

BYLAWS
OF
GALÁPAGOS LIFE FUND

a Delaware nonprofit, nonstock corporation

Effective as of June 30, 2023

ARTICLE 1
NAME AND PURPOSE

1.1 NAME

The name of the corporation is Galápagos Life Fund, a Delaware nonprofit, nonstock corporation (the “**Fund**”).

1.2 PURPOSE

The purpose of the Fund is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware. The Fund shall be a nonprofit, nonstock corporation. The Fund shall be organized, and at all times thereafter operated, exclusively for charitable, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent law (the “**Code**”), and shall use and apply the whole or any part of its income and principal exclusively for charitable, scientific, literary, or educational purposes by making contributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code and by means of direct activities carried out by the Fund, and shall conduct fundraising activities to achieve its purposes and receive contributions and maintain a fund of real or personal property, or both, and, subject to the restrictions and limitations hereinafter set forth, shall use and apply the whole or any part of the income therefrom and the principal thereof for said purposes. In addition, the purpose of the Fund is to support and promote the maintenance, growth and security of the natural capital of the Galápagos Islands and their marine ecosystems by making grants to, or funding projects of, organizations, government agencies and other entities for relevant environmental and social development projects as informed by biodiversity, social, economic, sustainability and climate change matters and by pledging assets to secure loans and other obligations in furtherance of the purpose; provided, however, that funds made available to the Fund pursuant to the Conservation Funding Agreement, including any funds allocated to the CFA Endowment Account, shall be used solely in accordance with Section 11.3(c) of these bylaws of the Fund (the “**General Purpose**”). Notwithstanding any other provision of these bylaws of the Fund (these “**Bylaws**”), the Fund shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Code or by an organization contributions to which are deductible under Sections 170(c)(2), 2055(a) and/or 2522(a) of the Code. The Fund shall perform such acts as may be considered necessary or beneficial in furtherance of the Fund’s purposes and shall have all powers specified for nonprofit corporations generally under the General Corporation Law of Delaware.

ARTICLE 2
PROHIBITED ACTIVITIES

2.1 SPECIFIC PROHIBITIONS

At all times, and notwithstanding any merger, consolidation, reorganization, termination, dissolution, or winding up of the Fund (voluntary or involuntary or by operation of law), or any other provisions hereof:

- (a) No part of the assets or net earnings of the Fund shall inure to the benefit of, or be distributable to, the Fund's directors, officers, members, employees or any other persons, except that the Fund shall be authorized and empowered to pay reasonable compensation for services actually rendered to, or for the benefit or on behalf of, the Fund, and to make payments and distributions in furtherance of the purposes set forth in Section 1.2 hereof.
- (b) No loans shall be made by the Fund to any director, officer, member or employee of the Fund or any spouse, sibling or child or other family member of any such individual.
- (c) No part of the activities of the Fund shall be the carrying on of propaganda or otherwise attempting to influence legislation to an extent that would disqualify the Fund as an entity described in section 501(c)(3) of the Code.
- (d) The Fund shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.
- (e) In every taxable year in which the Fund is a private foundation as defined in section 509 of the Code:
 - (i) The Fund shall distribute such amounts for each taxable year at such time and in such manner as not to subject the Fund to tax on undistributed income under Section 4942 of the Code.
 - (ii) The Fund shall not engage in any act of self-dealing which is subject to tax under Section 4941 of the Code.
 - (iii) The Fund shall not retain any excess business holdings which are subject to tax under Section 4943 of the Code.
 - (iv) The Fund shall not make any investments in such manner as to subject the Fund to tax under Section 4944 of the Code.
 - (v) The Fund shall not make any taxable expenditures which are subject to tax under Section 4945 of the Code.
 - (vi) The Fund shall not engage in any excess benefit transaction as defined in section 4958 of the Code.
- (f) The Fund shall never be operated for the primary purpose of carrying on a trade or business for profit.
- (g) At no time shall the Fund engage in any activities that are unlawful under the laws of the United States, Delaware or any other jurisdiction where any of its activities are conducted.
- (h) The Fund shall not possess or exercise any power or authority, or engage in, either directly or indirectly, any activity that would pose a substantial risk of preventing it at any time from qualifying and continuing as an entity described in section 501(c)(3) of the Code and exempt from federal income tax under section 501(a) of the Code.

ARTICLE 3 OFFICES

3.1 REGISTERED OFFICE

The Fund shall maintain a registered office and registered agent in the State of Delaware. The registered office and/or registered agent of the Fund may be changed from time to time by action of the board of directors of the Fund (the “**Board**”).

3.2 OTHER OFFICES

The Fund may have offices at such other places both within or outside the State of Delaware, as the Board may from time to time determine or the business of the Fund may require.

3.3 BOOKS AND RECORDS

Books and records of the Fund may be kept at the Fund’s headquarters or such other location or locations, within or outside the State of Delaware, as may from time to time be designated by the Board.

