



## **INTERNAL RULES AND REGULATION**

**BOLSA DE DIAMANTES DE LISBOA by ASSOCIAÇÃO DOS  
DIAMANTIERS DE PORTUGAL (“ADPT”)**

## **CHAPTER I**

### **INNER RULES**

#### **Article 1**

The ADPT (“the Association”) is ruled by its Inner Rules, and in terms thereof it is an accredited and authorised body that is entrusted with furthering the objects stated herein below. As the body who has been duly authorised to promulgate and enforce these Inner Rules, the Association is endowed through these Inner Rules with all powers necessary to perform its duties within the confines set out herein.

#### **Article 2**

The authority of the Association, derived from its members as defined herein below and such authority is exercised in conjunction with but independently from its members. .

#### **Article 3**

Any member, individual or Company as the case may be, may become an active member of the Association in terms of these Inner Rules and their membership shall be governed by these Inner Rules, and any admitted member shall be bound to these Inner Rules.

#### **Article 4**

These Inner Rules, approved and endorsed by the General Assembly of the Association, determine the general principles of the Articles of Association and provides the legal framework for its members to comply with.

#### **Article 5**

##### **Objects**

5.1 The Association has been formed to foster the interests of the diamond, coloured gemstones and jewellery industries and trade.

- 5.2 The Association aims to develop and maintain co-operation and business relationships with other diamond bourses and their members, as well as the development of information sessions, social responsibility actions, training sessions, conferences, seminars, workshops, services provider, consulting, tenders and online sales.
- 5.3 The Association also aims to provide a meeting place for its members for conducting of business amongst members of the diamond, coloured gemstones and jewellery industries and trade.
- 5.4 It is an objective of the Association to protect the interests of members and to regulate the conduct of members and make rules in regard thereto.
- 5.5 Each of such objects shall be deemed to be separate and distinct from each other.
- 5.6 Through any resolution of the Executive Committee, the Association may engage in any activity intended to facilitate the achievement of its objects, and for this purpose engage directly with government agencies, establish cooperation or joint venture agreements with other Associations or accredited organizations and with related interested parties, establish companies or engage with other companies or Associations in any legal form , either nationally or internationally, including the establishment of branches, or agencies and appoint representatives to represent the Association.
- 5.7 The Association may establish relations with any national and international organization in accordance whose terms of cooperation are aligned with their objects.

### **Article 6**

- 6.1 The Association may on a resolution passed by the Executive Committee engage with single persons, companies or other entities in Portugal or internationally for the purpose of:
- a) Promoting international understanding by various means of communication, which includes and not limited to informative, artistic, cultural, literary, and educational means;
  - b) Develop diamond related activities whereby the awareness level of the diamond industry in Portugal can be fostered and increased;
  - c) Promote human rights and gender equality;
  - d) Organize skills development programmes;
  - e) Organize enterprise development courses;

- f) Promote projects in developing countries, especially in CPLP Countries – Community of the Portuguese-Speaking Countries, about mining, culture, education, social area, amongst others;
- g) Promote initiatives for developing countries in order to reinforce the civil society supporting similar associations and local associations in these countries;
- h) Create a scholarship for students to attend diamond courses and/or coloured gemstones courses;

## **Article 7**

The logo of the Association is made of an image that represents Portugal and diamonds and is representative of the diamond industry in Portugal and of its dynamic. The logo is controlled by the following colours: red, blue, white and yellow.

## **Article 8**

### **Membership**

- 8.1 The persons and entities listed herein below may qualify to apply for membership of the Association on the discretion of the Membership Committee and these requirements may be amended from time to time by the Membership Committee and upon the endorsement thereof by the Executive Committee.
- 8.2 The members of the Association shall be divided into the following categories:

#### **8.2.1 Full Dealing Member**

Any and only a legal entity who has traded in diamonds or coloured gemstones or jewellery for at least 1 year and has satisfied the requirements of the Membership Committee (for purposes of this article “the Committee”) that:

- 8.2.1.1 It understands diamonds or coloured gemstones or jewellery and the ethics of the diamond or coloured gemstones or jewellery trade;
- 8.2.1.2 It has an untarnished business reputation;
- 8.2.1.3 It or his guarantor has sufficient working capital to maintain a trading business in diamonds or coloured gemstones or jewellery.

The requirements of the Committee shall be determined from time to time and as per resolution passed.

#### **8.2.2 Overseas Member**

Any person who satisfies the Committee in all the criteria required for Full Dealing Members

and only in those cases where the person is not ordinarily resident in Portugal.

8.2.2.1 If an applicant resides in a country where there is no Bourse affiliated to the World Federation of Diamond Bourses, he shall be proposed by three independent members who shall have had regular business dealings with him for not less than two years notwithstanding the provisions of article 8.2.2.2 or exceptionally those members may be admitted by the Executive Committee and the Membership Committee approval.

8.2.2.2 If an applicant resides in a country where there is a bourse affiliated to the World Federation of Diamond Bourses, it shall be required to be a member of such Bourse unless it was a Full Dealing Member resident in and wishes to be reclassified as an Overseas Member.

### 8.2.3 Broker Member

Any person who otherwise satisfies the Committee that he qualifies as a Full Dealing Member but whose modus operandi is that of a Broker shall be a Broker Member. The Seller shall be obliged to pay the Broker an agreed commission.

8.2.3.1 A Broker Member may not trade on his own account but may act only as a Broker. The Seller's invoice shall be delivered by him to the Buyer unless the Committee authorizes to the contrary.

8.2.3.2 The Broker Member will have mandatorily to have a training course of a minimum of two days held by the Lisbon Rough Diamond Bourse.

### 8.2.4 Honorary Member

The Committee shall be entitled for such reasons as it deems fit to appoint persons (whether Association members or not) to hold Honorary Office or Honorary Life Office. Any person so nominated shall during the period of his Honorary Office be entitled to enjoy all the rights and privileges of either full or service Membership and shall be subject to the terms of these Inner Rules save and except that:-

8.2.4.1 He shall not be required to make payment of subscriptions or other dues to the Association.

8.2.4.2 He shall not be entitled to any voting rights nor be eligible for election or appointment to the Committee.

### 8.2.5 Service Member

Any individual who acts in his own name as a sole proprietor who has satisfied the Committee that;

8.2.5.1 He is a man of integrity with an untarnished business reputation.

8.2.5.2 He performs a service to the diamond or coloured gemstones or jewellery industry (e.g. laboratory certification) considered to be necessary or desirable.

### 8.2.6 Representative Member

A Full Dealing member shall be entitled to appoint a Representative member or members who are required to satisfy the Committee that:-

-He understands diamonds or coloured gemstones, or jewellery and the ethics of the trade.

-He is a man of integrity with an untarnished business reputation.

8.2.6.1 Such Full Dealing Member shall be required to lodge with the Association a signed written form of indemnity binding him to honor each and every contract, dealing, transaction, negotiation and obligation which may be entered into or acceded to by the proposed Representative member in the course of trading.

8.2.6.2 A Representative member will be allowed to trade only on behalf of his principal and shall have no voting rights in the Association's affairs

### 8.2.7 Retired Member

Any member who has satisfied the Membership Committee that he has on account of age or infirmity or other similar good reason retired permanently from active participation in the trade.

The fees payable by a Retired member will be equal to those fees payable by other classes of Member. The Committee reserves the right to waive the payment of membership fees in deserving cases.

### 8.2.8 Founder Member

Any member who has established the Association and was present in the constitution act on June, 17<sup>th</sup> of 2015. The founder members are: João Paulo Marçal Leitão, Silvia Isabel Pinto Teixeira, António Manuel de Almeida, Paulo do Carmo Gil Lopes, Carla Sofia Lopes da Costa Leitão, João Paulo Pereira Torres, José Mário Moreira dos Santos Correia de Almeida.

The founder members under these inner-rules will be exempted from the payment of any fee for life and have complete voting rights and are eligible for election or appointment to the Committees.

