



Internal Rules

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INTERNAL RULES

(update approved by the Board of Directors on April 24, 2018)

CHAPTER I - PRELIMINARY PROVISIONS

Article 1. These Internal Rules complement the rules contained in the Bylaws of Fundação Bienal de São Paulo, hereinafter simply called Bienal, and their purpose is to promote good governance and management practices in the institution.

CHAPTER II - GOVERNANCE

Section I - Mission, vision, values and principles

Article 2. Bienal has the mission to exhibit and debate contemporary art by staging the São Paulo Biennial and other relevant actions on the national and international levels.

Article 3. Bienal works with the vision of being a worldwide reference in the promotion and dissemination of contemporary art with a transformative impact on the public.

Article 4. Bienal underpins its actions on the following values:

- I - commitment to the visual arts;
- II - support for Brazilian art;
- III - education and learning for the public;
- IV - social inclusion;
- V - preservation of memory;
- VI - opening up relationships within the art world;
- VII - solidarity with and respect for its staff;
- VIII - independence from the art market;
- IX - autonomy and financial sustainability.

Article 5. In the development of its activities, Bienal shall observe the principles of transparency, fairness, accountability and corporate responsibility, in accordance with the best governance practices.

Section II - Organizational structure

Article 6. The following are founding bodies of Bienal:

- I - Board of Directors;
- II - Board of Honor;

III - Executive Board;

IV - Audit Committee.

Section III - Workings of the founding bodies

Article 7. Annually, preferably by January 31, the Chairmanship of the Board of Directors shall draw up a schedule with the estimated dates, times and places of the ordinary meetings of all the founding bodies and the support and advisory bodies, and forward it to all their members.

Article 8. The founding bodies shall be convened, whenever possible, at least 8 (eight) days in advance, by electronic mail, and the notice must specify the matters that will be put up for discussion and/or for vote and be accompanied by the documents that will inform or be the subject of the vote.

Paragraph 1. The notice must clarify whether virtual participation will be permitted, specifying the platform that will be used for this purpose.

Paragraph 2. No matter that is not expressly contained in the notice may be voted at the meeting unless all the members of the founding body are in attendance and they unanimously agree to put the matter up for vote.

Paragraph 3. The meetings of the Executive Board do not require notice in the manner prescribed in the main clause of this article.

Article 9. It is the duty of the members of the founding bodies to examine the documents forwarded to them in accordance with article 8 above in advance of the meeting, which should focus on clarification of doubts and discussion of the technical or controversial aspects, and it shall not be necessary to present these documents again at the meeting.

Article 10. Minutes shall be drafted of all the meetings of the founding bodies, containing the names of all the participants who attend in person and/or remotely and a summary of the deliberations.

Paragraph 1. The minutes shall be signed by the Chairman of the body or by the coordinator of the meeting, when applicable, and by the appointed secretary.

Paragraph 2. The Secretariat of Bial shall keep all the minutes of the meetings of the founding bodies on file, and they shall also be submitted for registration when necessary.

Paragraph 3. At the discretion of the body, discussions and votes that address topics of strategic interest that are still undeveloped or that could expose Bial may be treated with confidentiality.

Section IV - Support and advisory bodies

Article 11. Bial has the following support and advisory bodies, created by the Board of Directors:

- I - Nominating Committee;
- II - Fundraising Committee;
- III - Governance and Ethics Committee;
- IV - International Committee;
- V - International Advisory Board.

Sole paragraph. The Board of Directors may create other committees, commissions or working groups to develop discussions, studies and proposals.

Subsection I - Nominating Committee

Article 12. The Nominating Committee shall be formed by the Chairman of the Board of Directors, who shall serve as Coordinator of the Committee, and by 4 (four) members elected by the Board of Directors from among its own ranks for terms of 2 (two) years, reelection permitted twice.

Sole paragraph. In the event of a change of Chairman and Vice-Chairman of the Board of Directors, the terms of the members of the Nominating Committee shall be automatically terminated and new elections held.

Article 13. The Nominating Committee shall be responsible for:

- I - organizing the election process for the members of the Board of Directors and its Committees, the Audit Committee and the Executive Board;
- II - defining the criteria for assessing the candidates for the Board of Directors and its Committees, the Audit Committee and the Executive Board;
- III - proposing candidates to serve on the Board of Directors and its Committees, the Audit Committee and the Executive Board.

Article 14. The Nominating Committee shall meet ordinarily once a year, before the elections held by the Board of Directors.

Sole paragraph. The meetings of the Nominating Committee shall be convened by its Coordinator, at least 8 (eight) days in advance, by electronic mail.