ARTICLE 4 MEMBERS

4.1 MEMBERS

- (a) The following two entities shall be the initial Members of the corporation: (1) Oceans Finance Company B.V., a Netherlands company (“**OFC**”) and (2) Ledunfly Philanthropy, a Swiss foundation (each a “**Member**”).
- (b) Each Member shall have the right to appoint a Director to the Board. In addition, each Member shall have the right (i) to designate a direct or indirect subsidiary or controlled entity to serve in its place as a Member and (ii) to select and appoint its respective successor to replace such Member (a “**Successor Member**”); provided, however, that as long as the FESA is in force, no Member or designee or successor of a Member shall be appointed or replaced without the prior written consent of DFC (the “**DFC Consent**”). In the event that a Member resigns and terminates its membership in the Fund without designating a Successor Member prior to such resignation or termination, or the Board determines by the affirmative vote of a Member Director, the Special Director and two-thirds of the remaining Directors that a Member (i) is unable or unwilling to serve as a Member or (ii) is unable or unwilling to appoint a Member Director in accordance with Section 5.1, then upon such resignation or termination, or upon such vote having been approved by the Board, any Member Director appointed by such Member shall be deemed to have resigned and the Board shall, as soon as reasonably practicable, identify a replacement Member that is not a Government Affiliate, seek DFC Consent of the proposed replacement Member and thereafter, subject to receipt of DFC Consent, replace such Member by Special Majority Vote of the Board (the “**Replacement Member**”). Upon the Special Majority Vote, the Replacement Member shall be a Member under this Section 4.1. Each Successor Member and Replacement Member shall be entitled to replace the Member Director appointed by the predecessor Member in accordance with these Bylaws, effective immediately.

4.2 RIGHTS OF MEMBERS

Each Member shall have only those rights and other privileges as provided for in these Bylaws, which rights include the right to appoint its respective Director. Each Member shall have the right to appoint one or more observers to attend meetings of the Board; provided, that such observers shall not enjoy any of the rights or

obligations of a Director, shall not be counted for purposes of establishing a quorum and shall have no voting rights. A Member may resign and terminate its membership in the Fund upon written notice to the Co-Chairpersons or Secretary of the Fund.

ARTICLE 5 DIRECTORS

5.1 NUMBER, APPOINTMENT, QUALIFICATIONS AND TERMS OF OFFICE

(a) Number and Appointment

- (i) The number of Directors constituting the entire Board shall be eleven. The number of Directors constituting the Board may only be increased or decreased by amendment of these Bylaws so long as no such amendment (i) has the effect of shortening the term of any Director in office at the time such amendment becomes effective or (ii) results in the majority of the Board consisting of Government Directors and Directors otherwise affiliated with the government of the Republic of Ecuador.
- (ii) The Directors shall be divided into three classes: (i) Member Directors, (ii) Government Directors, including the Special Director, and (iii) Non-Government Directors. There shall be two Member Directors, five Government Directors and four Non-Government Directors (each a “**Director**”). The composition of the Board shall be as follows:
 - (A) One Director appointed by each of the Members (each Director appointed pursuant to this Section 5.1(a)(ii)(A), a “**Member Director**”);
 - (B) Four Directors, in each case not affiliated with the government of the Republic of Ecuador, satisfying the qualification requirements of Section 5.3 (each Director appointed pursuant to this Section 5.1(a)(ii)(B) and Section 5.3, a “**Non-Government Director**”); and
 - (C) One Director, including the Special Director, appointed by each of the Government Ministries (each Director appointed pursuant to this Section 5.1(a)(ii)(C) and Section 5.2, a “**Government Director**”).
- (iii) The Members and Government Ministries shall submit written notice to the Board of any appointment, removal and/or replacement of any Director appointed by such Member or Government Ministry.
- (iv) At all times, the number of Non-Affiliate Directors shall exceed the number of Government Directors so that the Board consists of a majority of Non-Affiliate Directors.
- (v) Each of the Directors shall be appointed and replaced, as the case may be, in accordance with these Bylaws.

(b) Qualifications

Directors may be, but need not be, residents of the State of Delaware or the Republic of Ecuador, and any Director may succeed himself or herself in office subject to Section 5.1(c) of these Bylaws. Each Director or ex-officio member, if any, is required to have experience and expertise (in the reasonable determination of the Board) in one or more of the following or similar fields: ecological science, biodiversity conservation, fisheries, tourism, foreign affairs, security, sustainable financing,

law, investment management, fundraising, grant making or other areas of expertise that may, in the Board's judgment, be needed by the Fund to fulfill its General Purpose. In addition, each of the Government Directors shall have been appointed by a Government Ministry pursuant to Section 5.2 and each of the Non-Government Directors shall satisfy the relevant qualifications set forth in Section 5.3.

(c) Terms of Office

Directors shall serve the following terms:

- (i) Member Directors shall each serve an initial term of four years, subject to (A) their replacement by the Member that appointed them, (B) their Resignation, death, or incapacity and (C) their removal in the event that the Member that appointed the Member Director is no longer a Member. A Member Director shall be eligible for reappointment by the Member for a second term of up to four years, provided such Member Director's term shall not exceed eight years consecutively.
- (ii) The Special Director shall serve an initial term of four years, subject to (A) his or her replacement by the ministry of the government of the Republic of Ecuador responsible for the environment or (B) his or her Resignation, death or incapacity. The Special Director shall be eligible for reappointment by the ministry of the government of the Republic of Ecuador responsible for the environment for a second term of up to four years, provided that such Special Director's term shall not exceed eight years consecutively.
- (iii) Non-Government Directors and Government Directors, other than the Special Director, shall serve for terms of up to two years, renewable twice, but are eligible for reappointment, as if they had never served, after an absence from the Board of at least one year, or until the earlier of their Resignation, death, incapacity or removal by the Board; provided, however, that the Fishing Association Director and NGO Director each shall have a term limit of two years.