**8.3** The basic requirements and procedures that the Committee prescribes before any applicant's application for membership can be processed are, inter alia:

- a) Be at least twenty-one years old;
- b) Own a proper license as an importer/exporter of rough diamonds and/or polished diamonds, or as an Individual or Company that is taking the license to be an importer/exporter of rough diamonds and/or polished diamonds, professional or connected to the gemmological sector, diamond or mining;
- c) A valid jeweller license;
- d) Have proper knowledge and/or experience in the fields of gemmology, geology, mining and/or evaluation of rough diamonds;
- e) Application for membership (other than Honorary) shall be made in writing on such form as is approved from time to time by the Committee, which shall be established by the Committee in terms of article 8.1 herein above.
- f) Such application shall bear the name and signature of two members of the Association, one of whom shall be the Applicant's proposer and the other his seconder. The applicant shall be personally known to the proposer and seconder who shall not otherwise propose or second.
- g) Such application shall be lodged with the Secretary of the Association and shall be accompanied by payment of the entrance fee. Thereupon the Secretary shall post the application on the Association's Notice Board together with such details which the Committee deems necessary, for a period of not less than one month in order to afford members the opportunity of objecting to the applicant's election.
- h) The Committee of the Association shall within 5 (five) working days consider the Applicant's application for membership in order to satisfy itself that the Applicant is possessed of the necessary qualifications entitling him to seek membership of the Association and that he is in no way disqualified in terms of the Inner Rules to seek such membership. If it considers that the Applicant is entitled to election the Chairman of the Committee shall report thereon to the Committee giving the class of membership which the Committee recommends.

- i) The Committee of the Association (whose quorum for such purpose shall not be less than 60% of its membership) shall consider the Applicant's application together with any objection which may have been made thereto, together with the Committee's recommendation. The Committee shall be entitled to accept, reject or defer such application for membership or grant the Applicant a class of membership other than that for which he applied. The decision of the Committee shall be arrived at by secret ballot and no candidate shall be elected unless he has received a majority of not less than three votes and accordingly a lesser majority shall be deemed a rejection of the application. Such decision of the Committee shall forthwith be conveyed in writing to the Applicant by the Secretary
- j) In the event that an Applicant's application for membership has been accepted, he, she or it shall be obliged within one month of the dispatch to him, her or it of a notification to such effect to make payment of his subscription to the Association at the rate hereinafter set out. Pending such payment he shall not be entitled to make use of the privileges of membership and in the event that he fails to make payment within such month, his election to membership shall automatically become null and void, and in such event, the entrance fee paid by him shall be forfeit to the Association.
- k) A newly elected member shall be required to serve a probationary period of membership of one year. During this period he shall not be entitled to vote or hold office, and the Committee shall be entitled to terminate his membership without assigning any reason therefor. The provisions of article I herein below regarding claims against the Association shall mutatis mutandis apply.
- l) If at any time after the election of an applicant to membership, it shall appear that he has been elected under a misinterpretation or mistake as to his identity or owing to materially incorrect information having become known to it, the Committee shall be entitled to cancel the Applicant's election to membership. In such event such Applicant (then a Member) shall therefore cease to be a member and shall have no claim whatsoever against the Association howsoever, arising from such cancellation and whether for damages, return of entrance fees and/or of subscription or otherwise, provided that the Committee shall nevertheless be entitled in its own sole and entire discretion to make an ex gratia refund to him in such an amount as it may consider proper.
- m) No Applicant whose application for membership has been rejected shall be entitled again, to apply for membership before the lapse of a period of one (1) year reckoned



from the date of the last rejection of his application for membership

- n) The Membership Committee shall be entitled to investigate and make decisions on all matters relating to the status of members and reclassifying of members, save that on admission, suspension, termination and re-admission it may make recommendations to the Executive Committee which shall make such decisions. The Executive Committee shall be entitled to call for guarantees and require trading conditions such as All Risks Insurance to be met if necessary.
- o) Any decision of the Membership Committee may be reviewed by the Executive Committee on written application setting out the grounds therefor.

### **Article 9**

- 9.1 The admission as a member of the Association may only occur upon the endorsement of the Executive Committee and only after the Membership Committee has approved the application.
- 9.2 To be judge suitable as a member must not incur the following circumstances:
- a) Be declared insolvent by a judicial court in the last five years; be in liquidation, dissolution or compulsory winding-up; be subjected to any preventive action of winding-up of capitals or in any analogous situation, or have a previous case of winding-up of any form of entity.
  - b) Have been convicted, in Portugal or abroad, with the final judgment of one of the following crimes, punished by imprisonment of more than six months:
    - i. Crimes against property;
    - ii. Drugs trade crime;
    - iii. Money laundering crime;
    - iv. Corruption crimes;
    - v. Counterfeiting crimes;
    - vi. Crime of influence traffic;
    - vii. Taxes crimes or customs officer crimes under the General Regime of Tax Offences (“RGIT”) approved by the Law No. 15/2001, on 5<sup>th</sup> of June 2001.
  - c) Persons who have been expelled from and not reinstated to membership of a recognized Diamond Association or bourse affiliated to the World Federation of Diamond Bourses.
  - d) Persons who have been suspended from and not yet reinstated to membership of a recognized Diamond Association or bourse affiliated to the World Federation of Diamond Bourses.
- 9.3 Determines the suitability of a person or of the company and also the management of any

circumstances described in the preceding article in respect of its administrators, directors or managers.

- 9.4 Conditions referred to in article 9(2)(b) herein above cease to be relevant on the date of the effective cancellation of convictions of any criminal record.
- 9.5 The absence of one of the requirements on existing member shall mean suspension of the membership until the verification of the condition that determines the suitability of the single individual or of the company.

### **Article 10**

- 10.1 The members will be issued within five working days from the receipt of the application for membership and submitted in the terms of the article above and after payment of the entrance fee and the first annual subscription.
- 10.2 Individuals or companies that are already members shall notify the Association, within 30 normal days of any of the following circumstances:
- a) Change of the administrators, directors or managers;
  - b) Change of the trade name, of the legal nature, of the headquarters or of the residence for tax purposes;
  - c) Cessation of business.
- 10.3 In the case provided in article 10.2(a) above, communication has to be accompanied with the respective criminal record certificates.

### **Article 11**

The membership is non-transferable and/or cedable by any act between persons or companies or any other form of legal entity or by way of succession.

### **Article 12**

- 12.1 Members could resign at any time, by written communication addressed to the Membership Committee of the Association.

12.2 The readmission of expelled or suspended members must be requested by them and accepted by the Membership Committee.

### **Article 13**

A register (albeit electronically or otherwise) with the full details of all members shall be held by the Secretary of the Association.

### **Article 14**

The annual subscription fee must be paid before the expiration date of the current period of membership.

### **Article 15**

#### **Members Rights**

15.1 The rights of Members are:

- a) Equal rights in terms of the Memorandum of Incorporation and these Inner Rules;
- b) Participation in the activities of the Association, including the General Assembly Meetings, and be able to vote - voting rights are granted to members who have been members for more than twenty-four months and have paid up all their annual subscriptions. – Any member who has outstanding subscriptions with the Association will not be allowed to participate in General Assembly Meeting;
- c) Stand for election and be elected to a position in any of the Committees of the Association, after twenty-four months from the date of their registration approval as member of the Association and have paid up all their annual subscriptions;
- d) Propose to the Membership Committee the admission of new members;
- e) Enjoy all the benefits inherent to its class of Membership, and depending on their category;
- f) Use the facilities and services of the Association, as established in these Inner Rules;
- g) Receive technical support that the Association can provide on matters related to the Association;
- h) Examine books and other documents of the Association, classified as generally available from time to time;
- i) Receive a membership card and a copy of the statutes and these Inner Rules;
- j) Request for an Extraordinary General Assembly Meeting as established in these Inner Rules;
- k) Request the suspension of the payment of annual subscription fees when he/she/it is in the involuntary bad financial position. Under the circumstances described herein are required to send a written report to the Executive Committee as soon the cause for the suspension terminates, and readmission as a member will be subjected to the discretion of the Executive Committee.

