

BYLAWS

COLOMBIAN COFFEE GROWERS FEDERATION

(Logo reads:

Colombian Coffee Growers Federation -
90 years - Living coffee, sowing future.)

Colombian Coffee Growers Federation

2017

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Contents

CHAPTER I	4
NAME, STATUTORY NATURE, TERM AND DOMICILE	4
CHAPTER II	4
PURPOSE AND FUNCTIONS	4
CHAPTER III	6
FEDERATED COFFEE GROWERS	6
CHAPTER IV	7
RIGHTS AND OBLIGATIONS OF FEDERATED COFFEE GROWERS AND TRADE ORGANIZATION REPRESENTATIVES	7
CHAPTER V	8
BODIES OF THE FEDERATION	8
CHAPTER VI	9
NATIONAL COFFEE GROWERS CONGRESS	9
CHAPTER VII	11
NATIONAL COFFEE GROWERS COMMITTEE	11
CHAPTER VIII	12
STEERING COMMITTEE	12
CHAPTER IX	13
GENERAL MANAGEMENT	13
CHAPTER X	15
DEPARTMENTAL COMMITTEES OF COFFEE GROWERS	15
CHAPTER XI	17
MUNICIPAL COMMITTEES	17
CHAPTER XII	18
ELECTIONS	18
CHAPTER XIII	20
FNC FUNDS	20
CHAPTER XIV	21
BUDGET	21
CHAPTER XV	21
AUDIT	21
CHAPTER XVI	22
INABILITIES, INCOMPATIBILITIES, PROHIBITION AND CONFLICTS OF INTEREST	22
CHAPTER XVII	24
DISSOLUTION AND LIQUIDATION	24
CHAPTER XVIII	24
DISCIPLINARY COURT	24

(CERTIFIED TRANSLATION OF A DOCUMENT WRITTEN IN SPANISH)

CHAPTER XIX 26

 CODE OF ETHICS AND GOOD GOVERNANCE 26

CHAPTER XX 26

 GENERAL PROVISIONS 26

COLOMBIAN COFFEE GROWERS FEDERATION

BYLAWS

CHAPTER I

NAME, STATUTORY NATURE, TERM AND DOMICILE

ARTICLE 1. The Colombian Coffee Growers Federation, also known by the acronym FNC, is a non-profit, private law, legal organization, with a professional and federation status. It is comprised by the country's federal coffee growers who accredit their membership with a coffee grower ID, in compliance with the formalities and requirements established by the National Coffee Growers Congress, the Steering Committee and these bylaws.

The Colombian Coffee Growers Federation has its domicile in the city of Bogotá D.C. and has been incorporated for an indefinite term, notwithstanding the fact that it can be dissolved and liquidated pursuant to legal provisions and these bylaws.

ARTICLE 2. The Colombian Coffee Growers Federation is a democratic, participative, pluralistic, multiethnic and multicultural, deliberate and non-partisan organization whose mission is to encourage and promote the prosperity and the general interest of coffee growers as its priority.

CHAPTER II

PURPOSE AND FUNCTIONS

ARTICLE 3. The Colombian Coffee Growers Federation has the purpose of guiding, organizing and promoting Colombian coffee plantations, and to foster their profitability, sustainability and global competitiveness, striving for the well-being of coffee growers through mechanisms of collaboration, participation and social, economic, scientific, technological, environmental, industrial or commercial development, with an aim to maintain a strategic social equality for coffee growing in Colombia.

ARTICLE 4. The following are the roles of the Colombian Coffee Growers Federation to achieve its mission:

- a) Defending the rights of Colombian coffee growers and representing their interests.
- b) Ensuring that macroeconomic and sector policies benefit the coffee grower.
- c) Devising programs and projects in order for coffee growers to achieve levels of competitiveness that will enable them to maintain appropriate standards of living. This includes promoting economic, education and social development programs, in addition to programs that supplement their income.
- d) Entering into agreements or contracts with the National, Departmental or Municipal Government and other public or private, national or international entities to pool efforts geared towards the administration, execution and management of investment programs, civil works, projects, taxes, standards, controls, provision of services, advertising and all things that work towards the benefit coffee growers.
- e) Entering into agreements or contracts with similar organizations in other producing countries, as well as international institutions, non-governmental organizations and private companies aiming to protect coffee growers' income and promoting coffee growing and coffee consumption, in addition to the implementation of advertising and coffee trading.
- f) Establishing trust funds or the most suitable arrangements with national or international entities to finance activities associated with coffee growers and the coffee industry in general.

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- g)** Providing rural extension and technical support services to coffee growers in order to improve the productivity of their coffee crops and ensure income improvement pursuant to the specific regulations adopted by competent bodies.
- h)** Supporting research on coffee growing, the transfer of technology, coffee processing and marketing, with an aim to achieve environmental preservation and natural resource conservation in all cases.
- i)** Exercising purchase guarantees pursuant to the terms set forth by regulations and the current National Coffee Fund Management Contract
- j)** Disseminating technical progress and the corresponding coffee-growing information, benefits, transformation and coffee trade among coffee growers.
- k)** Supporting coffee producers by creating schemes to facilitate the acquisition, sale, loan, lease or distribution of necessary or useful elements in coffee plantations.
- l)** Organizing, managing, executing and promoting infrastructure and works of common use that favor coffee growing in the country, whether directly or indirectly.
- m)** Organizing, participating, managing or promoting, according to legal and market limitations, using its own public or private resources, or by engaging coffee organizations or official or private entities in Colombia or abroad, as well as trading institutions or companies dedicated to the purchase, sale, distribution and transformation of coffee into all of its components, and disseminating coffee consumption. In addition, organizing, participating in, managing or promoting general coffee storage, logistics companies, warehousing, coffee processing plants, trading companies, agricultural supply stores, cooperative institutions, solidarity or associative institutions, coverage schemes and risk management to facilitate the coffee trade, coffee roasting and threshing, profit centers and other complementary crops. The foregoing has the purpose of improving profitability and quality of life for coffee growers and their family, as well as reducing production costs for greater marketing efficiency and to improve the quality of the coffee.
- n)** Fostering the creation, procurement and development of institutions for the promotion, sale, commissioning, intermediation, transformation, and deposit of coffee domestically and abroad. Managing or participate in the various markets to boost the coffee trade.
- o)** Contributing, organizing and maintaining an active and appropriate advertising of Colombian coffee domestically and abroad, seeking to create greater recognition and added value for coffee growers and promoting an increase in coffee consumption.
- p)** Purchasing, processing and selling coffee it in the national and international markets, seeking profitability for the coffee growers.
- q)** Monitoring the global coffee industry, its agents, producing countries, and all national or international aspects relevant to the development of the Colombian coffee industry in general.
- r)** Monitoring the coffee industry and maintaining the trade organization continually informed, in its various instances and observing legal limitations, of activity in the main coffee markets, stocks or sales in the most important distribution centers or global consumption centers, and coffee production forecasts. Generally speaking, the Federation must keep its members informed of the behavior of economic, social and productive variables that affect the industry and anything which may seem suitable to reach its mission, in addition to legal and contract obligations with the National Government when required.
- s)** Recording coffee grower's statistics, coffee plantations, production and costs, productivity, social indicators and all coffee-related activities that may serve to adequately meet the purpose and roles of the Federation in general and ensure that it is continually up to date.
- t)** Encouraging, supporting and strengthening the establishment of complementary industries or industries that seek to increase coffee growers' income.

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- u) Acquiring bonds or loans with national or foreign entities, considering government and statutory provisions and the contracts entered into with the National Government, if any, and providing the all relevant guarantees.
- v) Ensuring, with its own or third party's resources, which may be public or private, the improvement and update of the physical and social infrastructure that is essential to achieve and improve the social, educational and economic development of the population in coffee-growing areas.
- w) Contributing to analysis to ensure that comprehensive, public, social protection policies for coffee growers are established using the most suitable means.
- x) Incorporating foundations or non-profit associations to improve or provide services to Federation members, such as those that support education and environmental conservation, access to social protection, and access to water and essential services for water source conservation, among others.
- y) Investing continuously in assets associated with the industry and activities concerning coffee. Making temporary investments, under the appropriate profitability, security and liquidity conditions, in order to receive the benefits and yields that guarantee the soundness of Federation assets, in addition to enabling it to manage programs for the benefit of its members and the well-being of its workers in a timely and adequate manner.
- z) Pursuing all types of legal actions or businesses that allow for their, including the acquisition and disposal of all kind of assets.

PARAGRAPH. The Federation is authorized to manage the National Coffee Fund, by legal decision and by the powers granted by law, due to the fact that it is a national entity in Colombia that represents the coffee trade organization.

Due to their condition, coffee growers will have universal and indiscriminate access to public goods with purchase guarantee, research and outreach regarding the services offered by the National Coffee Fund and the Federation.