5.2 GOVERNMENT DIRECTORS

- (a) The Government Directors shall be appointed by five governmental entities, agencies, ministries, divisions or instrumentalities of the government of the Republic of Ecuador that shall be designated from time to time by the office of Vice Minister or any higher office of the government of the Republic of Ecuador. The initial governmental entities entitled to appoint a Government Director shall be the following (each a "**Government Ministry**"):
 - (i) the ministry of the government of the Republic of Ecuador responsible for the environment;
 - (ii) the ministry of the government of the Republic of Ecuador responsible for defense
 - (iii) the ministry of the government of the Republic of Ecuador responsible for fisheries;
 - (iv) the Galápagos Government Council; and
 - (v) the ministry of the government of the Republic of Ecuador responsible for foreign affairs.
- (b) Each Government Ministry shall appoint one person to the Board as a Government Director to serve until his or her successor is appointed or his or her earlier resignation or removal. In no event shall there be more than five Government Directors serving on the Board at any one time. The

Government Director appointed by the ministry of the government of the Republic of Ecuador responsible for the environment shall be referred to as the “**Special Director**”.

- (c) Each Government Ministry may, with the prior written consent of the government of the Republic of Ecuador, irrevocably assign to another ministry or agency of the government of the Republic of Ecuador its rights under this Section 5.2(c) to appoint a Government Director; provided, however, that such assignment shall not be made for consideration in any form and any such assignment made for consideration shall be considered null and void. Upon such consent by the government of the Republic of Ecuador, such assignment shall be final and binding and the assignee shall be a Government Ministry under this Section 5.2(c).
- (d) A Government Ministry may, with written notice to the Co-Chairpersons, surrender its right to appoint a Government Director. In the event a Government Ministry surrenders such right, , the government of the Republic of Ecuador shall choose a successor (a “**Replacement Government Ministry**”) and shall do so within thirty (30) days of such resignation or termination. The Replacement Government Ministry shall replace the prior Government Ministry with immediate effect upon the appointment of the Replacement Government Ministry by the government of the Republic of Ecuador and receipt by the Fund of written notice confirming such appointment.
- (e) The government of the Republic of Ecuador shall have the right to terminate the right of any Government Ministry to appoint a Government Director and replace such Government Ministry in accordance with this Section 5.2.
- (f) Each Government Ministry shall have the right to appoint one or more observers to attend meetings of the Board; provided such observers shall not enjoy any of the rights or obligations of a Director, shall not be counted for purposes of establishing a quorum and shall have no voting rights.

5.3 NON-GOVERNMENT DIRECTORS

- (a) The Non-Government Directors shall be representatives of four non-governmental entities, none of which shall be Government Affiliates, each of which has maintained active operations in the Galápagos Islands for at least two (2) years prior to the date on which such appointment is made, and each of which has one or more of the following characteristics:
 - (i) has a governance, operational and administrative structure that satisfies the standards established from time to time by the Board;
 - (ii) has a history of receiving grants and effective management of funds;
 - (iii) is well-respected by the community of the Galápagos Islands; and
 - (iv) its mission is aligned with the Fund’s General Purpose.
- (b) Each of the four Non-Government Directors shall be a representative of a non-governmental entity that satisfies one of the following criteria with no more than one director representing each of the categories set forth in (i) through (iv) below (each Director selected pursuant to this Section 5.3(b), a “**Non-Government Director**”):
 - (i) represents one of the fishing associations in the Galápagos Islands (the “**Fishing Association Director**”); provided, that the position of Fishing Association Director shall rotate among the established fishing associations with the initial fishing association selected by a majority vote of the Appointing Directors serving a two year term and each subsequently appointed fishing association serving a two year term such that the position

of Fishing Association Director rotates among the fishing associations on the basis of two year terms each; provided, further that following each such two-year term, the Board shall replace the Fishing Association Director by Special Majority Vote;

- (ii) represents an organization from the tourism sector in the Galápagos Islands, serving a six year term, which representative shall initially be Camera de Turismo de Galápagos (CAPTURGAL). Following such six-year term, the successor to such Non-Government Director shall be selected by the majority vote of the Appointing Directors;
 - (iii) a representative from an academic institution with a track record of ongoing ocean research, with a preference for conservation of species, serving a six year term, which representative shall initially be University of San Francisco, Quito, Ecuador. Following such six-year term, the successor to such Non-Government Director shall be selected by the majority vote of the Appointing Directors; and
 - (iv) an established non-governmental organization with experience relevant to the Fund's General Purpose (the "**NGO Director**"), with the initial NGO Director being selected by a majority vote of the Appointing Directors; provided, that each NGO Director shall serve for a term of up to two years. Following such two-year term, the successor to such Non-Government Director shall be selected by the Board by Special Majority Vote.
- (c) In the event that a Non-Government Director resigns or the Board determines by Special Majority Vote that any Non-Government Director (i) is unable or unwilling to serve as a Director, (ii) represents an entity that no longer maintains active operations in the Galápagos Islands consistent with the Fund's General Purpose, or (iii) no longer satisfies the qualifications set forth in this Sections 5.3(a) and 5.3(b), the Board shall, as soon as reasonably practicable, replace such Non-Government Director by electing through a Special Majority Vote a new Non-Governmental Director who, as of the date of the Special Majority Vote, satisfies the criteria set forth in Section 5.3(a) and represents the same industry or type of enterprise as the replaced Director (the "**Replacement Non-Government Director**"). Upon the Special Majority Vote, the Replacement Non-Government Director shall be a Non-Government Director under this Section 5.3 and shall replace the Non-Government Director effective immediately.