Subsection II - Fundraising Committee

Article 15. The Fundraising Committee shall be formed by up to 10 (ten) members, with:

- I - up to 8 (eight) members elected by the Board of Directors from among its own ranks, one of whom shall serve as Coordinator of the Committee, for terms of 2 (two) years, reelection permitted twice;
- II - up to 3 (three) members elected by the Board of Directors from the among the members of the Executive Board, for terms of 2 (two) years, reelection permitted twice.

Sole paragraph. In the event of a change of Chairman and Vice-Chairman of the Board of Directors, the terms of the members of the Fundraising Committee shall be automatically terminated and new elections held.

Article 16. The Fundraising Committee shall be responsible for:

- I - supporting the Executive Board in the assessment of fundraising options and the preparation of a Fundraising Plan;
- II - supporting and mobilizing the Board of Directors in the execution of the Fundraising Plan.

Article 17. The Fundraising Committee shall meet ordinarily twice a year.

Sole paragraph. The meetings of the Fundraising Committee shall be convened by its Coordinator, at least 8 (eight) days in advance, by electronic mail.

Subsection III - Governance and Ethics Committee

Article 18. The Governance and Ethics Committee shall be formed by the Chairman or by the Vice-Chairman of the Board of Directors, who shall serve as Coordinator of the Committee, and by 11 (eleven) members, with:

- I - up to 8 (eight) members elected by the Board of Directors from among its own ranks, for terms of 2 (two) years, reelection permitted twice;
- II - up to 3 (three) members elected by the Board of Directors from the among the members of the Executive Board, for terms of 2 (two) years, reelection permitted twice.

Sole paragraph. In the event of a change of Chairman and Vice-Chairman of the Board of Directors, the terms of the members of the Governance and Ethics Committee shall be automatically terminated and new elections held.

Article 19. The Governance and Ethics Committee shall be responsible for:

- I - encouraging the ongoing care and evolution of Bial's governance topics;
- II - monitoring and proposing improvements to Bial's main governance topics, including amendments to the Bylaws, the Internal Rules, the Election Regulations, the Code of Conduct and the procedures of the Board of Directors and the Executive Board;
- III - ensuring the proper implementation of the Code of Conduct of Bial, by clarifying doubts of interpretation and receiving and looking into complaints of violations of its rules;
- IV - evaluating potential conflicts of interest in Bial's founding bodies and Committees, issuing the recommendations it deems necessary.

Article 20. The Governance and Ethics Committee shall meet ordinarily once a year.

Sole paragraph. The meetings of the Governance and Ethics Committee shall be convened by its Coordinator, at least 8 (eight) days in advance, by electronic mail.

Subsection IV - International Committee

Article 21. The International Committee shall be formed by the Chairman and by the Vice-Chairman of the Board of Directors, by the President of the Executive Board and by up to 7 (seven) members elected by Board of Directors from among its own ranks for terms of 2 (two) years, reelection permitted twice.

Paragraph 1. The Board of Directors shall be responsible for appointing the Coordinator of the International Committee.

Paragraph 2. In the event of a change of Chairman and Vice-Chairman of the Board of Directors, the terms of the members of the International Committee shall be automatically terminated and new elections held.

Article 22. The International Committee shall be responsible for:

I - promoting the international visibility of Bienal, by enlisting people with knowledge and expertise in their fields to contribute to the promotion of Bienal, support the organization of international activities and events, and assist with the fundraising abroad, among other things;

II - nominating to the Board of Directors candidates for vacant positions on the International Advisory Board;

III - mobilizing and organizing meetings and other activities of the International Advisory Board.

Article 23. The International Committee shall meet ordinarily twice a year.

Sole paragraph. The meetings of the International Committee shall be convened by its Coordinator, at least 8 (eight) days in advance, by electronic mail.

Subsection V - International Advisory Board

Article 24. The International Advisory Board shall be formed by the Coordinator of the International Committee and by up to 35 (thirty-five) members, elected by the Board of Directors from among Brazilians and foreigners with notable involvement in the arts and with the ability and willingness to help Bienal fulfill its mission, promote its international visibility and make an annual financial contribution of the equivalent of USD 9,000 (nine thousand U.S. dollars) to the institution;

Paragraph 1. The term of the members elected to the International Advisory Board shall be 4 (four) years, with successive reelections permitted;

Paragraph 2. The Coordinator of the International Committee shall serve as President of the International Advisory Board and be responsible for nominating, from among the other members of this body, a Vice-President to assist him and substitute him in his absences, submitting the nomination to the approval of the Board of Directors.

Paragraph 3. The members of the International Advisory Board who are up-to-date with their contributions shall have the following prerogatives:

- a) information about Bienal's activities, through a Quarterly Newsletter;
- b) participation in the annual meeting of the International Advisory Board, with a program focused on Brazilian artistic production;
- c) guided visits to the Biennial Exhibitions in São Paulo;
- d) credits in Bienal's publications.