CHAPTER III

FEDERATED COFFEE GROWERS

ARTICLE 5. Federated coffee growers include coffee growers, owners or property holders that meeting the following criteria and who have a coffee grower ID issued by the Federation:

- a) The coffee plantation area is equal to or greater than half (0.5) a hectare.
- b) The area indicated paragraph a) has at least one thousand five hundred planted (1.500) coffee trees.

The coffee grower will submit the request for the coffee grower ID at the corresponding Departmental Committee, according to where the coffee plantation is located, which will be issued by the Federation.

Technical Management or whoever is acting on its behalf will certify compliance with the requirements established hereby based on the Coffee Information System- (SICA, Sistema de Información Cafetera), whereby the abovementioned requirements will be reviewed periodically pursuant to the proceeding set forth in relevant regulations.

Compliance with the abovementioned requirements will be required for the issuance of any coffee grower ID or for the renewal thereof.

Any coffee grower who ceases to meet the requirement established hereby at any given time shall lose its federated coffee grower status, and will consequently lose its status as voting a member in any of the Federation bodies. Similarly, losing the status of federated coffee grower will lead to representation to become unauthorized pursuant to the provisions set forth in Paragraph 2, Article 6. In either case, the General Secretariat shall proceed to cancel the coffee grower ID with prior approval from Technical Management.

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ARTICLE 6. In addition, coffee growers can become federated coffee growers if they meet the requirements set forth in Article 5 and the criteria below:

- a) Legal entities whose main purpose is coffee production. Coffee grower IDs shall be issued to the legal representative or natural person appointed by the corresponding body, and done so expressly for representation and to exercise the rights of federated coffee growers.
- b) Communities, illiquid successions and de facto associations who own coffee farms. Coffee grower IDs are granted to the natural persons that are appointed, in writing, by co-owners, successors or partners to act as representatives and to execute the rights given to members.
- c) Indigenous reservations and collective properties of communities protected by Law. Coffee grower IDs will be granted to the natural persons appointed by their own authorities and based on their own regulations.
- d) Natural persons who have used a property directly for over 5 years under a lease agreement entered into by public deed or by a private document issued before a notary public or who benefit from the property by public deed, with the prior resignation to trade organization rights over the property under consideration by the previous owner.

PARAGRAPH 1. The Steering Committee will regulate any other property method or agreement that may be foreseen in future regulations. Such an action implies real land and coffee growing root for the purposes in order to facilitate the corresponding registration.

PARAGRAPH 2. Federated coffee growers shall authorize the issuance of coffee grower IDs to their spouses or permanent companions, or to one of their children, who must be of legal age and must be using the corresponding coffee-growing property. In such case, exercising the rights granted to federated coffee growers will be the exclusive capacity respective beneficiary, which shall be done upon the resignation of said rights on the part of the cardholder. The Steering Committee will further regulate the matter.

ARTICLE 7. Coffee grower information, personal information and documents related to their coffee-related activities, living conditions and other confidential information will be protected pursuant to the provisions set forth in Law 1581, 2012 and decree 1377, 2013, and any other regulations that may modify or supersede the foregoing. Disposal, exchange, correction and revision, among others, will require consent by the owner, who may execute the rights over such information under the terms established by applicable Law. The Federation, under the limitations set forth by the Constitution and by Law, shall share such information when cardholders, assignees, legal representatives and any public or administrative entities are required to do so by court order, third parties authorized by the owner or by Law, in the exercise of their legal roles. The Federation shall also guarantee any use to be in the coffee grower's benefit at all times and in due compliance with the purpose and coffee-related policies of the Federation, which includes support, benefits and additional rights that both the National Government and the applicable management agreement of the National Coffee Fund have established for coffee growers.

CHAPTER IV

RIGHTS AND OBLIGATIONS OF FEDERATED COFFEE GROWERS AND TRADE ORGANIZATION REPRESENTATIVES

ARTICLE 8. The Federation, through the various government bodies, acknowledges, among others, the following rights in favor federated coffee growers:

- a) Choosing their representatives in the Coffee Committees pursuant to the present bylaws.
- b) Being selected as members of Departmental or Municipal Coffee Growers' Committees pursuant to these bylaws.
- c) Requesting and receiving the relevant information concerning the exercise of their obligations in a timely manner pursuant to any legal limitations.
- d) Authorizing the granting coffee grower IDs pursuant to bylaws Paragraph 2 of Article 6 and internal Federation regulations.
- e) Having access to programs conducted by the Federation pursuant to its regulations and requirements.

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- f) Being heard by their trade organization representatives in order to find a solution to any issues that may arise or contribute to develop results that will benefit the families of coffee growers. The Federation and the Departmental Committees shall establish the mechanism for such right to be exercised in a regular and effective manner.

ARTICLE 9. Federated coffee growers shall abide by the legal and statutory provisions, and by the regulations and guidelines provided, acting with loyalty and honesty towards coffee growers and the Federation. They shall refrain from performing or participating in any actions or conducts that could compromise the interests of the Federation in particular, its values, roles and objectives, as well as its reputation, legitimacy or any instance that may involve the disclosure of classified information.

Federated Coffee Growers shall update their corresponding coffee grower's information in a timely manner, so that any relevant change can be registered in a timely manner in order for their rights to be exercised. Furthermore, they shall return their coffee grower ID if they fail to meet the requirements for being a Federated coffee grower.

ARTICLE 10. In order to fully comply with the inherent roles of their positions, trade organization representatives have the following rights:

- a) To have access to any available necessary and relevant information to properly fulfill their functions, according to legal limitations.
- b) To receive requests to attend the various meetings and sessions pursuant to any bylaws and regulations that may be issued for such purposes.
- c) To receive the Federation's support to exercise their roles and make decisions.

ARTICLE 11. Trade organization representatives shall act in good faith, with loyalty, honesty and diligence. They carry out their activities in the defense of the coffee grower's trade organization and take into account the best interest of federated coffee growers. In order to perform their roles they shall:

- a) Ensure full compliance with legal and statutory provisions.
- b) Maintain and protect commercial union and industry stock.
- c) Refrain from misusing insider information or sharing it with third parties that have no right to such information.
- d) Give fair treatment to Federated coffee growers and respect their corresponding right to information and inspection in accordance with the limitations established by law.
- e) Refrain from participating directly or through an intermediary in personal or third parties interests, activities that would imply unfair competition within the institutions of the union, the Federation or the Coffee trade, or any other activities or decisions which may imply a conflict of interest.
- f) Make proper use of the Federation and coffee growers' property and assets.
- g) Embrace their decisions by taking into account the principles, values, and ethical guidelines set forth in the Ethics and Good Governance Code.

CHAPTER V

BODIES OF THE FEDERATION

ARTICLE 12. The governance and direction of the Federation for shall be executed by the following bodies at the different level of hierarchy:

- a) The National Coffee Growers Congress.
- b) The National Coffee Growers Committee.
- c) The Steering Committee.
- d) The Departmental Coffee Growers Committees.
- e) The Municipal Coffee Growers Committee.

CHAPTER VI

NATIONAL COFFEE GROWERS CONGRESS

ARTICLE 13. The highest level of management in the Federation is the competence of the National Coffee Growers Congress, which shall customarily meet by in the city of Bogota by its own right during the last two months of each year, at the date established by the Steering Committee. Regular sessions shall last as long as considered appropriate by the Congress and shall be postponed if deemed necessary through an absolute majority of votes made by the delegations.

The Steering Committee shall call a regular Congress meeting at a place other than Bogota provided that such meetings take place in the last two months of each year, with notification of no less than 15 days.

The Steering Committee shall only modify the date of the regular Congress meeting when had when requested no longer than 10 days in advance from two thirds of the Departmental Committees.

The Steering Committee shall call the Congress to a special meeting at the date and place established by its own initiative or by the National Government, or by at least the two thirds of the Departmental Committees.

In any case, such convening shall be done in advance in order to have the timely presence of the Delegates.

ARTICLE 14. The National Coffee Growers Congress is comprised by the delegates of departments where coffee grower's Departmental Committees operate. They are elected in six (6) single-member districts that will be established for each case for such a purpose.

Six (6) lead Delegates will be elected, in addition to their corresponding alternates who will take their place in total, temporary or occasional absence.

Delegates are elected by the direct vote of the Federated coffee growers in their corresponding district. Such coffee growers shall own farms located in the territory of one of the municipalities that is part of the Federation.

ARTICLE 15. The Congress shall validly deliberate with the presence of the majority of its Delegates. Decisions shall be adopted with a favorable vote from the majority of the Congress.

All duly accredited Delegates have the right to participate in Congress deliberations, where they will consequently have a voice.

A deciding quorum is established by the presence of lead members or their alternates in case of temporary or absolute absence.