5.4 POWERS AND DUTIES OF THE BOARD

The Board shall have executive control and management of the affairs of the Fund, shall exercise and perform the functions, powers and duties of the Fund on its behalf and shall be responsible for the effective and efficient administration of the Fund. The Board may adopt such resolutions for the conduct of its business as it shall deem advisable.

The powers and duties of the Board include, but are not limited to, the following:

- (a) to approve annual work plans and budgets;
- (b) to approve the operations manual and internal policies;
- (c) to approve all grant-making and project-funding procedures and internal policies;
- (d) to approve all grants to and other funding for projects and to specify the use to which such grants or funds will be put;
- (e) to hire key personnel such as the Executive Director, subject to budgetary and other restrictions, to establish the conditions of the Executive Director's employment in accordance with any applicable

provisions of the Bylaws, periodically to evaluate his or her performance as the Executive Director and to dismiss the Executive Director;

- (f) to approve, review periodically, and modify (as required) the organizational structure and personnel procedures of the Fund;
- (g) to establish Bank Accounts and Endowment Accounts for the Fund;
- (h) to create representative offices and committees, including grant and investment committees and their respective charters;
- (i) to appoint or replace the Accountant and the Auditor;
- (j) to decide on issues concerning the Directors, the Officers and other personnel, including involving any dismissal, removal (subject to Section 5.5), reimbursement of expenses and conflicts of interest, in accordance with these Bylaws;
- (k) to seek and accept donations, including acceptance of donations with restrictions on the use of such donations;
- (l) to apply for legal registration and tax-exempt status in any jurisdiction;
- (m) to approve the guidelines and procedures that the Fund must follow when managing its investments (the “**Investment Policy**”);
- (n) to engage in strategic planning;
- (o) to enter into any agreements related to the formation, funding and operation of the Fund, including the FESA, Conservation Funding Agreement, and any document granting a security interest to GPS Blue over the assets of the Fund; provided that such agreements shall not cause the Fund to conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Code or by an organization contributions to which are deductible under Sections 170(c)(2), 2055(a) and/or 2522(a) of the Code;
- (p) to comply with covenants made by the Fund set forth in Schedule Y (*Office of Development Policy Requirements*) to the FESA under the heading “Social, Worker Rights, Environmental, and Economic Effects Covenants,” each of which is incorporated herein by reference; and such power and duty of the Board shall survive termination of the FESA; and
- (q) to do all other things which the Board determines are necessary and proper for the administration and operation of the Fund to enable the Fund to achieve its General Purpose, comply with the law and cause the Fund to refrain from conducting or carrying on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Code or by an organization contributions to which are deductible under Sections 170(c)(2), 2055(a) and/or 2522(a) of the Code.

5.5 MANAGEMENT OF AFFAIRS OF THE FUND

The property and business of the Fund shall be managed by or under the direction of the Board. The Board may exercise all such powers of the Fund and do all such lawful acts and things that are not prohibited by applicable law or these Bylaws or that would not jeopardize the tax-exempt status of the Fund.

5.6 RESIGNATIONS

Any Director may resign at any time by delivering a written notice of his or her resignation (a “**Resignation**”) to the Co-Chairpersons or Secretary the Board. Such Resignation shall be effective immediately upon receipt unless specified to be effective at some other time.

5.7 REMOVAL

A Member Director and the Special Director may only be removed (i) by the Member or Government Ministry that appointed such Director or (ii), in the case of a Member Director, if the Member that appointed such Member Director resigned, terminated its position as a Member or was removed as a Member pursuant to Section 4.1(b), in which case such Member Director shall be deemed to have resigned effective upon the resignation, termination of the Member or the removal of the Member without further action by the Board. Any Director, other than a Member Director and the Special Director, may be removed from office upon a Special Majority Vote by the Board in the event that the Director does the following:

- (i) fails to attend three consecutive meetings of the Board; provided, that the Board gave Notice to the Director in accordance with these Bylaws;
- (ii) knowingly fails to notify the Board of a conflict of interest involving such Director; or
- (iii) acts in a way that is detrimental to the General Purpose, mission, reputation or operations of the Fund in the reasonable judgment of the Board (removal of a Director pursuant to this Section 5.7, or a Resignation, thereby constituting a “**Vacancy**”).

5.8 VACANCIES

- (a) The Directors may exercise all their powers notwithstanding the existence of any Vacancy in their number, except as otherwise provided in this Section 5.8.
- (b) In the event of a Vacancy of a Member Director or the Special Director, the Member or Government Ministry, as the case may be, that appointed such Director shall, as soon as reasonably practicable, but by no later than 30 days of such Vacancy, appoint a replacement Director in accordance with these Bylaws; provided, however, if a Vacancy of a Member Director is the result of the removal or resignation of a Member or the appointment of a Successor Member, the Successor Member or the Replacement Member appointed pursuant to Section 4.1(b) of these Bylaws shall appoint such Member Director. The Board shall have no power to take any action involving a Special Majority Vote of the Board during the period beginning on the date of any such Vacancy and ending on the earlier of (i) the day thirty days thereafter and (ii) the day the new Member Director or Special Director, as the case may be, is appointed. At the end of such period, the powers of the Board shall be fully reinstated, notwithstanding a Vacancy of a Member Director or Special Director, if any.
- (c) In the event of a Vacancy of a Government Director, other than the Special Director, the Government Ministry that appointed such Director shall appoint a replacement Government Director, as soon as practicable following the date of such Vacancy in accordance with Sections 5.1 and 5.2 of these Bylaws.
- (d) In the event of a Vacancy of a Non-Government Director, the Appointing Directors shall, by majority vote, appoint a successor Non-Government Director; provided such Replacement Non-Government Director meets the qualifications set forth in Section 5.3(a) and represents the same industry or type of enterprise as the predecessor Director of such Replacement Non-Government Director.
- (e) in the event that the Appointing Directors fail to approve a Replacement Non-Government Director by majority vote within thirty days of the Vacancy, the Board may by majority vote elect a