**Article 16**  
**Member's duties**

16.1 The duties of Members are:

- a) To honour and uphold these Inner Rules as well as the integrity and ethics of the diamond trade both in Portugal and overseas whereby the Association's standing can be enforced and supported;
- b) Actively contribute to the achievement of the objectives of the Association;
- c) To accept and enforce the decisions taken by any General Assembly Meeting and the Executive Committee, not excluding any legal actions provided by law;
- d) Pay on time any fees that may be prescribed, such as the payment of annual subscriptions;
- e) Participate in all the activities and at the General Assembly Meetings;
- f) Perform with the highest degree of integrity and dedication any position it is elected to;
- g) To attend any meetings for which they were invited;
- h) Return the membership card, upon its suspension, resignation or expulsion (as the case may be);
- i) Not publish or publicise, through the media, matters involving the name of the Association, without previous permission of the Executive Committee, unless if those are issues of a social or cultural nature;
- j) Not reveal to a non-member, any issue involving the disclosure of information of the Association or, if this information is subject to a limited number of members of the Association ;

**CHAPTER II**  
**ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL**  
**DISCIPLINARY REGULATION**

**Article 17**

The disciplinary power is exercised by the Disciplinary Committee.

**Article 18**

Members who violate the duties established in Article 16 shall be subject to inter alia, the following sanctions:

- a) Either a verbal or written warning; or
- b) Suspension of rights for a certain number of days; or
- c) Expulsion.

### **Article 19**

- 19.1 Members who will be subject to penalties of warning, temporary suspension of rights or loss of the membership, depending on the seriousness of the offense or members who fail to comply with the duties mentioned in Article 16, as well as those who practice injurious acts against the interests of the Association or against any other Member.
- 19.2 A Member failing the payment of annuities, i.e. those who do not pay their dues in accordance with Article 16 are temporarily suspended from the Members' rights. The suspension does not exclude the member from making payments of annual subscription continuously.
- 19.3 Will be excluded from the Association:
- a) Members who - by words or actions – act contrary to ethical or other principles adopted by the Association;
  - b) Members that by the judgment of the Disciplinary Committee, are involved in acts that are contrary to the objectives of the Association or that in any way, could influence its prestige or its members, which will result in a mandatory disciplinary hearing of the Member;

### **Article 20**

- 20.1 The disciplinary process begins with a disciplinary notice and may be preceded by a meeting scheduled no longer than sixty days before by the Disciplinary Committee.
- 20.2 The procedure laid down in Article 37 herein below shall be followed.

### **Article 21**

The decision of the Disciplinary Committee may be appealed to the General Assembly for reconsideration. The decision of the General Assembly is final.

### **Article 22**

Any member who has been suspended or expelled shall not be eligible to serve on any Committee of the Association or any other body that the Association has formal or informal ties with.

### **Article 23**

The Member who in any case ceases to be a member of the Association, loses the right for reimbursement of his/her annual subscription fee paid, and for the period he was a member of the Association.

### **Article 24**

#### **Readmission to Membership**

The Membership Committee of the Association shall be entitled in its sole and entire discretion to readmit to membership any former Member whose membership has been terminated for any reasons whatsoever and upon such terms and conditions as it deems fit and likewise to lift any suspension imposed upon any member.

### **Article 25:**

#### **Resignation of Membership**

- 25.1 Any member intending to resign his membership shall notify the Secretary in writing to that effect and the Secretary shall table such request before the Membership Committee.
- 25.2 In the event of his notification being received by the Secretary after the 31st December each year he shall nevertheless remain liable for payment of his subscriptions for the ensuing year unless the Membership Committee decides to the contrary.
- 25.3 No resignation of any member shall be deemed to be or shall become effective unless and until it be accepted by the Committee which shall, however, be obliged to accept such resignation after expiry of a period of one year reckoned from the date of notification thereof.
- 25.4 The Committee may in its sole and entire discretion refuse to accept any resignation unless it be accompanied by payment of all amounts owing by the Member to the Association including subscriptions for the current year and in such event the member shall continue to be liable to make payment of his subscription and any levy which may thereafter be imposed by the Association.

25.5 Notwithstanding suspension, expulsion or the acceptance by the Committee of a member's resignation, a member shall be subject to the arbitration and disciplinary provisions of this Inner Rules exactly as if he were still a member in respect of:

25.5.1 Any claim or complaint or arbitration proceedings already instituted against him as at the date of his resignation.

25.5.2 Any act or omission which occurred while he was member and in respect whereof arbitration or disciplinary proceedings could have been instituted against him prior to his resignation.

## **Article 26:**

### **Finance**

#### **26.1. Levy**

The Executive Committee of the Association (for purposes of this article “the Committee”) may impose a levy and if it so desires in differing amounts payable by each class of member and determine a date on or before which such levy is payable. Failure by any member to make payment of such levy shall be treated as a failure to make payment by a member of his subscription and shall give rise mutatis mutandis to the procedure and consequences contained in article 19.2 hereof.

#### **26.2. Entrance Fee**

The Executive Committee shall from time to time determine the entrance fee or fees that shall be payable by any person elected to membership of the Association.

#### **26.3. Subscriptions**

26.3.1. The Executive Committee shall from time to time determine the annual subscriptions payable by the various classes of membership. Provided that for any incomplete period of less than a year a member a member shall pay equally the complete year period which shall commence in the entrance date and shall end one year after the entrance date.

26.3.2 All subscriptions shall be payable annually in advance on the first day after the end of the previous subscription period.

**CHAPTER III**  
**ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL**  
**GOVERNING BODIES MEMBERS**

**Article 27**

- 27.1. The Governing Bodies of the Association is made of: the General Assembly, and the other Committees mentioned in article 33 herein below.
- 27.2 The exercise of any position on any Committee is free of any compensation. Upon proper submission received from any member compensation for expenses could be justified.
- 27.3 Under special circumstances which shall require a Committee to spend a prolonged and dedicated time frame or alternatively one or more members of the Executive Committee, financial compensation can be awarded and approved for by the Executive Committee.
- 27.4 Any monetary compensation for the Committee Members, if necessary, will be solely decided by the Executive Committee.
- 27.5 Any commercial activities licensed by the Association could at any time be subcontracted or sub-licenced, to a third party company to provide these services, subject to the payment of a fee, payable to the Association.

**Article 28**

**The Executive Committee**

- 28.1 The Executive Committee (for purposes of articles 28, 29 and 30 “the Committee”) of the Association shall consist of a Chairman, a Vice-Chairman and seven (7) members to be elected as hereinafter provided.
- 28.2 The Committee shall if so directed as hereinafter provided by an Annual General Assembly appoint by co-option a shortfall in its members arising from an insufficient number having been elected at such Annual General Assembly.



- 28.3 So long as the Committee shall not be less than three (3) members it shall be entitled to fill any casual vacancies in its members by way of co-option.
- 28.4 The Committee shall have power to act notwithstanding any vacancy or vacancies in its number provided that its number shall not have been reduced to less than three (3) in which event the Committee shall forthwith but upon the giving of due notice convene a special general meeting of the Association for the purpose of electing sufficient additional members so that the Committee shall again consist of a total of nine members.
- 28.5 The Committee may grant leave of absence from meetings to any of its members for a period not exceeding six (6) months and in such event may co-opt a temporary Committee member in his stead but subject to the condition that at no time shall there be more than three members co-opted serving on the Committee.
- 28.6 The office of any member of the Committee shall be vacated in any one of the following eventualities, namely:
- 28.6.1 Termination for whatsoever reason of his membership of the Association.
  - 28.6.2 On his membership being suspended.
  - 28.6.3 In the event of his absenting himself at three consecutive meetings of the Committee without cause accepted as reasonable by the Committee.
  - 28.6.4 If he tenders his resignation which shall be by way of giving one week's written notice to such effect.

## **Article 29**

### **Election of Chairman and Vice-Chairman**

- 29.1 The Chairman and Vice-Chairman shall be elected by secret ballot at alternate Annual General Assemblies of the Association and shall hold office for ten (10) years.
- 29.2 Nominations to the offices of Chairman and Vice-Chairman shall be in writing duly signed by a proposer and seconder each of whom shall be a member of the Association entitled to vote and by the member nominated signifying his willingness to stand for election, and shall be submitted to the Secretary not less than five (5) working days before the date of the Annual General Assembly at which the occupant of such office is to be elected.