Article 25. The International Advisory Board shall be responsible for:

- I - contributing to the international exposure and visibility of Bienal;
- II - providing insight to the Board of Directors and/or the Executive Board with strategic discussions on the topic of art, culture, politics or any other subject;
- III - suggesting new courses of action, projects and activities;
- IV - supporting fundraising abroad;
- V - helping Bienal build ties with like-minded institutions of excellence abroad.

Article 26. The International Advisory Board shall meet ordinarily once a year.

Sole paragraph. The meetings of the International Advisory Board shall be convened by its President, at least 30 (thirty) days in advance, by electronic mail.

CHAPTER III - RULES ON POTENTIAL CONFLICTS OF INTEREST

Article 27. Bienal shall adopt management practices that are necessary and sufficient to suppress any improper individual or collective benefits or personal advantages from being obtained as a result of participation in the decision-making process.

Article 28. The members of the founding bodies and Committees shall strictly observe the Code of Conduct of Bienal, and they must:

- I - refrain from participating in discussions and voting on any matter about which, for any reason (personal, commercial, professional, academic, political or financial), they have a private interest or one that conflicts with the interests of Bienal;
- II - promptly declare their conflict of interest or private interest, which may also be declared by any other person, and leave the room when the matter is discussed and voted;
- III - inform Bienal should any permanent conflict of interest arise that makes it difficult or impossible for them to exercise of their duties.

Paragraph 1. At the start of each meeting of the founding bodies, after reading the agenda of the meeting the Chair will ask those present whether any of them are an interested party in any of the decisions and whether there are any other reasons preventing them from taking part in the decisions on the agenda.

Paragraph 2. Independently of the question referred to in the previous paragraph, it is the duty of those present to declare any conflict of interest before deciding on the agenda item to which the conflict refers.

Paragraph 3. If the member has some personal interest or duty that, while not representing a conflict, could make the others feel influenced in their decisions, the member in question

undertakes to declare the nature of their personal interest or responsibility and the other members of the founding body or Committee shall decide whether it constitutes an impediment to that member's participation in the discussion and vote.

Paragraph 4. Votes cast by members who have interests that conflict with the interests of Bienal are voidable.

CHAPTER IV - INTERNAL CONTROL AND TRANSPARENCY MECHANISMS

Article 29. The approval of the accounts, balance sheets and statements from each fiscal year must observe the following procedures:

I - the Executive Board shall prepare the accounts, balance sheet and other financial and accounting performance reports it deems necessary and forward them, together with the auditor's report, to the Audit Committee;

II - the Audit Committee shall receive the documentation, convene a meeting and issue its opinion, and then return everything to the Executive Board;

III - the Executive Board shall submit to the approval of the Board of Directors the accounts, balance sheets and financial statements from the previous fiscal year, together with the opinion of the Audit Committee and any further considerations it wishes to make;

IV - the Board of Directors shall receive and analyze the accounts and, in a meeting convened pursuant to the Bylaws, vote on whether to approve them.

Article 30. The Audit Committee shall be invited to attend the meeting of the Board of Directors that examines Bienal's annual accounts, to present its opinion and clarify any doubts.

Article 31. Bienal shall maintain a website on the internet that shall contain at least the following information and documents:

I - address, telephone, email and/or contact form;

II - governance structure and the names of the members of the founding bodies and Committees, with a short biography of each one;

III - description of the main programs and projects;

IV - biennial activities reports;

V - financial statements and certificates of good standing from the INSS social security institute and the FGTS federally-run severance pay fund;

VI - Bylaws;

VII - Internal Rules;

VIII - Election Regulations;

IX - Code of Conduct.

Article 32. Bienal shall be audited annually by an independent auditing firm.

Paragraph 1. The President of the Executive Board shall be responsible for obtaining three quotes from among the 10 (ten) most reputable auditing firms in the country that are authorized by the Brazilian Securities Commission to audit public companies.

Paragraph 2. The choice of audit firm, based on the submitted quotes, shall be made by the Board of Directors from the list presented by the President of the Executive Board. The auditing contract shall last for a period of 2 (two) years, after which a new choice shall be made, and the previously contracted firm may only compete if there is no objection from any of the members of the Audit Committee.

Paragraph 3. The auditors shall have free access to the documents necessary for its work and the staff of Bienal shall promptly supply all the information for this purpose that is requested.

CHAPTER V - FINAL PROVISIONS

Article 33. Any shortcomings, doubts or disputes in the application of these Rules shall be resolved by the Board of Directors.

Article 34. Changes to these Rules may only be made by decision of the Board of Directors.

Article 35. These updated Rules shall come into effect on the date of their adoption, and all previous and contrary provisions shall be revoked.

São Paulo, April 24, 2018

Tito Enrique da Silva Neto
Chairman of the Board of Directors

Alfredo Egydio Setubal
Vice-Chairman of the Board of Directors

João Carlos de Figueiredo Ferraz
President of the Executive Board