temporary Director to fill the seat until such time as a Replacement Non-Government Director is appointed.

- (f) in the event that any such Vacancy results in the number of Government Directors equaling or exceeding the Non-Affiliate Directors, the Board shall have no power to take any action involving a majority vote or Special Majority Vote of the Board during the period beginning on the date of such Vacancy and ending on the earlier of (i) the day thirty days thereafter and (ii) the day a new Director is appointed pursuant to this Section 5.8. At the end of such period, the powers of the Board shall be fully reinstated, notwithstanding a Vacancy of a Non-Government Director, if any; and
- (g) a Director appointed pursuant to this Section 5.8 shall, subject to these Bylaws, serve until the end of the term of the Director which he or she replaced in accordance these Bylaws; provided, however, that such partial term shall not count towards such Director's term for purposes of term limits.

5.9 REGULAR MEETINGS

The Board shall meet at least four times each year and shall hold such other special meetings as the Board may deem necessary. All meetings shall be held at such time and place as may be fixed from time to time by the Co-Chairpersons, and may be held within or without the State of Delaware and/or the Republic of Ecuador as the Co-Chairpersons may determine. Subject to Section 6.4 of these Bylaws, at least one of the Co-Chairpersons or the Secretary, or the designee of both Co-Chairpersons, shall preside at all meetings of the Board.

5.10 SPECIAL MEETINGS

Special meetings of the Board shall be called, from time to time, by either one of the Co-Chairpersons, the Executive Director or by the Fund upon the written request of any three Directors delivered to the Secretary and any such special meeting shall be held at such time and place, either within or outside the State of Delaware, as shall be designated by the call and specified in the notice of such meeting.

5.11 NOTICE OF MEETINGS

Notice of meetings of the Board shall be provided to each Director pursuant to Article 9.

5.12 QUORUM REQUIRED AND ADJOURNMENT

A quorum of Directors then in office shall be required at any meeting of the Board. A quorum shall consist of six of the Directors then in office, with at least two of such six Directors being the Member Directors or one of the Member Directors and the Special Director, and another of such six Directors being a Government Director. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question. If a quorum shall not be present at any meeting of the Board, the Directors present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, a notice of the adjourned meeting shall be given to each Director pursuant to Article 9.

5.13 VOTE

Each Director shall be entitled to one vote. When a quorum is present at any meeting, a majority of the affirmative votes of the Directors properly cast upon any question shall decide the question, except when a Special Majority Vote is required by these Bylaws.

- (a) A Special Majority Vote is required for the Fund to:
- (i) adopt, alter, amend or repeal these Bylaws or the certificate of incorporation of the Fund;
 - (ii) appoint a Replacement Member in accordance with Section 4.1(b);
 - (iii) appoint a Replacement Non-Government Director in accordance with Section 5.3;
 - (iv) appoint a successor Fishing Director in accordance with Section 5.3(b)(i);
 - (v) appoint a successor NGO Director in accordance with Section 5.3(b)(iv);
 - (vi) remove a Director pursuant to Section 5.7 of these Bylaws;
 - (vii) adopt, amend or replace the Investment Policy;
 - (viii) appoint or replace the investment advisor to the Fund;
 - (ix) take any action resulting in the removal of the Executive Director; or
 - (x) take any action in an effort (A) to effect a merger of the Fund with another entity, (B) to dissolve the Fund, (C) acquire any asset or (D) dispose of all or substantially all of the Fund's assets.

5.14 ACTION BY WRITTEN CONSENT

Any action required or permitted to be taken at a meeting of the Board (including any action requiring a Special Majority Vote) or of any Committee may be taken without a meeting if all of the members of the Board or of such Committee consent in writing to the adoption of a resolution authorizing such action. Such consents shall have the same force and effect as a unanimous vote of the Board or the Committee, as the case may be. The resolution adopting the action and the consents thereto shall be filed with the minutes of the proceedings of the Board or of the Committee. The resolution shall specify the effective date of the action.

5.15 PRESENCE THROUGH COMMUNICATIONS EQUIPMENT

Directors may participate in a meeting of the Board by means of a telephonic conference or similar communications equipment, including by telematic means, i.e., conference, videoconference and any other means of remote communication available at any given time provided that the virtual presence of the Directors, the maintenance of the quorum and the voting procedure of the attendees are verified; provided, that all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person as if such Director attended the meeting of the Board in person.