- 29.3 The Chairman and Vice-Chairman shall have served on the Committee for at least one (1) year.
- 29.4 The Secretary shall not less than five (5) working days before the date of the Annual General Assembly post on the Association Notice Board a list of members nominated for office of Chairman and Vice-Chairman.
- 29.5 No member of the Association shall hold office as Chairman or Vice-Chairman for a period longer than two consecutive terms of office but such member may however, be again elected Chairman or Vice-Chairman after the expiry of one year from the date upon which he last held such office. These provisions shall not apply should the Chairman at the time be President, Vice President or a member of the Executive Committee of the World Federation of Diamond Bourses.
- 29.6 A member who was unsuccessful in the election for Chairman shall automatically be entitled to stand for election as Vice Chairman.

### **Article 30**

#### **Election of Remaining Members of the Executive Committee**

- 30.1 Provided that they are otherwise eligible in terms of these Inner Rules and in good standing the following shall be the members who may participate as candidates for election as the remaining seven members of the Committee of the Association every 10 (ten) years at the Annual General Assembly namely:-
- 30.1.1 All members of the Committee whose term of office expires at such Annual General Assembly and who are available for re-election.
- 30.1.2 All unsuccessful candidates for the Office of Chairman and Vice-Chairman who are to be elected at such Annual General Assembly.
- 30.1.3 All other persons nominated to hold office as members of the Committee of the Association provided that such nominations shall have been in writing under the hand of a proposer and seconder both of whom shall be members entitled to vote and that such nomination shall have been delivered to the Secretary not less than five working days prior to the Annual General Assembly.
- 30.2 Such candidates for election shall be listed on a ballot paper which ballot paper shall be issued to each member of the Association present at the Annual General Assembly and entitled to vote and who shall indicate by cross for whom he votes.

- 30.3 A member shall not cast a number of votes greater than the number of vacancies on the Committee and shall not be entitled to allocate more than one vote to any candidate and in the event that he does his ballot paper shall be deemed to be spoiled and the votes cast disallowed.
- 30.4 Candidates (to the number of the members of the Committee to be elected) securing the highest number of votes shall be deemed and declared to be elected.
- 30.5 Two scrutineers appointed by the Meeting shall count the ballot papers and their decision shall be final.
- 30.6 Where there is a tie between two or more candidates in the voting and there are not sufficient vacancies in respect of such candidates, a further ballot shall be taken in order to select the number of persons required from those who tied as aforesaid.
- 30.7 The seven members so elected shall hold office for a period of 10 years or until the ensuing Annual General Assembly.
- 30.8 If for any reason whatsoever there shall be seven or less than seven candidates standing for office as members of the Committee of the Association then:-
- 30.8.1 All such persons so standing shall forthwith be declared elected.
- 30.8.2 In respect of the shortfall such Annual General Assembly shall be entitled notwithstanding anything to the contrary herein contained to appoint eligible members to hold office or to authorize immediate nominations for a further ballot or to authorize the Committee to fill such shortfall by co-option.
- 30.9 The Secretary shall not less than five (5) working days before the date of the Annual General Assembly post on the Association Notice Board a list of candidates for election of Committee members.

### **Article 31**

#### **Election of Treasurer**

At its first meeting to be held immediately after the conclusion of the Annual General Assembly at which it was appointed, the Executive Committee of the Association shall select a Treasurer of the Association. In the event of there being more than one nomination an election shall be held and voting shall be by

show of hands unless any member shall require that it be by secret ballot in which event there shall be a secret ballot

## **Article 32**

### **Powers of the Executive Committee of the Association**

The entire management and control of the Association shall be vested in the Executive Committee and this Committee shall have full power and authority to do any act, matter or thing which could or might be done by the Association except as otherwise specially provided in these Inner Rules and without in any way limiting such powers and authorities, the Executive Committee shall have the following special powers:-

- 32.1 To make, vary and repeal bye-laws for carrying out the provisions contained in these Inner Rules, for the management of the affairs and the use of the premises of the Association by its members and generally for all matters connected with the Association, provided that such bye-laws do not conflict with these Inner Rules.
- 32.2 To sell, lease, alienate or otherwise dispose of any part or parts of the movable or immovable property of the Association as it may think most beneficial to the Association, and to apply the consideration arising therefrom as it may think most advantageous to the Association, but the Committee shall not have the power to dispose of the whole of the movable and immovable property of the Association unless such sale is ratified and confirmed by a Resolution passed by a majority of not less than two-thirds of the votes of the members present at an Extraordinary General meeting of the Association called for that purpose or present at an Annual General Assembly on which agenda this item appears.
- 32.3. To sell real estates, constitute establish any collateral for any kind of goods, establish and participate in companies and associations, as authorized by the General Association Assembly Meeting and after the favourable opinion of the Audit Committee;
- 32.4 To appoint attorneys, agents, secretaries, officers, clerks and servants for permanent, temporary or special services, as it may think fit, to invest them with such powers as it may think expedient, to determine their duties and fix and vary their salaries and to such amounts as it may think fit,

and in its discretion to terminate such appointment or appointments.

- 32.5 To institute, conduct, defend, compound or abandon any legal or arbitration proceedings by or against the Association, or its officers or otherwise, concerning the affairs of the Association, and also compound and allow time for payment or satisfaction of any debts due to the Association, and of any claims or demands by the Association.
- 32.6 To make and give receipts, releases and other discharges for monies payable to the Association, and for the claims and demands of the Association, and except where otherwise provided in these Inner Rules, such receipts shall be signed by the Secretary or some person lawfully acting in the place of such Secretary.
- 32.7 To open one or more banking accounts in the name of the Association and to operate on and overdraw the same, and to draw accept, endorse, make and execute bills of exchange, promissory notes, cheques, and other negotiable instruments connected with the business of the Association.
- 32.8 To invest and deal with any moneys of the Association not immediately required for the purposes of the Association upon such securities and upon such terms as it may think fit, and from time to time to vary or realize such investments.
- 32.9. To change headquarters and open new facilities when necessary;
- 32.10. To sign any renting contracts for facilities
- 32.11. To open or close, in national territory or abroad, any kind of social representation, including branches, agencies or delegations;
- 32.12. To appoint international delegates;
- 32.13. To buy and/or rent equipment required for the activities;
- 32.14 To nominate advisors to the Executive Committee.
- 32.15 To borrow or raise money in such a manner as it may think fit, and upon such terms and

conditions as it may think fit, and as security for any monies so borrowed or raised to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Association, present or future, upon such terms and conditions as it may think fit

32.16 To accept grants, donations, inheritances or legacies;

32.17 To delegate to any Committee all or any of the authorities by these presents conferred on the Committee and upon such terms and conditions as the Committee may from time to time impose, including the right to such Committee to co-opt additional members.

32.18 To appoint officials of the Association, to determine their duties and the terms and conditions of employment.

32.19 To consider and determine all applications for membership.

32.20 To institute disciplinary proceedings against members in respect of misdemeanors, unfair business conducts and lack of ethics, to impose penalties, and to expel or suspend members from membership.

32.21 To determine all matters in connection with the re-admission of an expelled or suspended member.

32.22 To establish partnership contracts, subcontracts, purchase and services.

32.23 To perform service contracts, or the subletting of licenses that may be assigned to commercial oriented activities.

32.24 To negotiate and open protocols between the Association and the third parties.

32.25 To draw up and amend the rules of procedure, except those that are competence of the General Association Assembly Meeting.

32.26 The Committee shall be the body responsible for the administration and interpretation of the

Inner Rules and any of the articles thereof.

32.27 To deal with all other matters in connection with the Association except those expressly reserved for determination by a General Meeting of members.

32.28 Generally to do or perform all acts necessary to ensure the fulfillment of the Objects of the Association as set out in article 5 hereof.

### **Article 33**

#### **Committees**

33.1 There shall be the following Committees in addition to the Executive Committee of the Association, namely:-

- Arbitration Committee
- Disciplinary Committee
- Judicial Committee
- Audit Committee
- Membership Committee

as more fully set out herein.

33.2 In addition the Executive Committee of the Association shall be entitled in terms of Article 32.9 above to appoint such further Committees as it may deem fit.