The corresponding Departmental delegation shall also have the collective right to take part in the decisions or elections that the Delegation may adopt or hold. Each Delegation has an available amount of votes that corresponds to the National coffee production share of each Department:

- a) The Delegations of Departments whose share in national production is equal to or higher than nine percent (9%) are given an amount of votes according to the amount of delegates, namely six (6) votes;
- b) The Delegations of Departments whose share in national production is from three percent (3%) to fewer than nine percent (9%) are given four (4) votes;
- c) The Delegations of Departments whose production share is lower than three percent (3%) are given two (2) votes.

The deciding members of the Steering Committee and National Coffee Growers Committee, the General Manager of the Federation, who has an obligation to attend, and the Executive Managers of the Departmental Committees have the right to participate in Congress sessions and deliberations with a voice.

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In every election and decision concerning any matter, the votes of each Departmental Delegation shall be issued uniformly, meaning in the same and single way. For these purposes, the corresponding Delegation shall be established by majority the direction of the vote to be applied in each case, according to the total amount of votes that it holds.

The Delegation chair shall be the President of the corresponding Departmental Committee at the time the Coffee Congress is gathered. It is of the competence of the President to express his/her Delegations' vote and issue his/her own additional vote in order to resolve a tied vote in his/her delegation that should persist after having performed three internal votes regarding the definition of his/her collective declaration on any issue or election.

ARTICLE 16. In order to be elected as a Delegate before the National Coffee Growers Congress, and consequently a member of the Departmental Coffee Growers Committee, it is mandatory to be a federated coffee grower with seniority of at least three years. The capacity of federated coffee grower shall be proven by a valid coffee grower ID.

A appointing a person who lacks this condition shall be a limitation for his/her accreditation and card-holding, and will be declared to have no effect, rendered ineffective by the Steering Committee in its roles or at the request of any federated coffee grower.

Regarding the election of Delegates for the National Coffee Growers Congress and members of the Departmental Committees, any incompatibility and incompetence shall be governed by Article 67.

PARAGRAPH. The deciding members of the National and Steering Committees shall not be elected as Delegates before the National Coffee Growers Congress, and consequently members of the Departmental Coffee Growers Committees.

If a Coffee Congress Delegate, consequently member of the Departmental Committee, is elected as a deciding member of the National Committee and/or Steering Committee, he/she shall resign to such capacities as a condition to his/her taking office.

ARTICLE 17. Prior to holding the Coffee Growers National Congress, the Departmental Committee shall accredit the participating departmental delegations before the General Secretariat of the Federation, whereby it shall certify that the delegates of the corresponding Departmental Committee continue to comply with election requirements, that they are not involved in any incompatibility or incompetence set forth in the statutes, and may validly participate in the corresponding sessions.

ARTICLE 18. These are the main roles of the National Coffee Growers Congress:

- a) Issuing its own regulations.
- b) Considering the annual management report made by the General Manager and evaluating the tasks performed by the Federation in the previous year.
- c) Adopting initiatives to improve the performance of institutions and coffee-related organizations.
- d) Studying coffee plantation issues and providing the measures that are within its scope, or any recommendations that this congress considers appropriate for a solution.
- e) Approving the budget that the Federation that submits for the consideration of the Steering Committee.
- f) Considering the value strategy approved by the Steering Committee.
- g) Electing the members of the Steering Committee and trade organization representatives for the National Committee, in accordance with applicable law and these Bylaws, and revoking their mandate at the request of the Departmental Committees, when there is justified reason to do so.
- h) Electing the General Manager of the Federation in a triad put together by the National Coffee Growers Committee and the Steering Committee.
- i) Electing the Statutory Auditor for a two-year period and establish his/her fees. He/she shall be appointed by or affiliated with a specialized Company. His/her roles shall be to submit the reports that the Steering Committee requires at any time.
- j) Studying the opinion and reporting of the Statutory Auditor regarding the reasonableness of financial statements.
- k) Electing the principal and alternate members of the Disciplinary Court for four-year periods; and
- l) Regulating the rights and obligations of federated coffee growers pursuant to these bylaws and to the Ethics and Good Governance Code.

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ARTICLE 19. It is the responsibility of the Coffee Growers National Congress to set the fees paid to its delegates for their attendance in the regular or special meetings, as well as members of the Colombian Coffee Growers Committee, the Steering Committee and the Departmental Committees.

CHAPTER VII

NATIONAL COFFEE GROWERS COMMITTEE

ARTICLE 20. The National Coffee Growers Committee will be composed of the members appointed by the National Government by virtue of the National Coffee Fund Management Agreement, and for the fifteen (15) members elected, in representation of the coffee growers that represent each representative of each Departmental Coffee Growers Committee, all those elected by the National Coffee Growers Congress.

Each one of the 15 Departmental Coffee Growers Committees shall register a candidate to occupy the trade organizations of the National Coffee Growers Committee. The Delegates of the National Coffee Growers Congress shall elect registered candidates as elective members of the National Committee for a period of four (4) years, unless stipulated otherwise, running from the first (1st) of January following the election and may be reelected.

PARAGRAPH. The Ministry of Finance and Public Credit shall have many votes as necessary in order to balance the voting power between the representatives of the National Government and the representatives of the coffee growers. When ties occur when a measure is voted, the president of the Republic shall decide.

ARTICLE 21. The elective members of the National Committee, in addition to the functions attributed by law and the current Administration Agreement of the National Coffee Fund act in the Colombian coffee growers' benefit, and shall exercise their functions seeking their common good and the coffee activity. Additionally, each of them have the condition as special spokesperson of the coffee growers of their corresponding Departments, and the corresponding obligation to inform them on their management issues, receive their concerns and ensure their interests,

ARTICLE 22. In case of total absence for some of the members of the National Committee elected by the Colombian Coffee Growers, the corresponding Departmental Committee shall designate its supplementary until the next meeting of the National Coffee Growers Congress. Such designation shall be subjected to the authentication of the Steering Committee, which could be refused if the elected was affected by any cause of incompatibility or inability to be member of the Committee. After meeting the National Coffee Growers Congress, it shall conduct the election for the rest of the period.

A total absence occurs in the case of death, resignation, and non-attendance without justification to three consecutive meetings of the Committee to which the respective member had been summoned, and the occurrence of any of the incompatibilities and inabilities set forth in Article 67.

In case of a resignation, it shall be presented before the National Coffee Growers Committee and reported to the corresponding Departmental Coffee Growers Committees.

In case of an accidental or temporary absence of one of the members of the National Committee elected by Congress, he/she shall attend, as guest the meeting to which the elected representative, the president or who acts as the corresponding Departmental Committee does not attend.

ARTICLE 23. In case that the National Coffee Growers Congress do not meet or do not elect the members of the National Committee, when appropriate, it will be understood that the period of these will be extended until a next election takes place.

ARTICLE 24. The National Coffee Growers Committee shall exercise the following functions in addition to those established in law and in the applicable Management Agreement of the National Coffee Fund:

- a) Issue its own regulations.
- b) Act as consultation body for National coffee policies between the trade organization and the Government.

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- c) Steer coffee policy in international relations.
- d) Prepare the short list and send it to the National Coffee Growers Congress based on the favorable vote of two thirds of the members along with the Steering Committee in order to elect the General Manager.
- e) Approving the National Coffee Fund Budget.

CHAPTER VIII

STEERING COMMITTEE

ARTICLE 25. The Steering Committee, by its own initiative or that of the General Manager, will be responsible for matters concerning the direction and monitoring of the Federation's trade and administrative affairs.

ARTICLE 26. The Steering Committee will be comprised by a representative of each of the fifteen (15) Coffee Growers Departmental Committees that will be elected pursuant to these Bylaws.

PARAGRAPH. In case of total penalties, temporary or accidental absence, Article 22 shall apply.

In case resignation, such resignation must be submitted to the Steering Committee of the Colombian Coffee Growers Federation and such must be informed to the corresponding Coffee Growers Departmental Committee.

ARTICLE 27. To be a member of the Steering Committee, it is required to be present at the election date; a federated coffee grower may prove three-year tenure with a valid coffee grower ID.