5.16 COMPENSATION AND REIMBURSEMENT

Members of the Board and any Committee thereof shall serve on a voluntary basis and shall not receive any compensation for serving as Directors or members of any Committee; provided, that, the Board may approve advancement of or reimbursement for reasonable expenses incurred by a Director in connection with the business of the Fund consistent with the policies adopted by the Board; provided, further, that, subject to the notes and procedures contained herein relating to conflicts of interest, amounts paid to a Director by a Recipient on account of services performed by such Director on behalf of such Recipient shall not be considered compensation for such person's service as a Director. Nothing herein shall preclude any Director from serving the Fund in any other capacity and receiving reasonable compensation therefore as

authorized by the Board; provided that such compensation shall not violate the prohibition of private inurement as detailed in Treasury Regulations Section 1.501(c)(3)-1(c)(2).

5.17 COMMITTEES OF THE BOARD

- (a) The Board may, by resolution of the Directors, establish one or more committees (each a “**Committee**”). The Board may designate one or more of the Directors as members of any Committee. The Board may establish procedures for Committees, and delegate to a Committee such authority as may be necessary or desirable for the efficient management of the property, affairs, business and activities of the Fund. However, the Board shall not delegate to any Committee any power or authority that requires a Special Majority Vote. A Committee’s authority shall continue until terminated by the Board.
- (b) The Board may allow persons with professional or expert competence to be an ex-officio member of any Committee (an “**Ex-Officio Committee Member**”). An Ex-Officio Committee Member’s term shall end upon the elimination by the Board of the Ex-Officio Committee Member’s position on the Committee, in the Board’s sole discretion and with or without cause. Ex-Officio Committee Members shall not be entitled to vote on any matter that is before the Board or Committee, shall not be taken into account for purposes of determining a quorum of Directors, and shall not be taken into account for purposes of determining the number of Directors serving at any given time.
- (c) Committees shall, without limitation, include the following:
 - (i) The Finance Committee: The Finance Committee shall include at least one Director with the following financial qualifications: (i) an understanding of generally accepted accounting principles and their application to the preparation of financial statements as well as accounting for estimates, accruals and reserves, (ii) experience preparing, auditing, analyzing or evaluating financial statements that are generally comparable in breadth and complexity of issues to those of the Fund and (iii) an understanding of internal control over financial reporting and audit committee functions. Such financially qualified Director shall recommend to the Board strategies and procedures for the investment of funds held by the Fund, if any. The Finance Committee will (x) support the Board by providing recommendations to formulate or review and revise its policies and guidelines related to resource mobilization, investment and other financial frameworks and (y) support the recruitment of the investment manager and/or investment advisor and monitoring and evaluating their performance to keep the Board regularly informed and recommend to the Board any possible changes to consider. The Finance Committee may also support the recruitment of the Accountant and Auditor.
 - (ii) The Technical Advisory Committee: The Technical Advisory Committee shall be comprised of at least two Directors and at least one individual who has expertise in scientific, environmental, social and conservation matters (one of which such individuals shall be the chairperson of such Committee). The Technical Advisory Committee shall review and comment on grant proposals and provide advice to the Board on technical matters and inquiries related to their field of expertise. The Technical Advisory Committee shall meet (A) on a monthly basis and (B) at the direction of the Board or the Directors who are on the Technical Advisory Committee when requested to discuss grant-related and technical matters.
- (d) Committee Chairperson and Meetings

The chairperson of each Committee shall be selected by the Board from among the members of the Committee; provided, that the chair of the Finance Committee shall be the Treasurer; provided further, the initial chairperson of the Technical Advisory Committee shall be the Special Director and serve a two year term; provided further, that at any time no more than one Committee shall have a chairperson that is a Government Director. Each Committee shall fix its own rules of procedure not inconsistent with these Bylaws or the resolution of the Board designating such Committee. Each Committee shall meet at such times and places and upon such call or notice as shall be provided by such rules. Each Committee shall keep a record of its actions and proceedings and shall report on them to the Board at the next meeting of the Board.

(e) Alternates

The Board may designate one or more Directors as alternate members of any Committee to replace any absent or disqualified member at any meeting of such Committee. In the absence or disqualification of a member of a Committee, the members present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of the absent or disqualified member.

(f) Quorum and Manner of Acting

The presence of a majority of members of any Committee shall constitute a quorum for the transaction of business at any meeting of such Committee, and the act of a majority of those present and qualified to vote shall be necessary for the taking of any action at such meeting. If a quorum shall not be present at any meeting of a Committee, the Directors present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action taken by any Committee shall not be an act of the Board until such action is approved by the Board in accordance with these Bylaws.

5.18 RELIANCE UPON RECORDS

Every member of the Board or of any Committee thereof shall, in the performance of such member's duties, be fully protected in relying in good faith upon the records of the Fund and upon such information, opinions, reports or statements presented to the Fund by any Officer or employee of the Fund, or any Committee, or by any other person as to matters such member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Fund.

ARTICLE 6 OFFICERS

6.1 MEMBERSHIP AND TENURE

The officers of the Fund (the "**Officers**") shall consist of Co-Chairpersons, a Secretary, a Treasurer and other such Officers as the Board deems appropriate. Any number of offices may be held by the same person, and the Board shall select each of its Officers from among the Directors for a term that is concurrent with his or her remaining term as a Director, but that in no event is longer than two years; provided, however, that the Board can remove any Officer prior to the end of such Director's term if the Board determines that such Officer acts in a way that is detrimental to the General Purpose, mission, reputation or operations of the Fund in the reasonable judgment of the Board. Except as otherwise provided herein, each Officer shall be eligible for re-election to a position for as long as he or she remains a Director. The Board shall elect the Officers by majority vote, other than The Affiliate Co-Chairperson (as defined below). The election of new

Officers shall take place at least six months prior to their official appointment to allow for an orderly transition. In the event that there is a vacancy (by resignation or otherwise) of any Officer, a successor shall be chosen by a majority vote of the Board to serve the remainder of the unexpired term.