### **Article 34**

#### **Arbitration Committee**

#### **34.1 Election**

34.1.1. The Arbitration Committee shall consist of 5(five) Full Dealing members of the Association in good standing who shall be elected to hold office as such by members at the Annual General Assembly and who have been nominated in writing not less than five (5) working days prior to the Annual General Assembly by a member proposing and a member seconding, both of whom shall be entitled to vote.

- 34.1.2 Such candidates for election shall be listed on a ballot paper which ballot paper shall be issued to each member present at the Annual General Assembly and entitled to vote and who shall indicate by cross for whom he votes.
- 34.1.3 A member shall not cast a number of votes greater than five and shall not be entitled to allocate more than one vote to any candidate and in the event that he do so his ballot paper shall be deemed to be spoilt and the votes cast disallowed
- 34.1.4 The five candidates securing the highest number of votes shall be deemed and declared to be elected
- 34.1.5 Two scrutineers appointed by the Meeting shall count the ballot papers and their decision shall be final.
- 34.1.6 Where there is a tie between two or more candidates in the voting and there are not sufficient vacancies in respect of such candidates, a further ballot shall be taken in order to select the number of persons required from those who tied as aforesaid.
- 34.1.7 The five members so elected shall hold office for a period of two years until the ensuing Annual General Assembly subject to any of their completing any Arbitration proceedings in progress.
- 34.1.8 If for any reason whatsoever there shall be less than five candidates standing for office then:-
- 34.8.1.1 All such persons so standing shall forthwith be declared elected.
- 34.8.1.2 In respect of the shortfall such Annual General Assembly shall be entitled notwithstanding anything to the contrary herein contained to appoint eligible members to hold office or to authorize immediate nominations for a further ballot or to authorize the Committee to fill such shortfall by co-option.
- 34.1.9 The Secretary shall not less than five (5) working days before the date of the Annual General Assembly post on the Association Notice Board a list of candidates for election to the Arbitration Committee.
- 34.1.10 The Arbitration Committee shall appoint a Chairman from the members elected to such Committee. The Chairman of the Association may not be elected to the Arbitration Committee. Voting shall be by show of hands unless any member requires that it be by secret ballot in which event it shall be by secret ballot.

## **Article 35**

### **Operation**



- 35.1 The function of the Arbitration Committee shall be to follow the procedure set out in article 35(6) hereinbelow for the purpose of determining disputes as more fully set out hereunder. The procedures for the hearing of such disputes and all matters pertaining to the conduct of such disputes are set out in this Article . Any matters not provided for may be decided by the Committee or delegated by it or the Chairman for decision by the Judicial committee, which shall be responsible for administrative matters.
- 35.2 Any member who alleges a dispute with another member shall not resort to legal action but may request arbitration by lodging in writing with the Association details of such dispute and the relief sought. If denied the right to use the Association's arbitration facilities for reasons stated by the Association to him and the other member, he may take such legal action as he wishes.
- 35.3 A member of the Association who institutes legal proceedings against any other member of the Association concerning a dispute which should have properly been referred to the Association for arbitration and which legal proceedings have not been authorised as contemplated by article 35.2. above shall himself be guilty of a breach of these Inner Rules and shall be liable to disciplinary action. Such member against whom such legal proceedings have been instituted shall have and retain all his rights to have the dispute dealt with as contemplated by these Inner Rules.
- 35.4 If a dispute arises between the parties and (or) members in the implementation, interpretation and integration of the Association's internal rules and regulation, legal and contractual regulations, the dispute will be submitted to the Judicial Committee composed by three members, one appointed by each party and the third chosen jointly by the Judicial Committee that the parties have chosen or appointed by the Executive Committee of the Association if it is not a party.
- 35.5 The Party which decides to subject certain dispute to the Arbitration Court will issue its fundamentals for such submission and appoint immediately the arbitrator of his nomination in the Inner Rules petition which he will send to the other Party by registered letter with acknowledgment receipt, which must, in within 20 working days of the receipt of the request, appoint the arbitrator and present his defense;
- 35.6 Both arbitrators appointed under the preceding number of this article shall appoint the third arbitrator within 10 days of the appointment of the second arbitrator of the Court, leaving for the Chairman of the Appeal Court of Lisbon this designation if it doesn't happen within this time

period. The Chairman of the Appeal Court of Lisbon will also appoint the representative of either party, if they have not done so;

35.7 The Arbitration Court is constituted on the date that the third arbitrator accept his appointment and notifies both parties;

35.8 The Arbitration Court may be assisted by technical experts and advisers as it deems appropriate to appoint;

35.9 The Arbitration Court, unless timely compromise between the parties, will judge under the Laws and its decisions cannot be appealed;

35.10 The Arbitration Court decisions must be rendered within a maximum of six months counting from the date of the Court constitution determined under this Article, and will represent the final decision of the Arbitration proceeding on the matters concerned and shall determine the costs of the proceedings and its sharing by the Parties;

35.11 The Arbitration Court shall have its headquarters in Lisbon in place of their choice and use the Portuguese language;

The arbitration will be held in Lisbon, conducting the Court in accordance with the rules set out in the present articles and according to the rules established by the Court itself

### **Article 36**

#### **Jurisdiction**

36.1 Every member of the Association shall be deemed from the date of his admission to have read and understood the contents of these Inner Rules and to have submitted himself to these arbitration provisions. Every member consents to the arbitration being held in Lisbon. The term “member” furthermore includes any member of an association referred to in article 36.5 (b).

36.2 Every member shall be subject to the contents of article 35 herein above not only in any dispute to which he himself is personally a party but also in any dispute to which the business in which he is interested or the company of which he is a shareholder or director is a party and as if in such latter

event the transaction or negotiations or act or omission or incident which led to the dispute took place with him personally.

- 36.3 A member shall be personally liable and obliged to comply with and implement any award made by the Arbitrators in a dispute to which he was deemed to be a party by virtue of the foregoing.
- 36.4 The nature of any dispute which shall be submitted to arbitration shall be any dispute between members (defined as in sub-article 36.2 above) arising from or forming part of any transaction or negotiation or act or omission or incident howsoever connected directly or indirectly with or relating to the diamond or precious stones or jewellery industry, trade or undertakings.
- 36.5 Notwithstanding anything herein before contained the Committee or Judicial Committee shall be entitled in its discretion to apply the provisions of this Inner Rules to a dispute alleged and relief sought by:
- (a) A non- member of the Association against a member who has consented in writing to such dispute and relief sought being referred to the Association.
  - (b) A member from a Bourse member of the World Federation of Diamond Bourses, who is not a member of the Association; provided that such association's Inner Rules provides that such dispute and relief may be referred to the Association for arbitration purposes. These provisions shall be deemed to be a stipulation for the benefit of such non-member who shall acknowledge in writing that he agrees to be bound by the terms of this Inner Rules and the Arbitration proceedings as conducted by the Association as if he were a member.
- 36.6 Save as herein provided, Arbitration proceedings are subject to the provisions of any relevant legislative enactments current at the time, inter alia, the Arbitration Act of Portugal no 63 of 2011 as amended, or any repealing or succeeding Act.
- 36.7 The decision of the arbitrators shall in any dispute be final and binding upon the parties thereto. Neither they nor the Association or any of its officials shall be liable to any party for any act or omission relating to any arbitration proceedings or the performance of any functions or duties thereunder.

36.8 Each member shall be bound by the arbitration rules of the World Federation of Diamond Bourses and in particular article 4 of its Inner Rules, and where required by local laws, subject to the mutual binding of a member of another bourse likewise being so bound.

### **Article 37**

#### **DISCIPLINARY COMMITTEE**

37.1 The Disciplinary Committee shall consist of such members who from time to time comprise the Arbitration Committee; save that the General Assembly Meeting shall elect one of such members to be the Chairman of the Disciplinary Committee which member shall not be the Chairman of the Arbitration Committee. Voting shall be by show of hands unless any member requires that it be by secret ballot in which event there shall be a secret ballot.