ARTICLE 28. The Steering Committee will exercise the following roles:

- a) Issuing its own regulations.
- b) Formulating policies and adopting the necessary measures to ensure the development and defense of coffee growing and its industry, and assure a proper performance.
- c) Study and analyze beforehand the representatives to the National Committee and the budget draft of the National Coffee Fund prepared by the General Management.
- d) Approve the value strategy put forward by General Management, prior to its submittal to the National Congress and conducting the relevant monitoring pursuant to item d), Article 30.
- e) Informing the Coffee Growers Departmental Committee in a timely manner of their deliberations, decisions and other information required by the Committee.
- f) Approving the organic structure of the Colombian Coffee Growers Federation, as well as the amount of personnel and any modification thereto.
- g) Organizing the Union through the Departmental or Municipal Coffee Growers, when there is not a Departmental Committee present.
- h) Regulating the decisions of the National Coffee Growers Congress and making them effective.
- i) Regulating these Bylaws and interpreting them with authority, if the National Coffee Growers Congress is yet to hold a meeting.
- j) Authorizing the execution of contracts with the National Government. In addition, approving the execution on behalf of the Federation in agreements and contracts with territorial entities, public and private institutions, international and non-governmental organizations, if such a capacity has not been assigned, or pursuant to the regulation to be issued, concerning amounts and reasons that have not been assigned to another instance.
- k) Studying and analyzing the Federation's project budget as put forth by General Management, and authorize its submittal to the National Coffee Growers Congress, and approving Budget agreements and modifications of the Federation and its departments which are considered by General Management.
- l) Assessing and approving financial statements that will be submitted periodically by the General Manager.
- m) Approving the Federation's wage policy.

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- n) Answering to the concerns of Departmental Committees regarding the progress of measures of adoption that aim to ensure the development coffee-growing and the well-being of coffee growers, and to carry out visits to those Committees when appropriate according to their opinion or at the request of the Committees.
- o) Approving the investment and contracting policies using the resources of the Colombian Coffee Growers Federation (FNC).
- p) Arrange the designation of representatives in the meetings of those entities in which the Federation is a shareholder by means of its own resources or has union representation in accordance with the policies established and taking into account the incompatibilities, prohibitions, inabilities and conflicts of interest in such a way that the designation falls to the people who are able to best contribute to the achievement of the Federation's, the corresponding entity's and general coffee growing goals.
- q) Authorizing the General Manager and his/her alternated to enter into agreements, contracts or legal transactions of any nature on behalf of the Federation, including but not limited to property acquisition, alienation, encumbrances or limitations in any capacity by the Head Office or by the Departmental Committees, as well as participation in companies, with amounts exceeding THREE THOUSAND EIGHT HUNDRED AND FIFTY CURRENT MINIMUM MONTHLY LEGAL WAGES (3.850 S.M.L.M.V.)
- r) Issuing the applicable authorizations to the General Manager and his/her alternates to enter into legal actions that are deemed necessary to fulfill the agreed roles and obligations pursuant to the National Coffee Fund (FoNC) Management Contract.
- s) Authorizing internal credit and support to the Departmental Committees.
- t) Establishing the General Manager's fees.
- u) Appointing Federation delegations in international meetings concerning coffee.
- v) Solving any remaining the impasses in the Departmental Coffee Growers Committees; namely, after three votes.
- w) Other roles and duties assigned by the Congress and the National Coffee Growers Committee.

PARAGRAPH 1. The Steering Committee will have the support of General Management in exercising said roles.

PARAGRAPH 2. The Steering Committee will be able to delegate on the General Management and the Departmental Committees, on a transitional or definitive basis, the functions that it may consider relevant for the correct operation of the institution without limiting to keeping the Committee permanently informed about the exercise of the delegated tasks.

ARTICLE 29. If necessary, the decisions made by the Steering Committee shall be adopted by a majority using the mechanism set forth in article 15 for this purpose, meaning that this will be done according the production of the department that each member represents. The foregoing is without prejudice of ensuring that to the greatest extent possible, decisions to be taken within its competence will be the result of an exercise or mutual agreement and consensus.

CHAPTER IX

GENERAL MANAGEMENT

ARTICLE 30. The Colombian Coffee Growers Federation (FNC by its acronym in Spanish) will have a General Manager that must be a Colombian citizen at birth and fulfill the following duties:

- a) To represent the FNC legally and perform as its spokesperson before every authority of the Republic of Colombia or any other country and before third parties; the General Manager may delegate duties to other employees or special attorneys;

PARAGRAPH 1. The General Manager shall be the FNC legal representative, and there will be two deputy legal representatives called First Assistant Manager and Second Assistant Manager in this bylaw. The First Assistant Manager and Second Assistant Manager shall perform concordantly and in coordinated manner under the guidelines of different statutory bodies and substitute the General Manager in their temporary or accidental absences; such Assistant Managers may perform separately and simultaneously and will be appointed by the persons in charge of the different FNC Manager's Offices after consulting the Steering Committee.

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PARAGRAPH 2. The First Assistant Manager and Second Assistant Manager may perform on behalf of the FNC exercising the powers granted by these Bylaws to that end and it will not be necessary to evidence the General Manager's absence or impediment to perform on behalf of the FNC. Their performance will be valid for all the relevant purposes.

PARAGRAPH 3. In case of the General Manager's permanent absence or impediment, the Steering Committee shall appoint one of the two deputy legal representatives, while a new General Manager is appointed.

PARAGRAPH 4. The FNC legal representative for legal, out-of-court and administrative matters related to individual or collective labor shall be the Human Resources Manager, or his/her representative, or whoever is appointed to these duties by the General Manager.

PARAGRAPH 5. The General Manager or his/her deputies may confer general or special powers of attorney to employees and particularly to Executive directors of Departmental Committees of Coffee Growers as deemed necessary, so that they represent the FNC as an institution of private law or perform as a National Coffee Fund (FoNC by its acronym in Spanish) administrator before any authority of the relevant department and manage all matters related to the employees of each Committee.

- b) To organize and implement the FNC policies and programs pursuant to the Bylaws, contracts entered into with the Colombian Government, agreements and resolutions issued by the National Congress of Coffee Growers, orders and guidelines by the National Committee as the administration body of the FoNC and those provided by the Steering Committee, the FNC's top administrative authority.
- c) To manage the FNC's relations with public and private institutions.
- d) To develop a value strategy with a five (5) year forecast in line with the FNC's corporate purpose that will shape the plans and programs of Departmental and Municipal Committees. Such value strategy will be subject to the Steering Committee's approval before it is submitted to the National Congress of Coffee Growers.
- e) To fill the FNC positions pursuant to the schedule, wage policy and full-time positions approved by the Steering Committee.
- f) To enter into any legal action, contract or business for an amount no higher than THREE-THOUSAND EIGHT-HUNDRED FIFTY CURRENT LEGAL MINIMUM MONTHLY SALARIES (3,850 S.M.L.M.V.), under the provisions of letter q) of Article 28. Any legal action, contract or business that exceeds such amount must be authorized by the Steering Committee or National Committee, as applicable.
- g) To grant any necessary authorizations to fulfill properly any contracts entered into, especially the National Coffee Growers Fund Administration Contract.
- h) To keep the guild leaders and coffee growers updated about the situation and perspectives on the coffee market and crops and reply to any queries sent.
- i) To arrange the FNC expenses within the value strategy, budgets and relevant standards.
- j) To monitor and study constantly the circumstances faced by the coffee-growing sector and submit to the National Congress of Coffee Growers, the National Committee and Steering Committee any initiatives deemed relevant for appropriate management.
- k) To report the National Committee on the FoNC situation and report the Steering Committee on the FNC's production, commercialization, research, extension, financial situation and other FNC administrative topics.
- l) To submit the FNC Financial Statements to the Steering Committee periodically.
- m) To submit to the National Congress of Coffee Growers a report detailing the activities performed by the FNC both locally and abroad following the last National Congress of Coffee Growers; how decisions made in such Congress have been fulfilled; main problems faced by the coffee-growing sector and industry activities, suitable solutions to be adopted, and other relevant topics based on the situation and perspectives of the FNC and coffee-growing economy.
- n) To draft the FNC budget project for the next term, submit it the Steering Committee and send it timely to the National Congress of Coffee Growers for study and approval.
- o) To keep the Departmental Committees duly informed about the main activities developed by the National Committee, the Steering Committee, General Manager's Office and other offices, under the limitations of law on confidential or insider trading information management.
- p) To direct the wage policy applicable to all the FNC employees, including Executive Directors, after its approval by the Steering Committee.

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- q) To coordinate the policy on investments, expenses, programs and activities of Departmental Committees following the guidelines established by the National Congress of Coffee Growers, National Committee and Steering Committee, accordingly.
- r) To coordinate guild actions for effective defense of producers and coffee-growing activities, as well as, different campaigns to be executed by Departmental Committees through their Executive Directors.
- s) To approve the appointment of Executive Directors made by Departmental Committees and request their removal whenever the circumstances stated in Letter d), Article 35, occur. In case the Departmental Committee does not perform the removal as requested by the General Manager, the Steering Committee will be consulted for a final decision.
- t) To submit to the Steering Committee the appointment of the two deputy representatives and General Secretary of the FNC.

ARTICLE 31. The General Manager may delay -after timely notifying the Steering Committee- the transfer of funds corresponding to Departmental Committees, when such Departmental Committees have not submitted the corresponding accounts timely, or such Departmental Committees have submitted accounts that were not satisfactory or incurred in breach of statutory or regulatory standards or FNC general policies; in this case the General Manager may order such Departmental Committee to be intervened.