6.2 RESIGNATION

Any Officer may resign at any time by delivering a written notice of his or her resignation to the Co-Chairpersons of the Board. Such resignation shall be effective immediately upon receipt unless specified to be effective at some other time.

6.3 DUTIES OF THE CO-CHAIRPERSONS

Two Directors of the Fund shall serve as Co-Chairpersons of the Fund. One Co-Chairperson shall be the Special Director (the “**The Affiliate Co-Chairperson**”). The other Co-Chairperson shall be a Non-Affiliate Director (the “**The Non-Affiliate Co-Chairperson**”) selected by the Board pursuant to Section 6.1. One or both of the Co-Chairpersons shall preside over all meetings of the Board and Members. The Co-Chairpersons shall perform all duties incident to office of the Co-Chairperson, and such other duties as may be delegated to such office by the Board. Each Co-Chairperson possesses the authority to execute all instruments that require his or her signature. In the absence of an Executive Director, either Co-Chairperson or such other Director as the Board may appoint shall exercise all of the functions and duties of the Executive Director as described below; provided, however, that a Director appointed in accordance with this sentence shall not receive compensation for his or her service as an Executive Director.

6.4 DUTIES OF THE SECRETARY

In the absence, vacancy or refusal to act of both of the Co-Chairpersons, the Secretary shall preside over meetings of the Board and shall replace the Co-Chairpersons, exercise all of the powers and duties of the Co-Chairpersons and serve as such replacement until the return of at least one of the Chairpersons or the election of at least one of the Co-Chairpersons in accordance with Section 6.1 of these Bylaws. The Secretary shall (a) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (b) have charge of the corporate records and of the seal of the Fund; (c) keep a register of the mailing address of each Director and any Committee member which shall from time to time be furnished to the Secretary by such Director or Committee member; and (d) in general, perform all duties incident to the office of secretary of a corporation and such other duties as the Board and the Co-Chairpersons may from time to time assign to the Secretary. The Secretary may delegate such details of the performance of duties of the Secretary’s office as may be appropriate in the exercise of reasonable care to one or more persons in his or her stead, but shall not thereby be relieved of responsibility for the performance of such duties.

6.5 DUTIES OF THE TREASURER

The Treasurer shall oversee the Fund’s financial activities, which include but are not limited to, collecting, receiving and maintaining custody over the funds, securities and investments of the Fund, subject to the order of the Board. The Treasurer shall manage the hiring of an investment manager to implement the Investment Policy. The Treasurer shall keep all funds of the Fund on deposit with banks or trust companies approved by the Board. The Treasurer shall submit reports to the Board upon request. The books of account shall be open at all times to the inspection of the Directors. Upon approval of the Board, the Treasurer may delegate certain functions of his or her office to employees of the Fund, but he or she shall continue to be responsible for the proper performance of such functions. The Treasurer shall chair the Finance Committee and shall perform such other duties and functions as may be determined by the Board.

6.6 DUTIES OF THE EXECUTIVE DIRECTOR

The Executive Director of the Fund shall be an employee of the Fund. The Executive Director shall be responsible for carrying on the Fund's day-to-day affairs as directed by the Board. For the avoidance of doubt, the role of the Executive Director is not that of an Officer of the Fund.

The Executive Director shall be accountable for executing the policies and decisions of the Board to achieve the most efficient financial and administrative management of the Fund's affairs. Along with the Secretary of the Board, the Executive Director shall cause all Notices of the meetings of the Board to be mailed and shall attend all meetings and keep the minutes thereof. The Executive Director shall have custody of the records and books of the Fund, other than books of account, and perform the usual duties pertaining to his or her office and such other duties as the Board may from time to time prescribe.

The Executive Director shall serve without any restriction on term. However, the Executive Director shall serve at the pleasure of the Board and may be removed, with or without cause, by a Special Majority Vote of the Board.

6.7 SALARIES

The Co-Chairpersons, Secretary and Treasurer, shall not be compensated for services performed on behalf of the Fund. Additional Officers, other than the Co-Chairpersons, Secretary and Treasurer, may be established by resolution of the Board.

ARTICLE 7 CONTRACTS, LOANS, CHECKS AND DEPOSITS

7.1 CONTRACTS AND OTHER INSTRUMENTS

The Board may authorize any Officer(s), agent(s) or employee(s) of the Fund to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Fund, subject to applicable law. Such authority may be general or confined to specific instances.

7.2 LOANS

No loans, other than loans made in connection with funding a project, shall be contracted on behalf of the Fund, or any division thereof, and no evidence of indebtedness, other than in the ordinary course of business, shall be issued in the name of the Fund unless approved by the Board. Such authorization may be general or confined to specific instances or projects. Notwithstanding the foregoing, no loans shall be made by the Fund to any Director, Officer, Member or employee of the Fund or any spouse, sibling, child or other family member of any such individual.

7.3 CHECKS, DRAFTS, ETC.

All checks, demands, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Fund outside of the ordinary course of business shall be signed by such Officers or agents of the Fund, and in such manner, as the Board may from time to time authorize. In the absence of such authorization, such instruments shall be signed by the Treasurer or either of the Co-Chairpersons.

