agreed upon by the Board of Directors and General Assemblies of Members.</li> <li>2. Execute the Association's operations and administration. The Executive Director is responsible for hiring the work team and temporary service providers, and will inform the Board of Directors of all hiring and termination of personnel, without affecting the powers granted to the Board of Directors, as previously indicated, for intervening in the hiring of all personnel.</li> <li>3. Present the bi-annual Strategic Plan to the Board of Directors for its approval.</li> <li>4. Present the annual operations plan and annual budget of revenue and expenses for the following year to the Board of Directors, for its consideration and approval.</li> <li>5. Manage the revenue necessary for fulfilling Operations Plans, in collaboration with the Board of Directors.</li> <li>6. Manage the Association's economic and material resources and assets, and maintain the accounting and other legal records and notarial registries up to date, as required by the Association, as well as its correspondence and files.</li> <li>7. The Executive Director is the Association's legal representative, granted the necessary powers for acts of administrative and for lawsuits and collections. The Executive Director is authorized to open and manage checking accounts, carry out administrative tasks, and maintain notarial registries, on behalf of and for the benefit of the Association, and grant powers for acts of administration and for lawsuits and collecting from individuals.</li> <li>8. The Executive Director is authorized to grant specific or general powers to third parties for the purpose of carrying out acts of administration and lawsuits and collections, open and manage checking accounts, carry out administrative tasks and maintain notarial registries on behalf of and for the benefit of the Association.</li> </ol> <p>The Executive Director may be terminated or replaced by the Board of Directors, in an ordinary or extraordinary meeting, at any time the Board makes such a decision. The Executive Director will not lose his/her powers when there are changes in Board members, unless the new Board of Administration makes a decision to the contrary.</p>	32
8	<b>REGARDING DISSOLUTION</b>	
8.1	The Association will be dissolved in the cases stipulated by Law.	33
	I. By agreement of the General Assembly.	
	II. For having concluded the time period specified for its duration.	
	III. For having achieved its objective.	



## SPP-FUNDEPPO Internal Regulations

IV General Assembly 29-April-2015

Approved Version

	IV. For having become incapable of achieving the purposes for which it was constituted.	
	V. By a resolution dictated by the corresponding authorities, declared final and executory.	
8.2	In the case of dissolution, the Assembly will not be able to distribute its remaining social assets, whether in kind or in cash, among Members, in proportion to their contributions, however it will be able to see that the Association's assets or goods are applied to a different Foundation or Association having a similar objective or to authorized entities for receiving non-taxable donations that are registered with the Federal Registry of Civil Society Organizations, and to the contrary, may opt to merge with a compensatory title.	34
8.3	The General Assembly will appoint, when applicable, one or more than one liquidators, granting them the necessary powers to carry out the tasks to which they are assigned.	35