CHAPTER X

DEPARTMENTAL COMMITTEES OF COFFEE GROWERS

ARTICLE 32. Each capital of a Department with a coffee production that exceeds two percent (2%) of the total national production will have a permanent body called Departmental Committee, which consists of six (6) main members with their corresponding deputies, elected through the direct vote of the FNC coffee growers from the relevant Department, in the single-member district created for such purpose, pursuant to the provisions of Article 14 of these Bylaws.

The position of Departmental Committee members will last four (4) years.

PARAGRAPH 1. Notwithstanding the provisions of this Article, the operation of a joint Departmental Committee of Coffee Growers from Cesar and La Guajira Departments with headquarters in Valledupar city, consisting of six (6) main members and six (6) deputy members, is hereby authorized; four (4) of such members in the Department of Cesar will be elected in a single-member district each and two (2) of such members in La Guajira Department will be elected in a single-member district each.

PARAGRAPH 2. Although Departmental Committees of Coffee Growers created before December 31, 2003, may not exceed two percent (2%) of the national production, they will continue to perform as permanent institutions subject to the other requirements set forth in these Bylaws.

ARTICLE 33. Permanent absences of members in the Departmental Committee of Coffee Growers are those stated in Article 22 for the National Committee's elected members.

In case of permanent absence of any main member, the deputy shall fill the position for the remaining period.

In case of permanent absence of the main member or deputy member, the corresponding Departmental Committee will submit three names for election -after consulting the Municipal Committees of the corresponding Electoral District- so that the Steering Committee can fill the position for the remaining period.

In case of resignation, such resignation must be submitted to the relevant Departmental Committee and notified to the FNC's Steering Committee.

ARTICLE 34. The Departmental Committee will debate and decide validly with the attendance of most of its members. Voting that ends in a tie is not a decision and if it continues after three (3) rounds of voting, the Steering Committee will settle the tie. In case of vacant votes or abstention due to conflict of interest, such votes will not be considered when the debating or deciding quorum is calculated.

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In any case and notwithstanding the attendance of all the main members, deputies may be invited to meetings as agreed by the Departmental Committee, and they may participate in debates with voice but no vote.

PARAGRAPH: The debating and deciding quorum is satisfied when the main members, or their deputies in case of temporary or permanent absences, are present.

ARTICLE 35. The main duties of Departmental Committees will be the following:

- a) To organize and promote the guild in the corresponding department and do the same with Municipal Committees.
- b) To promote the development of Coffee-Grower Cooperatives following the policies established by the National Congress of Coffee Growers, National Committee, Steering Committee and General Manager's Office. The foregoing notwithstanding the provisions of law and the valid FoNC Administration Contract on the matter.
- c) To approve its full-time positions in line with the policies and guidelines given by the General Manager's Office and Steering Committee.
- d) To appoint and/or remove its Executive Director by its own initiative or by request of the General Manager, whenever there are serious reasons for such removal as a result of performances that damage the FNC's goodwill, compromise its equity, breach these Bylaws, its regulations, the FNC Administration Contract, or the terms of powers conferred and delegations assigned.
- e) To observe and enforce the Bylaws, instructions of the National Congress of Coffee Growers, National Committee of Coffee Growers and General Manager's Office, and ensure compliance with the regulations in the corresponding Departments.
- f) To supervise the management of assigned funds.
- g) To answer the queries of Municipal Committees and visit such committees.
- h) To draft, together with the Executive Director, the budget project under the provisions of the National Committee of Coffee Growers, Steering Committee and General Manager's Office, accordingly, and submit it to the corresponding approval.
- i) To ensure that coffee growers receive timely and appropriate Guild services from the FNC branches or partner companies operating in the Department.
- j) To send a full copy of its meeting minutes to the General Manager's Office and keep Municipal Committees of its jurisdiction informed about any decisions adopted, under the limitations of law on confidential or insider trading information management.
- k) To collaborate with Municipal Committees to foster activities and industries complementary to the coffee sector.
- l) To apply the wage policy to its employees in line with the wage policies and budget guidelines set forth by the Steering Committee and General Manager's Office.
- m) To settle the ties that may arise in Municipal Committees of Coffee Growers and continue to occur after three (3) rounds of voting.
- n) To guide the services distance learning, technical support and education subject to the Steering Committee general policies.
- o) To run different campaigns -through its Executive Director- ordered by its own initiative or by the General Manager's office subject to the general policies of the National Congress of Coffee Growers, National Committee and Steering Committee.
- p) To manage -together with local institutions and the Departmental Government- works, programs and actions that benefit coffee growers from the region.
- q) To approve the collaterals and guarantees for coffee grower cooperatives participating in purchase guarantee service under the guidelines, direction and policies adopted by the National Committee on the coffee grower cooperative system and established by the Steering Committee and FNC Manager's Office, after the applicable financial, legal, technical and commercial analysis.
- r) To comply with the provisions of Article 59, Law 863/2003 and the valid FoNC Administration Contract, concerning the activity of Departmental Committees.
- s) Any other duties established by the Steering Committee.

PARAGRAPH. The Departmental Committee members shall submit regular reports to the Municipal Committees in their electoral district, under the limitations of law on confidential or insider trading information management. In turn, the Executive Director of the corresponding Departmental Committee shall submit his/her regular activity report to the General Manager's Office.

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ARTICLE 36. While preparing their annual investment budgets, the Departmental Committees will take into account, among others, the criteria related to covering basic needs, public utilities, infrastructure, rates on the quality of life of coffee growers from each department and the number of federated coffee growers, based on the investment priorities stated in the valid contract between the National Government and the FNC and the approved value strategy.

ARTICLE 37. The appointment and removal of the Departmental Committee employees is in charge of the Executive Director under the guidelines adopted by the Steering Committee and General Manager's Office.

Employees whose positions are not established in the staff approved by the Departmental Committee and Steering Committee cannot be appointed.

ARTICLE 38. The agreements or resolutions of Departmental Committees must be subject to approval by the General Manager's Office or local Manager's Office appointed to such task, under the corresponding issued regulations; a response to such agreements or resolutions must be issued within a reasonable term no longer than 60 days.

ARTICLE 39. In case a Departmental Committee is disbanded, the Steering Committee shall proceed to form a committee that will work until a new election takes place.

PARAGRAPH. Departments where production does not reach two percent (2%) of the national production, the FNC will establish services in the corresponding regions and fulfill the duties assigned by the Steering Committee.

CHAPTER XI

MUNICIPAL COMMITTEES

ARTICLE 40. Coffee-growing municipalities with at least four-hundred federated coffee growers and an annual production equal to or greater than sixty-thousand arrobas of dry parchment coffee according to the annual report submitted by the Technical Manager's Office in line with the Coffee Information System (SICA by its acronym in Spanish) will have a Municipal Committee consisting of six (6) main members with their corresponding personal deputies, elected by direct voting by the federated coffee growers. The IDs issued to coffee growers located in the municipality's jurisdiction will be taken into account to establish the number of federated coffee growers per municipality.

A Municipal Committee may also be established to serve two or more bordering municipalities that reach the production volume and minimum number of federated coffee growers needed to form a Committee under the aforementioned standards.

PARAGRAPH 1. This provision will be required to form new Municipal Committees of Coffee Growers, notwithstanding the continuity of existing committees that do not meet such requirements.

PARAGRAPH 2. The FNC shall perform regular reviews to determine the evolution of Committees that are not complying with the requirements, so that improvement plans and relevant subsequent actions to be followed can be executed. The results of these reviews will be reported periodically to the Steering Committee and National Congress of Coffee Growers that will set forth the relevant measures to be implemented.

ARTICLE 41. The Municipal Committee members must be federated coffee growers under the provisions of Articles 5 and 6 and these Bylaws.

ARTICLE 42. The Municipal Committee will debate and decide validly with the attendance of most of its members. Voting that ends in a tie is not a decision and if it continues after three (3) rounds of voting, the Departmental Committee will settle the tie. In case of vacant votes or abstention due to conflict of interest, such votes will not be considered when the debating or deciding quorum is calculated.

In any case and notwithstanding the attendance of all the main members, deputies may be invited to meetings as agreed by the Municipal Committee, and they may participate in debates with voice but no vote.

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PARAGRAPH. The debating and deciding quorum is satisfied when the main members, or their deputies in case of temporary or permanent absences, are present.