37.2 The function of the Committee shall be to investigate the conduct of any member (whether on written complaint received or whether of its own accord) should it have reason to believe that such member has been involved in misconduct, misdemeanor, dishonesty, unfair trade practice, lack of ethics, misrepresentation, defamation of another member, introducing undesirable persons onto Association premises, failing to report any misconduct as detailed herein to the Association or breaches of the Association's Inner Rules, Rules or Directives issued by the Committee or any Committee, or any other matter arising from or in connection with a complaint and shall likewise be free to investigate any matter of whatsoever nature which comes to its attention.

37.3 Written notice of the date, time and place of such hearing shall be given to the accused member and the complainant and witnesses if any.

37.4 At the hearing the accused member shall be asked to plead guilty or not guilty to the complaint. If he pleads guilty no evidence need be led, unless desired by the Committee. He shall then be found guilty and after allowing an address in mitigation, the Committee shall impose its punishment.

37.5 If the accused member pleads not guilty, the complainant and witnesses shall give evidence and be cross examined by the accused member and examined by the Committee.

37.6 After the conclusion of evidence against him the accused member shall be entitled if he so wishes to apply for the complaint against him to be dismissed. If this is disallowed he may choose to give

evidence and may call witnesses subject to cross examination by the complainant and examination by the Committee.

- 37.7 At the conclusion of evidence the complainant and the accused member may address argument to the Committee which shall thereafter give its finding. Should its verdict be one of guilty the accused member may make an address in mitigation where after the Committee shall impose its punishment.
- 37.8 Any party to the proceedings including witnesses shall be entitled to legal representation as afforded to him by the Constitution of the Republic of Portugal.
- 37.9 The accused member shall be entitled to request the recusal of any member of the Committee on grounds stated and the Committee (including the member concerned) shall make a decision thereon which shall be final and binding. The Committee (if necessary the Chairman) shall have the power to co-opt any other Association Committee member to ensure that a quorum is available.
- 37.10 The Committee shall have the right to summon any member or other interested party to appear at the hearing of the investigation.
- 37.11 The Committee shall have the right to make summary decisions on any conduct as detailed in sub-article 37.2. above which shall occur or emanate in any proceedings before it.
- 37.12 The Committee shall have the right to meet out such punishment as it may in its sole and entire discretion deem fit whether by way of fine which shall accrue to the Association, compensatory fine, which shall accrue to an aggrieved party, specific performance such as a letter of apology or return of property, suspension of membership (which shall be confirmed by the Committee), or recommendation to the Committee for expulsion from the Association, which powers as stated in no way exclude the Committee from imposing any other punishment it may deem fit. It shall further be entitled to make any award for costs against any party to the proceedings as it in its discretions, deems fit.
- 37.13 The administrative functions of the Disciplinary Committee shall be performed by the Judicial Committee.

**Article 38:**  
**General Provisions In Regard To Committees**

- 38.1 Each Committee (other than the Arbitration and Disciplinary Committees) shall comprise of so many members as the Committee may decide.
- 38.2 A quorum for each meeting of any Committee shall be a majority of the members thereof who may then exercise the powers of such Committee.
- 38.3 The Chairman of each Committee shall at each Committee meeting report on the activities of his Committee.

**Article 39**  
**Duties of Office Bearers**

The Office Bearers of the Committee shall consist of the Chairman, the Vice Chairman and the Treasurer and their respective duties shall be as follows: -

39.1 **Chairman:**

The Chairman shall preside at all meetings at which he is present enforce due observation of the Inner Rules of the Association and the Rules of Procedure, sign minutes of Meetings after confirmation, sign such documents as are detailed in the Inner Rules of the Association, generally exercise supervision over the affairs of the Association and perform such duties as by usage, custom or necessity pertaining to the office of Chairman. He shall ex officio be a member of all Committees save for the Arbitration and Disciplinary Committees

39.2 **Vice Chairman:**

The Vice Chairman shall exercise the powers and perform the duties of Chairman in the absence of the latter and shall also assist the Chairman in the exercise of his general duties.

39.3 **Treasurer:**

The Treasurer shall exercise a general supervision in regard to the funds of the Association and its expenditure, shall do all things usually done by the Treasurer of a Association having similar objects and shall at each monthly meeting of the Committee present a monthly statement of

account of the funds of the Association and in particular of its revenue and expenditure during the immediately preceding month

#### 39.4 **Duties of the Secretary:**

The Secretary shall keep such books of account as the Committee determine, receive requisitions for meetings, deal with and conduct all correspondence of the Association, properly file originals of letters received and copies of those despatched, place before each meeting of the Committee all such correspondence not dealt with by any previous Committee, attend all Committee and General Meetings, keep an accurate record of the minutes of such meetings, keep a proper register of members which register shall contain all material information relating to such members, particularly a record of the subscriptions payable and actually paid by each member and the periods in respect of which payments have been made or are payable, issue official receipts for all monies received, bank all monies immediately upon receipt, submit reports in regard to the financial position of the Association to the Committee at least once every three months, prepare a balance sheet and statement of income and expenditure, perform such other duties as the Committee or a General Meeting may direct and generally do all things usually done by the Secretary of an Association. The Secretary may resign from office on giving one month's notice in writing to the Committee and the Committee may discharge the Secretary on similar notice provided however that the Secretary may be summarily dismissed for serious neglect of duty, desertion or misconduct or such other cause lawfully entitling the Committee summarily to dismiss the Secretary.

#### 39.5 **Executive Committee Meetings:**

39.5.1 Regular meetings of the Committee shall be held at the Association premises upon such date and at such time as shall be fixed by the Chairman in consultation with the Committee provided that the period between two such consecutive meetings shall be not less than two weeks and not more than twelve weeks. In addition:-

39.5.2 The Committee itself or the Chairman on a requisition in writing signed by not less than three (3) members of the Committee shall be entitled to convene a meeting.

39.5.3 The Chairman if he considers it necessary or urgent shall be entitled to convene a meeting.

39.5.4 The Secretary shall notify the members of the Committee of the Agenda for any meeting. Notice of meeting setting forth the Agenda and any other relevant matters shall

be dispatched at least five (5) working days before the date of such meeting. In urgent or extraordinary circumstances a lesser period may be authorised by the Chairman or the Office Bearers

39.5.5 The quorum for a meeting of the Committee shall be 60% of the membership of the committee. If within thirty minutes of the time fixed for a meeting a quorum is not present, the meeting shall stand adjourned to the same day in the week following unless such details upon a public holiday in which event it shall stand adjourned until the next working day immediately after the said holiday. Due notice of such adjourned meeting shall be given and those present at the said adjourned meeting shall constitute a quorum.

39.5.6 All matters for decision by the Committee or by a Committee shall be decided by a majority vote of those present but the Chairman of the Committee or each Committee shall have a casting vote in addition to his deliberative vote.

**39.6 Signature on Bank Checks:**

All bank checks or other negotiable instruments shall bear the signature of any Office Bearer and the Secretary or his designate who is approved by the Committee.

## **CHAPTER IV**

### **ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL GENERAL ASSEMBLY MEETING**

#### **Article 40**

40.1 The General Assembly Meeting is the highest decision body of the Association, and is constituted by all Members who are fully paid up and who have full rights to exercise their rights fully described herein above, with the exception of honorary and representative, who are exempt from paying any annual fee.

40.2 The General Assembly is managed by the Executive Committee, which consists of inter alia, the Chairman, Vice Chairman, Secretary, Treasurer and other Committee Members.



40.3 In the absence of the Chairman, the Vice-Chairman shall replace him/her.

#### **Article 41**

41.1 The General Assembly Meeting shall meet once (1) every calendar year during the month of February to in addition to the business referred to in article 46 analyse and approve the management and financial reports as well the Financial accounts, and every ten years, always in February, for the election of the new Governing Bodies Members.

41.2 The Chairman calls the Annual General Assembly Meeting with a formal Notice not less than fifteen days before the date of the meeting , indicating the date, the time, the place of the meeting and its agenda.

41.3 The General Assembly Meeting shall be called by its Chairman or at the request of the Executive Committee, or by the Audit Committee or by the request of more than a hundred members with the right to vote.