ARTICLE 43. The duties of Municipal Committees will be:

- a) To observe and enforce the Bylaws, policies of the National Congress of Coffee Growers, and decisions of the Steering Committee, General Manager's Office and Departmental Committees.
- b) To run campaigns -in coordination with the Departmental Committee- to improve crops, control plagues and diseases, renew coffee crops, perform an appropriate production process, and any other activity seeking to improve the social and economic conditions of coffee growers.
- c) To perform as coffee growers' spokespeople in their requests to Departmental Committees or -in Departments without a Departmental Committee- the Steering Committee, looking for solutions that benefit the organization, defense and development of the coffee-growing sector, especially, solutions to the difficulties and problems faced by each Municipality.
- d) To encourage coffee growers to obtain a coffee ID and disseminate the rights, duties, services and benefits of FNC members.
- e) To promote that the coffee-growing sector in the relevant municipality observes the laws, decrees and other provisions intended to keep vegetal health and the environment, as well as, the provisions to the benefit of coffee growers. The Departmental Committee's support will be requested for such purpose when appropriate.
- f) To cooperate to the success of campaigns that the Departmental Committee runs in their Municipalities by making timely suggestions deemed suitable.
- g) To study and promote the handling of requests by coffee growers from the relevant municipality, or -if applicable- send such requests together with their subject to the corresponding Departmental Committee or relevant public or private institutions so that they decide on the matter.
- h) To collaborate with Social Action Committees, different guild institutions and FNC employees to set the work goals and development program for their communities.
- i) To develop civil works and investment plans in their jurisdictions, establish their priorities and submit them to the corresponding Departmental Committee for approval. The Departmental Committee shall provide the Municipal Committee with its technical and logistic resources for this purpose. If there is no Departmental Committee, the civil works and investments plans will not be subject to approval of the FNC General Manager Office.
- j) To manage -together with local institutions and the Municipal Government- programs and actions that benefit coffee growers from the region and contribute to their sustainability and greatest production of their crops.

ARTICLE 44. Permanent absence from the position of Municipal Committee member occurs when any of the grounds established in Article 22 for elected members of the National Committee apply.

In case of permanent absence of any main member of the Municipal Committee, the corresponding deputy shall fill the position for the remaining period and the Departmental Committee shall proceed to appoint the new deputy. Similarly, the Departmental Committee shall appoint a new deputy in case a deputy is permanently absent. The Steering Committee shall fill the positions in scenarios where there is no Departmental Committee.

In case of resignation, such resignation must be submitted to the relevant Municipal Committee of Coffee Growers and notified to the corresponding Departmental Committee of Coffee Growers.

ARTICLE 45. In case a Municipal Committee is disbanded, the Departmental Committee shall proceed to form a committee that will work until a new election takes place.

CHAPTER XII

ELECTIONS

ARTICLE 46. Federated coffee growers directly elect the National Congress of Coffee Growers Delegates and Municipal Committees of Coffee Growers members.

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The National Congress of Coffee Growers Delegates form the Departmental Committee of Coffee Growers whose jurisdiction is subject to the electoral districts where they are elected for the period stated in Article 32.

ARTICLE 47. The Steering Committee is in charge of forming the different electoral districts to elect the National Congress of Coffee Growers Delegates by commissioning a municipality as electoral district or grouping several municipalities from the Department that share similarities because of their geographic proximity or cultural/socio-economic conditions. In any case, the Steering Committee shall ensure that the distribution of coffee production in the Department is balanced across the six (6) electoral districts thereof.

In case future modifications to the electoral districts are proposed, the Steering Committee must consider the Departmental Committee's proposals within thirty (30) days after being notified.

PARAGRAPH. The electoral districts of Magdalena Department will correspond to the territory of the Municipal Committees existing in such Department. Each electoral district is in charge of electing an equal number of National Congress of Coffee Growers Delegates. When the number of Delegates to be elected in any of these electoral districts is more than one, the corresponding positions will be assigned through the quotient electoral system.

ARTICLE 48. Federated coffee growers can register lists of candidates to Municipal Committee or National Congress of Coffee Growers Delegates in an electoral district under the following rules required for registration to be valid:

- a) Any registration must be performed by no less than five (5) federated coffee growers, whose properties are located in the relevant municipality or one of the municipalities comprising the corresponding electoral district, as applicable;
- b) The registration must be performed before the Departmental Committee, either directly or via the corresponding Municipal Committee or the Committee of one of the municipalities comprising the electoral district;
- c) The Committee must reject -by its own initiative or by request from any federated coffee grower; within the term established in the regulations- any registration that does not meet the requirements of this Article and any registration by an ineligible candidate that lacks the status of federated coffee grower, or is not a coffee grower in the corresponding municipality or electoral district, or is affected by an inability or incompatibility under the provisions of these Bylaws. This decision may be challenged before the Steering Committee pursuant to the procedure and terms established in the regulations.
- d) The candidacy to any electoral body must be expressly accepted in writing by the candidate.
- e) The same person cannot be part of several lists or candidacies. Simultaneous election makes void all and any appointment made.
- f) Only the lists that contain candidates -and their corresponding deputies- for all positions to be appointed in the relevant election will be accepted for registration.
- g) The registration of candidates to National Congress of Coffee Growers Delegates must contain a main candidate and deputy candidate.
- h) Gender equity will be fostered in the lists; for this purpose, the Steering Committee will provide recommendations in the regulations and promote activities and training specially intended for female coffee growers to actively and increasingly participate in the government bodies of the institution.

PARAGRAPH. The Steering Committee, with reasonable prior notice, shall set forth the regulations of elections that will take place in a specific year, including but not limited to, the election dates, procedures and terms for registration of candidacies and lists, procedures to challenge such candidacies and lists, and procedures to decide on such candidacies and lists, as well as, reinstatement of registrations, if applicable, and any other regulations deemed suitable to be introduced to improve the electoral process.

ARTICLE 49. The Departmental Committee shall publish the registered candidacies and lists through a Resolution issued following the prior notice set forth in the regulations and order its dissemination in the Committee's offices, as well as, the Municipal Committees' offices of the jurisdiction, accordingly.

ARTICLE 50. Elections must take place in September in the year when the term of the corresponding bodies expires. The Steering Committee is in charge of setting the exact date for elections to take place through a Resolution issued at least two months in advance and broadly disseminated in each municipality where voting is mandatory.

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ARTICLE 51. The Steering Committee shall regulate the registration process of coffee IDs in case electors choose to vote in a municipality other than the municipality where their coffee ID has been issued, or electors prefer to cast their vote electronically.

In any case, electors must vote for the candidates registered in the electoral district corresponding to the place of issue of the voters' coffee ID.

The Departmental Committees shall appoint three election judges to each polling station.

The Steering Committee shall make the necessary arrangements to install physical booths or means for electronic voting under conditions that guarantee easy access for electors, reliable elector identification and security of vote authenticity.

The Departmental Committee shall appoint three judges to voting via electronic means.

ARTICLE 52. After voting is closed, the election judges shall perform a preliminary counting of votes in an open and public appearance. The relevant minute will be made with the results of counted votes, also including any statements that the federated coffee growers present may request to be recorded.

These minutes will be valid after being signed by two of the election judges.

ARTICLE 53. The definitive counting of votes will be performed by the Tellers Committee appointed by the Steering Committee of each Departmental Committee of Coffee Growers based on the preliminary minutes of votes counted and, if required by any candidate, the votes inserted in the ballot boxes will be counted, in a public session held at the Departmental Committee's headquarters within eight days after the time and place publicly announced.

The Tellers Commission will be in charge of announcing the National Congress of Coffee Growers Delegates elected after obtaining the majority of votes in the corresponding electoral district.

The Tellers Commission is also in charge of announcing the Municipal Committee of Coffee Growers members elected.

ARTICLE 54. Voting for the Municipal Committee of Coffee Growers will be performed through the list system and positions therein will be appointed through the quotient electoral system.

ARTICLE 55. Any candidate to any position to be filled in the relevant election in any region or whoever has registered a list or candidacy cannot be appointed as a Tellers Committee member or voting judge.

ARTICLE 56. The National Congress of Coffee Growers Delegates and Municipal Committees of Coffee Growers Members will serve a four (4) year term. This term will start on November the first (1) after the election. Both delegates and members can be re-elected.

ARTICLE 57. All decisions of the Tellers Commission can be challenged before the Steering Committee under the foregoing standards, within five (5) working days after they have been promulgated; such promulgation will be made by posting at a public place of the Departmental Committee's offices and notification to the Municipal Committees of the electoral district where the conflict arises, and any other method set forth in the regulations.

The Steering Committee has fifteen (15) working days to decide after being notified about the challenge document or procedure.

CHAPTER XIII

FNC FUNDS

ARTICLE 58. The following are FNC funds:

- a) Installments established by the Steering Committee as mandatory to enter and join the FNC;
- b) Profit from the FNC assets;

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- c) Resources from payment for its work as the FoNC administrator and other activities established by the National Government or National Committee of Coffee Growers to be paid to such resources.
- d) Other funds given for any reason in order to serve and defend the coffee-growing industry.
- e) Donations from coffee growers or any other person.
- f) Funds from the liquidation of non-profit organizations (NPOs) with a corporate purpose similar to that of the FNC, provided that it is allowed by its Bylaws.
- g) Money received as compensation or surplus from service provision, and
- h) Any other resources and assets acquired for any reason.