41.4 The General Assembly Meeting is formally called by registered mail or by e-mail to all the members with rights to vote at least fifteen (15) days in advance, except in the case of the election of the Governing Bodies, where the time limit will be at least forty (40) days.

41.5 The notice must contain the day, the place, the time of the meeting and its agenda; must appear also informed that in case of no quorum that the General Assembly Meeting will meet for a second time within half-hour (30 minutes) from the initial time with the Members present.

#### **Article 42**

42.1 At the commencement of any General Assembly Meeting, a list of members will be posted confirming their voting rights and duly countersigned by the Chairman of the General Assembly.

42.2 For the General Assembly Meeting, a minimum quorum of more than 25 % of the Full Dealing Members is required but the meeting can start with any number of members present, thirty (30) minutes after the scheduled time.

42.3 The General Assembly Meeting, proposed by the members, in accordance with article 41(3), needs a minimum quorum of two-thirds of the members.

### **Article 43**

43.1 The quorum for a General Assembly Meeting convened in consequence of a requisition shall be 25% of eligible members and for all other General Assembly Meetings fifteen members, provided that, should no quorum be present within fifteen minutes of the time fixed for the Meeting, the Meeting shall in the case of an Annual General Assembly Meeting or an Extraordinary General Meeting called by the Committee, the meeting shall be reconvened 30(Thirty)minutes after the original time of the Annual General Assembly Meeting with the members present constituting a quorum.

43.2 At all General Assembly Meetings the minutes of the preceding General Assembly Meeting shall be read by the Secretary and submitted by the Chairman for confirmation and adoption. Thereafter the said minutes shall be signed by the presiding Chairman.

43.3 The proceedings of any General Assembly Meeting or of a vote by show of hands or ballot of members shall not be invalidated by the accidental omission of the despatch or non receipt by a member of the notice of meeting or any other document of any kind whatsoever relating to such meeting.

43.4 In addition to those of which the taking of a ballot is compulsory in terms of these Inner Rules a ballot on any question shall be taken if a General Assembly Meeting or the Association Committee so decides and shall also be taken if demanded in writing by not less than twenty members of the Association in good financial standing.

43.5 Ballots shall be conducted in the following manner:

- Notice of a ballot shall be given to each member of the Association in writing by the Secretary at least fourteen days before the ballot is to be taken provided that the ballot may be taken without notice at any General Assembly Meeting in terms of Article 43.4 hereinabove on the decision of a majority of the members present.
- Two scrutineers shall be appointed by the Committee or a General Assembly Meeting to supervise any ballot and to ascertain the result thereof.

- Ballots shall be conducted at the place on the date and during the hours as may be specified in the notice hereinabove referred to.
- Ballot papers shall be provided by the Committee.
- One ballot paper only shall be issued on demand at the place and during the hours fixed for the taking of the ballot to each member who is entitled to vote.
- Each voter shall in the presence of the scrutineers be issued with one ballot paper which he shall thereupon complete, fold and deposit in a container provided for the purpose.
- Ballot papers shall not be signed or marked in any way apart from the mark required to be made by a member in recording his vote.
- Papers bearing any other mark shall be regarded as spoilt and shall not be counted. The Executive Committee shall be bound to take action according to the decision of the majority of the members voting by ballot.

43.6 A motion upon which the decision of the Association has been taken shall not be re-opened for discussion or review until a period of six months has elapsed from the date upon which such motion was considered except on the recommendation of the Committee.

43.7 The Chair at all General Assembly Meetings shall be taken by the Chairman or failing him by the Vice Chairman, or failing both the Chairman and the Vice Chairman, the members present shall elect one of the members of the Association Committee present at the meeting to be the Chairman of the Meeting. The Chairman of a General Assembly Meeting may with the consent of the Meeting, adjourn the same from time to time and from place to place.

#### **Article 44**

44.1 The Chairman may in his discretion put the matter of procedure to the General Assembly Meeting for decision by a majority vote.

44.2 All matters to be determined at any General Assembly Meeting shall be decided by a majority vote of those present. Decisions shall be taken by a show of hands each member having one vote unless in terms of the Inner Rules a secret ballot shall be taken in which event each member present shall similarly be entitled to one vote. Any suspended member or any member in arrears with any payment due to the Association shall not be entitled to vote.

- 44.3 Any member ordinarily resident further than 100 km from the offices of the Association shall be entitled to appoint in writing a proxy, being a member in good standing, who may vote on his behalf at a forthcoming General Assembly Meeting, provided such proxy is lodged with the Secretary prior to the commencement of the meeting. A suitable form of proxy shall be circulated with the Notice of Meeting.

#### **Article 45**

- 45.1 The General Assembly Meeting will convene extraordinary Meetings as stipulated in article 42.3

#### **Article 46**

- 46.1 The business to be conducted at an Annual General Assembly Meeting shall be:-
- 46.1.1 To receive and consider a report of the affairs of the Association and to receive and consider the auditors' report and financial statement.
  - 46.1.2 To approve the articles of Association and Internal rules and regulations;
  - 46.1.3 To approve the business plan and the budget, following the proposal of the Executive Committee;
  - 46.1.4 To approve the dismissal of members of the Executive Committee proposed by the Executive Committee;
  - 46.1.5. To authorize the Executive Committee to dispose or to acquire real estates, as well as to participate in the capital of organizations and institutions which pursue complementary objectives of the Association;
  - 46.1.6 To appoint an Auditor or Auditors and to fix his or their remuneration;
  - 46.1.7 To elect a Chairman, Vice Chairman, Disciplinary Committee and Arbitration Committee for the ensuing year;
  - 46.1.8 To consider and pass, with or without amendment, or to reject any proposed resolution submitted to the Meeting, and concerning the affairs of the Association, of which due notice has been given;
  - 46.1.9 To consider any other business of whatsoever nature which may necessarily and properly be considered at a General Meeting of members.

- 46.2. The Association Committee may at any time call an Extraordinary General Assembly Meeting of the Association on giving at least fourteen days notice, specifying the object for which the Meeting is called. The Committee shall in like manner call such Meeting on receipt of a requisition signed by fifty members specifying the object for which such Meeting is called. Subject to the powers of the Executive Committee as stated in the next rule, no business other than that so specified shall be transacted at such Meeting but any resolution strictly relating to such business may be submitted to such Meeting.
- 46.3 The Committee may at any General Assembly Meeting of members bring forward any business which it considers urgently requires decision or action from the Executive Committee

## **CHAPTER V**

### **ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL**

#### **Executive Committee**

##### **Article 47**

- 47.1 In addition to the powers stated of the Executive Committee, the Executive Committee manages the day to day affairs of the Association, and always has an odd number of members, consisting of nine members, which includes a Chairman, a Vice Chairman, a Treasurer and a Secretary.
- 47.2 The Chairman of the Executive Committee has an equal vote.

##### **Article 48**

- 48.1 The Executive Committee will normally meet four times a year (quarterly meetings).
- 48.2 The Executive Committee will have extraordinary meetings when called by the Chairman, or by who replaces him/her, or called by the majority of its members that can deliberate only with the participation of the majority of its members.
- 48.3 To reach the quorum is required the participation of at least half plus one of the members.

48.3 The decisions of the Executive Committee are recorded in the official register of the Association.

#### **Article 49**

49.1 The Chairman of the Executive Committee, if absent, will be replaced by the Vice Chairman or in his absence the Treasurer .

49.2 The positions in the Executive Committee for proven incapacity or resignation of any member will be filled by co-option of members, with a validation of his/her inclusion until the end of the mandate.

#### **Article 50**

The meetings of the Executive Committee are private but from time to time, members of other Governing Bodies or any other person that the Executive Committees deemed important can attend but will not hold any voting rights.

#### **Article 51**

For the prosecution of its purposes, the Executive Committee can establish working committees that will be managed and supervised by the mandated member that coordinates the respective committee.

Regular Members, Honorary and Advisors that have accepted the invitation of the Executive Committee will occupy coordination positions.

#### **Article 52**

The meetings of the working committees will be managed by the coordinator, or, in case of absence, by the Chairman of the Executive Committee or another member of the Executive Committee.

The meetings of the working committees will inter alia prepare proposals of actions for the Executive Committee's consideration, and will only be implemented in case of formal approval by the Executive Committee.