ARTICLE 59. For administration and investment purposes, the resources of Departmental Committees will be formed based on the percentage established by the National Congress of Coffee Growers, Steering Committee and General Manager's Office in the general FNC funds; the same applies to any money contributed by public or private entities, returns, installments or shares received from investments and compensation resources from the FoNC assigned annually pursuant to the current standards and Administration Contract signed by and between the National Government and the FNC.

ARTICLE 60. The Departmental Committees of Coffee Growers shall administer -based on the parameters set forth in the FoNC Administration Contract and under the policies approved by the National Committee of Coffee Growers and/or Steering Committee-, in separate accounting books, any resources from Coffee Industry Transfers to the FoNC intended for social and economic development programs in coffee-growing areas, promotion and support of cooperativism, and improvement of the farmer population conditions in coffee growing areas either directly or through agreements with local authorities when the type of program allows such agreements.

CHAPTER XIV

BUDGET

ARTICLE 61. The FNC budget will be issued and approved by the National Congress of Coffee Growers.

Such budget will reflect the guidelines and objectives of the value strategy for the specific year.

CHAPTER XV

AUDIT

ARTICLE 62. The funds and investments managed by the FNC will be audited under the provisions of law and these Bylaws.

ARTICLE 63. Control and audit of public resources managed by the FNC by virtue of its contract with state institutions, or contracts on state-owned assets, will be performed by the competent bodies under the terms and conditions provided by law, contracts and bylaws.

ARTICLE 64. The FNC will have a Statutory Auditor to audit its own equity; such Statutory Auditor will be a Public Accountant appointed by a private company specialized in auditing, and elected for a two-year term through voting at the Congress of Coffee Growers, notwithstanding any internal control established by the Steering Committee enforced by the General Manager's Office via its various branches. The Statutory Auditor shall be subject to the limitations and prohibitions provided by law and the Code of Ethics and Good Governance.

ARTICLE 65. The Statutory Auditor shall have the powers and duties set forth by law, and particularly the following:

- a) To ensure that FNC financial operations are performed pursuant to the decisions by the National Congress of Coffee Growers, Steering Committee and Bylaws.

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- b) To require accounts, Minutes and FNC records to be kept regularly.
- c) To inspect the FNC assets and demand that measures are timely adopted to preserve and keep them safe.
- d) To decide on the reasonableness of financial statements, authorize inventories and balances by signing them, and submit the relevant report to the National Congress of Coffee Growers
- e) To submit any reports requested by relevant authorities or legal institutions.
- f) Any other powers and duties provided by Law.

ARTICLE 66. The Statutory Auditor and Audit Company shall submit reports to the General Manager and Steering Committee, as required.

CHAPTER XVI

INABILITIES, INCOMPATIBILITIES, PROHIBITION AND CONFLICTS OF INTEREST

ARTICLE 67. National Congress of Coffee Growers Delegates and thus members of the Departmental Committee, elected members of the National Committee of Coffee Growers, Steering Committee and Municipal Committee of Coffee Growers shall be subject to the following inabilities and incompatibilities:

1) INABILITIES:

- a) To be under legal age;
- b) To have been sentenced to prison for one year or more through a final judgment, except in case of quasi-delicts;
- c) To have any fiscal or disciplinary criminal background;
- d) To have been removed from service at the FNC or any company where the FNC is an associate, partner or shareholder as a result of misconduct or actions morally inconsistent and against ethics in the performance of his/her position;
- e) To have been working -eight (8) years immediately before the election- at any institution in charge of tax supervision or control over the FNC or any coffee-grower guild institutions, or have been heading any investigation, preliminary inquiry or any procedure into the FNC, its legal representatives or BOA members on behalf of an inspection and supervision institution.
- f) To have been working under a work or service contract with the FNC or any company where the FNC is the controlling or parent company, within eight (8) year immediately prior to the election.
- g) To have been working -within four (4) years before the election- as a technical assistant on the coffee or diversification crops under FNC supervision in the election Department or Municipality, or as an employee in a Coffee Growers Cooperative or Work Association Cooperative that had contract relations with the FNC.
- h) To have been working as a public servant in a popular election position or corporation within two years prior to the election date.
- i) To have been part of a political board or a registered candidate for a popular election position or corporation in the year immediately prior to the coffee sector elections.
- j) To have been performing party activities, promoting lists and in general proselytizing for any political party, movement or candidate within one year immediately prior to the coffee sector elections.
- k) To have been dismissed as an elected member/member of the National Committee, Steering Committee, Departmental or Municipal Committee of Coffee Growers by decision of the Disciplinary Court at any time.
- l) To have been penalized by the FNC Disciplinary Court due to a breach of Bylaws or the Code of Ethics and Good Governance.

2) INCOMPATIBILITIES AND PROHIBITIONS:

- a) To be public servant.
- b) To be part of a political board or register as a candidate for a popular election position or corporation.
- c) To perform party activism, promote lists, candidates and in general proselytize for any political party, movement or candidate.
- d) To have a position in the FNC or any company where the FNC is a shareholder with resources of its private capital or the FoNC capital.

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- e) To be a direct FNC contractor or a contractor through an intermediary or a contractor's employee; a contractor of any organization where the FNC is the controlling or parent company with its own resources or FoNC resources or the FNC leads most of the administrative or control bodies.
- f) To perform as an employee or contractor -either directly or indirectly- of any coffee-grower cooperative or association where the FNC makes contributions or sponsors any current line of credit or support to enforce purchase guarantees with FNC resources or FoNC resources.
- g) To be the owner, partner, associate or employee of any organization that is dedicated to coffee purchase, processing or export under its status and corporate purpose.
- h) To be the legal representative, member of the administration board, monitoring board, BOD or statutory auditor's office of any organization dedicated to coffee purchase, processing or export.

PARAGRAPH 1: EXCEPTIONS:

- a) The National Congress of Coffee Growers Delegates, elected members of the National Committee, members of Steering Committees, Departmental and Municipal Committees may be associates of cooperatives that are also owners or partners of coffee roasting and/or threshing companies, regardless of whether they receive contributions or sponsorship from the FNC with FNC resources or FoNC resources.
- b) The National Congress of Coffee Growers Delegates, elected members of the National Committee, members of Steering Committees, Departmental and Municipal Committees may be associates of coffee-grower cooperatives or associations dedicated to coffee purchase, processing or export.
- c) The National Congress of Coffee Growers Delegates, members of Departmental and Municipal Committees, and Executive Directors may be members of the Administration Board and Monitoring Boards of coffee-grower cooperatives with valid authorizations granted by the Departmental Committees of Coffee Growers, commercial agency contracts with the FNC or Almacafé or lines of credit or support to enforce purchase guarantees.
- d) The National Congress of Coffee Growers Delegates, members of Departmental and Municipal Committees as natural persons may be small coffee exporters, provided that they export no more than 720 kg of green coffee or an equivalent amount of processed coffee per year in less than 12 operations.
- e) The National Congress of Coffee Growers Delegates, members of Departmental and Municipal Committees, FNC legal representatives and Executive Directors of Departmental Committees may be legal representatives, members or the Administration Board, Monitoring Board, BOD of organizations dedicated to coffee purchase, processing or export, in order to represent the interests of the FNC, its direct or indirect subsidiaries.

PARAGRAPH 2. The aforementioned exceptions are understood notwithstanding the obligation of these persons -under the FNC Code of Ethics and Good Governance- to refrain from participating in the discussion and acceptance of decisions that entail conflict of interest, in which case they must notify in advance such conflict of interest before the corresponding authority and verify that such conflict is properly managed.

ARTICLE 68. The existence of any clauses of inability at the time of election will make such election void. In case of incompatibility, the elected member shall waive his/her status or position that causes such incompatibility before taking office, otherwise election will be rendered null.

PARAGRAPH. Incompatibilities found in those already performing as National Congress of Coffee Growers Delegates, members of the National or Steering Committee, Departmental Committee or Municipal Committee of Coffee Growers will cause such position to be vacant for the remaining relevant term.

In case of failure to submit voluntary resignation when any of the aforementioned incompatibilities is found, and the office has been already taken, the position must be declared vacant by the Disciplinary Court, after the facts have been verified.

ARTICLE 69. The FNC may enter into contracts intended to allow coffee purchase and sale by and between Almacenes Generales de Depósito de Café -ALMACAFÉ S.A. and coffee-grower cooperatives, provided that these organizations have incorporated into their Bylaws and relevant regulations the inabilities and incompatibilities governing the members of Committees of Coffee Growers and their directives, administration board members, monitoring board members and employees, as applicable.