#### **Article 54**

To finance its activities, the Executive Committee may:

- a) Sign advertising and promotional contracts;
- b) Organize trade shows, meetings, or others;

- c) Conduct lotteries, auctions and profitable activities in the respect of the laws;
- d) Arrange finance with financial institutions and members;
- e) Arrange for European Union funds;
- f) Establish a Diamond or/and Colour Gemstones Bourse;
- g) Create protocols with other Diamond Bourses;
- h) Conduct training contracts and service agreements or anything of the like thereto.

#### **Article 56**

The Association will be represented in and out of court by any member of the Executive Committee.

#### **Article 57**

The members of the Executive Committee are all responsible for the management acts, unless if they expressly pronounce against them.

### **CHAPTER VI**

## **ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL AUDIT COMMITTEE**

#### **Article 58**

- 58.1 The Audit Committee consists of three (3) members: a Chairman, a Vice-Chairman and a Treasurer.
- 58.2 The positions of the Audit Committee will be filled by co-option of its members, and a General Assembly Meeting will validate their inclusion within the end of the mandate.

#### **Article 59**

- 59.1 The Audit Committee shall meet twice a year in ordinary and extraordinary meetings if the Chairman of the Executive Committee, or a majority of its members, resolve it to be necessary.

59.2 The Audit Committee could act with the minimum of three (3) members.

### **Article 60**

If the Audit Committee, represented by the majority of its members, intends to examine the documentation and the writing of the Association, it shall notify the Executive Committee of its claim, that will provide it for the examination of it.

### **Article 61**

#### **Utilisation of Funds of Association and preparation of Annual Balance Sheet**

59.1 The funds of the Association shall be applied strictly to the purposes of the Association and such other purposes of the Association as may be decided upon by a General Assembly Meeting or by members voting by ballot. True accounts shall be kept of the sums of money received and expended by the Association.

59.2 The Secretary and Treasurer shall prepare an annual balance sheet and statement of income and expenditure which are to be audited by the Association's Auditors. Certified copies of the said balance sheet and statement of income and expenditure together with a certified copy of the Auditor's report endorsed thereon shall be available at the office of the Association for inspection by members who may make extracts therefrom. Upon termination of membership for whatever cause the member concerned shall no longer have the right of access to the balance sheet and statement of income and expenditure.



**CHAPTER VIII**

**ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL**

**INTERNATIONAL DELEGATES**

**Article 60**

International Delegates may be representatives of the Association appointed by the Executive Committee. They are inter alia, responsible :

- a) To represent the Association in its public relations with the Public Institutions, Companies and Individual Persons;
- b) To endeavor Companies and Individuals to become members of the Association, subject to the approval under these Inner Rules and Articles of Association ;
- c) Organize mining committees to propose the sale of their mining product at the facilities of the Association;
- d) To propose and lead the approval within the Executive Committee of the Association partnerships and arrangements with Public Institutions, Companies and Individuals.

**CHAPTER IX**

**ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL**

**EARNINGS AND COSTS**

**Article 61**

61.1 The earnings of the Association are:

- a) The initial fee paid by the members;
- b) The annuity amount fixed by the Executive Committee;
- c) The income from the own property of the Association;
- d) The donations accepted by the Association;
- e) The subsidies, inheritances, bequests and donations granted to it in any way.

- f) The specific reimbursement corresponding to given collaborations;
- g) The amounts that, under the law, the regulation, the contractual or administrative provisions, are allocated to the Association;
- h) The contributions, regular or not, of any company or organization;
- i) The amounts arising from remuneration for services rendered and goods produced by the Association in the pursuit of its aims and tasks;
- j) Any other unspecified earning and legal pattern;

### **Article 62**

62.1 The costs of the Association are including the following:

- a) Payments for personnel, materials, services and other costs required for installation and proper functioning as well of the performance of its statutory functions;
- b) Other payments, in compliance with these Inner Rules and General Assembly resolutions.

## **CHAPTER X**

### **ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL ACCOUNTS AND REGISTRATION**

### **Article 63**

63.1 The management accounts of the Association must be registered.

63.2 The accounting records must contain all necessary elements for a wide and rapid knowledge of the financial status of the Association.

63.3 The Chairman of the Executive Committee must prepare the management and financial accounts that will indicate clearly the economic and financial situation of the Association.

63.4 The Tax/fiscal year coincides with a calendar year.

## **Chapter XI**

### **Article 64**

#### **Alterations to the Inner Rules**

No alteration to these rules shall be made except by a resolution of members duly proposed and duly passed at a General Assembly Meeting. A copy of the proposed alterations shall be posted for a period of not less than fourteen days prior to the date of the meeting on the Association's Notice Board and despatched not later than fourteen days prior to the date of such meeting to each member.

## **CHAPTER XII**

### **ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL**

#### **DISSOLUTION OF THE ASSOCIATION**

### **Article 65**

#### **Dissolution**

- 65.1 The Association may only be dissolved under the Law or by the resolution of the General Assembly Meeting, called expressly for this purpose and should be approved by a majority of 75% of the members with rights to vote.
- 65.2 If a resolution for the winding up of the Association has been passed as provided in sub article 65.1. or if for any reason the Association is unable to continue to function the following provisions shall apply:
- 65.2.1 The last appointed Chairman of the Association or if he is not available the available members of the last appointed Committee of the Association shall appoint a liquidator to carry out the winding up. The liquidator shall not be a member of the Association and shall be paid such fees as may be agreed upon between him and the said Chairman and/or the said members of the Association's last appointed Committee.
- 65.2.2 The liquidator so appointed shall call upon the last appointed Office-Bearers of the Association to deliver to him the Association's books of account, showing the Association's

assets and liabilities together with the register of members for the twelve months(12) prior to the date on which the resolution was passed for winding-up, or the date as from which the Association was unable to continue to function, as the case may be, hereinafter referred to as the date of dissolution, the subscriptions paid by each member and his address as at the said date. The liquidator shall also call upon the said Office Bearers to hand over to him all unexpended funds from the Association.

- 65.2.3 In the event of the Association being wound up, there shall be no liability incurred by any member other than in respect of his unpaid subscription and any money he may be owing to the Association.
- 65.2.4 The liquidator shall take the necessary steps to liquidate the debts of the Association from its unexpended funds and any other monies realised from any assets of the Association, and if the said funds and moneys are insufficient to pay all creditors and after the liquidator's fees and the expenses of winding-up have been met, the order in which creditors shall be paid shall be the same as prescribed in any law for the time being in force relating to the distribution of the assets of any insolvent estate and the liquidator's fees and the expenses of winding up shall rank in order of preference as though he were a trustee of an insolvent estate, and as though the expenses were the costs of sequestration of an Insolvent estate.
- 65.2.5 After the payment of all debts in accordance with sub-article 65.2.4, the remaining funds, if any, shall not be paid to or distributed among the Members of the Association, but shall be paid to some other organization or association having objects similar to the objects of the Association, to be determined by the Committee of the Association, prior to the winding up, and in default thereof, by the Master of the Supreme Court.

## **CHAPTER XIII**

# **ADPT – ASSOCIAÇÃO DOS DIAMANTIERS DE PORTUGAL**

## **GENERAL AND FINAL DISPOSITIONS**

### **Article 65**

#### **Complaints against Servants and Officials**

65.1 Any member alleging a complaint against a servant or official of the Association, shall make such complaint in writing to the Secretary who shall transmit it to the Chairman. The Chairman shall in his own discretion deal with it or submit it for decision to the Committee.

65.2 Members Liability for Damage Caused

65.2.1 Members shall pay for the replacing or repairing (as the Committee may determine) of any article the property of the Association which shall be broken or damaged by them or their guests.

**Article 66**

**Interpretation of the Inner Rules**

66.1 In case of doubt as to the meaning or interpretation of these rules, the Committee shall be final arbiter and its decision shall be binding upon the members, and should any question arise which is not provided for by these rules, the Committee shall have the power to determine the same.

67.2 In this Inner Rules the masculine shall include the feminine and the singular the plural unless the context clearly indicates to the contrary.

Signed at Lisbon on this .....day of .....