(CERTIFIED TRANSLATION OF A DOCUMENT WRITTEN IN SPANISH)

PROVISIONAL PARAGRAPH. A term of one (1) year as of the approval of these Bylaws will be provided for ALMACAFÉ S.A. and Coffee-Grower Cooperatives to incorporate the provisions of this Article into their Bylaws or regulations, as applicable. This term may be extended up to six (6) months by the Steering Committee when special circumstances provided the grounds for such extension.

PARAGRAPH 1. Preparing or promoting -either directly or through a third party- lists of candidates for elections of National Congress of Coffee Growers Delegates or members of Municipal Committees of Coffee Growers will be grounds for terminating the commercial agency contract on permits, lines of credit and support to enforce purchase guarantees between the FNC and coffee-grower cooperatives.

The FNC shall automatically terminate the commercial agency contract to purchase coffee and other aids to enforce the purchase guarantee with any cooperative that prepares or promotes such lists.

ARTICLE 70. The FNC legal representatives and Executive Directors of Departmental Committees will be subject to the inabilities provided in Article 67, Number 1, Letters a), b), c), d),

i), j), k), l), and the incompatibilities provided in Article 67, Number 2, except for Letter d).

PARAGRAPH. Whoever has been elected for popular election positions in the immediately prior year shall not be appointed as an FNC Manager or Executive Director of Departmental Committees.

ARTICLE 71. No FNC employee shall be part of the party directors or proselytize for a political party. Breach of this prohibition will be grounds for contract termination for cause.

FNC employees shall not run or be elected to be a member of the Congress of Coffee Growers, Departmental, Steering or National Committee, otherwise dismissal will apply.

ARTICLE 72. The Members of the National Committee, Steering Committee, Departmental or Municipal Committees of Coffee Growers, General Manager, Managers, Statutory Auditor, General Secretary, Executive Directors, their relatives within fourth degree of consanguinity, relatives by marriage up to the second degree or relatives by adoption up to the first degree, spouse or permanent partner, shall not be appointed to perform works paid by the FNC.

Such prohibition is understood to apply to appointments made as of the time they have been elected members of the National Committee or Steering Committee, Departmental or Municipal Committees, or appointed as Managers, General Secretary and Executive Directors.

CHAPTER XVII

DISSOLUTION AND LIQUIDATION

ARTICLE 73. The FNC will dissolve:

- a) By decision of the National Congress of Coffee Growers adopted when 80% of its members votes for dissolution; or
- b) By any other reason provided by law.

ARTICLE 74. Liquidation will be performed by a liquidator with its corresponding deputy liquidator appointed by the National Congress of Coffee Growers, and it will be performed pursuant to the relevant legal standards.

CHAPTER XVIII

DISCIPLINARY COURT

(CERTIFIED TRANSLATION OF A DOCUMENT WRITTEN IN SPANISH)

ARTICLE 75. A Disciplinary Court shall be in charge of any investigation, trial and disciplinary penalties derived from breach of the Bylaws, Code of Ethics and Good Governance and/or misdemeanors provided in the Regulations that have been committed by Federated Members, Congress Delegates, elected members of the National Committee, members of the Steering Committee, Departmental and Municipal Committees.

ARTICLE 76. The Disciplinary Court shall consist of three members who must be distinguished honorable attorneys-at-law elected by the National Congress of Coffee Growers for a four (4) year term.

The National Congress of Coffee Growers shall appoint two additional members to the Disciplinary Court to serve as deputies, so that they can integrate the Court in case of temporary or permanent absence by any of its members or in case a member is unable to perform in a particular case.

The Disciplinary Court members shall be subject to the same inabilities and incompatibilities as the Steering Committee members and elected members of the National Committee of Coffee Growers.

PROVISIONAL PARAGRAPH. Until the National Congress of Coffee Growers appoints the deputy members of the Disciplinary Court, the current members are in charge of appointing their deputy to take over in case of temporary or permanent absence or inability of a member.

ARTICLE 77. The Disciplinary Court shall have the following duties:

- a) To regulate the procedure to perform investigations under the applicable legal standards, considering the following:
 - a. The principle of procedural efficiency, due diligence and right to defense will be observed.
 - b. The production and assessment of evidence will be performed under the legal standards.
 - c. If there are no grounds to open an investigation, the process will be closed.
 - d. To begin formally with a preliminary inquire or disciplinary investigation pursuant to the evidence found in the corresponding file.
 - e. After assessing the evidence and facts, the Court shall proceed to adopt the applicable measures.
 - f. Court decisions may be challenged within three (3) days after the decision has been notified.
 - g. After a decision has been ruled, the party under investigation will be notified and subsequently the Steering, Departmental or Municipal Committee will be informed.
 - h. The Court will be subject to the terms provided by law.
 - i. The decisions that can be made by the Disciplinary Court are:
 - i. Declaration of vacancy
 - ii. Suspension
 - iii. Warning
 - iv. Closing
 - v. Transfer to other authorities when applicable.
- b) To conduct investigations on reports, situations or behaviors of federated coffee growers, elected members of the National Committee, members of the Steering Committee, Departmental and Municipal Committees filed in the Court either directly or via the Steering Committee, National Committee, General Manager or General Secretary that may entail a breach of the Bylaws, Code of Ethics and Good Governance or FNC regulations, as well as, impose the applicable penalties. The Court shall rule decisions pursuant to the FNC Bylaws and regulations and decisions made in good faith are applicable only if there is a lack of bylaw or regulatory provisions.
- c) To declare the corresponding positions vacant, after investigating and verifying the facts.
- d) To suspend temporary from their duties any Congress of Coffee Growers Delegates, elected members of the Steering and National Committee, members of Departmental Committees and/or Municipal Committees when it is convenient to prevent their participation and/or decision making powers in order to safeguard the general interest of the coffee growers represented, provided that the facts have been verified.

ARTICLE 78. The Disciplinary Court will have as much support as required from the General Manager's Offices and FNC employees to fulfill their duties, as well as, logistics support at the facilities and office equipment therein.

ARTICLE 79. The Disciplinary Court members will be paid for each session the same fees paid to the Steering Committee members.

CHAPTER XIX

CODE OF ETHICS AND GOOD GOVERNANCE

ARTICLE 80. The Code of Ethics and Good Governance approved by the National Congress of Coffee Growers and any future additions or amendments approved are and will be part of these Bylaws.

Individual agreements entered into by and between National Congress of Coffee Growers Delegates and members of Departmental and Municipal Committees of Coffee Growers leading to alternating administrative positions, as well as, any other type of fraudulent agreement or action against the elector's trust will be deemed to be serious breaches of the Code of Ethics and Good Governance.

Agreements made by elected members of the National Committees and Steering Committee intended to alter the decision made by electors to appoint such members will also be a serious breach.

ARTICLE 81. An Ethics Committee shall be in charge of the supervision, monitoring and control of the Code of Ethics and Good Governance.

PARAGRAPH. The Ethics Committee members who are not FNC employees will be paid for each session the same fees paid to the Steering Committee members.

CHAPTER XX

GENERAL PROVISIONS

ARTICLE 82. Loss of the status as federated member implies losing the status of National Congress of Coffee Growers Delegate, member of the Steering Committee and Municipal Committee, as applicable.

ARTICLE 83. Termination of the work contract of any FNC employee may be requested by the Steering Committee or a Departmental Committee based on the grounds of convenience for the FNC or employee's incompetence, negligence or misdemeanor.

Termination may be ordered by the General Manager on the same grounds.

ARTICLE 84. These Bylaws may be reformed by the National Congress of Coffee Growers by virtue of the Agreement approved by at least two thirds of the Congress votes.

ARTICLE 85. The Steering Committee and FNC General Manager are authorized to make any relevant modifications to contracts entered into with the National Government or negotiate new contracts.

ARTICLE 86. The Steering Committee and General Manager's Office shall issue the necessary regulations to enforce these Bylaws, based on their relevant duties.

ARTICLE 87. These Bylaws substitute entirely any prior bylaws and are enforceable as of their date of approval and issue on the FNC website.

(I, PASCUAL ORDUZ HIDALGO, Sworn Certified Translator and Interpreter for the English-Spanish, Spanish-English languages, appointed pursuant to Resolution No. 1117 by the Ministry of Justice of Colombia and duly registered before the Colombian Ministry of Foreign Affairs, do hereby certify that the above translation fully corresponds to the original document written in Spanish. In witness whereof, I hereunto set my hand and Official Seal on this 13th day of September 2017. Translator's Contact Information: (571) 6135182, (57) 3002683504, Calle 116 # 71 A 25 Of. 202, Bogotá, Colombia, traducciones@angloservicios.com, www.angloservicios.com)