ARTICLE 8 INDEMNIFICATION

8.1 IN GENERAL

The Fund shall indemnify any person who is a party to a proceeding because he or she is or was a Member, Director or Officer against liability incurred in the proceeding, and shall advance funds to pay for or

reimburse the reasonable (as determined by the Board) expenses of such person, including reasonable attorney fees, actually incurred by such person in connection with such proceeding, in accordance with and to the full extent permitted by Delaware law as in effect at the time of adoption of these Bylaws or as amended from time to time; provided, however, that no indemnity shall be permitted to the extent that the Member, Director or Officer's conduct (a) was taken or omitted to be taken in bad faith, (b) constituted fraud, willful misconduct or gross negligence or (c) was conduct from which the Member, Director or Officer derived an improper personal benefit.

The Fund shall have the power to indemnify any person who is or was an employee or agent of the Fund, or who is or has served at the request of the Fund as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, in accordance with and to the full extent permitted by Delaware law as in effect at the time of adoption of these Bylaws or as amended from time to time.

8.2 INSURANCE

The Fund shall purchase and maintain insurance on behalf of any person who does not decline such insurance who is or was a Director, Officer, employee, or agent of the Fund to the full extent permitted by the Delaware law as in effect at the time of adoption of these Bylaws or as amended from time to time.

ARTICLE 9 NOTICE

9.1 MANNER OF NOTICE

Whenever under law or these Bylaws notice is required to be given to any Member, Director or member of any Committee thereof, it shall not be construed to require personal delivery. Notice of any meeting of the Board (a "**Notice**") (other than regular meetings scheduled at a previous meeting of the Board, in which case Notice need only be sent to directors absent from such previous meeting) shall be given to each Director at least fifteen days before such meeting is to be held, by sending such Notice to each Director at her or his residence address, usual place of business or electronic address; provided, however, that Notice of the inaugural meeting of the Board shall be given to each Director at least two days before such meeting is to be held. Notice shall be given by mail (postage prepaid), express overnight courier, facsimile or electronic transmission. For purposes of these Bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by the recipient through an automated process, and shall include without limitation electronic mail or e-mail. Every Notice shall state the time and place of the meeting and the business to be transacted or the purpose of the meeting.

9.2 EFFECTIVENESS OF NOTICE

Unless otherwise stated in these Bylaws, the following shall apply: (a) notice given by mail shall be deemed to be given at the time it is deposited in the United States mail; (b) notice given by overnight courier service shall be deemed to be given when delivered to the overnight courier service for delivery; (c) notice given by facsimile or other electronic transmission shall be deemed given: (i) if by facsimile transmission, when directed to a number at which recipient has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the recipient has consented to receive notice; (iii) if by a posting on an electronic network together with separate notice to the recipient of such specific posting, upon the later of (x) such posting and (y) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the recipient. An affidavit of the secretary or an assistant secretary of the Fund that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein. The requirement for notice shall be deemed satisfied if

actual notice is received orally or in writing by the person entitled thereto as far in advance of the event with respect to which notice is given as the minimum notice period required by law or these Bylaws.

9.3 WAIVER OF NOTICE

Whenever under applicable law or these Bylaws notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time stated therein, shall be deemed equivalent to notice. Attendance by a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board or any Committee thereof need be specified in any written waiver of notice or any waiver by electronic transmission, unless so required by law or these Bylaws.

ARTICLE 10 DISSOLUTION

10.1 DISTRIBUTION OF ASSETS

In the event of dissolution or final liquidation of the Fund, the remaining assets of the Fund shall be applied and distributed as follows:

- (a) All liabilities and obligations of the Fund shall be paid, satisfied, and discharged, or provisions shall be made therefor.
- (b) All remaining assets of every nature and description whatsoever, shall be distributed, in accordance with the laws of Delaware, to one or more qualifying organizations described in section 501(c)(3) of the Code, or corresponding section of any future United States federal tax Code, which organization or organizations have charitable purposes which, at least generally, include a purpose similar to any of the purposes of the Fund as set forth in Section 1.2 hereof. The organization or organizations to receive such assets shall be selected, in the discretion of a majority of the Board, from among organizations whose general purpose accomplishes the General Purpose of the Fund and would then qualify under Section 501(c)(3) of the Code and preferably, selected from an organization that focuses on conservation of the Galápagos Islands.
- (c) Any such assets not disposed of in accordance with the preceding paragraph shall be disposed of by a court of competent jurisdiction in Delaware or in the county in which the principal office of the Fund is then located, exclusively for such purposes or to one or more organizations, as said court shall determine, that are exempt from federal income tax under section 501(c)(3) of the Code and described in section 170(b)(1)(A) (other than in clauses (vii) and (viii)) of the Code, each of which has been in existence and so described for a continuous period of at least sixty calendar months immediately preceding the distribution.

ARTICLE 11 FINANCIAL COMPLIANCE, AUDITS, REPORTS AND RELATED MATTERS

11.1 FISCAL YEAR

The fiscal year of the Fund shall begin on January 1 until December 31 (the “**Fiscal Year**”), with the exception of the year in which the Effective Date occurs, such Fiscal Year to be the Effective Date until December 31 of such year.

11.2 BANK ACCOUNTS

The Board shall establish such bank accounts (the “**Bank Accounts**”) as it shall deem necessary for the operation of the Fund. At least one such Bank Account shall be established where moneys belonging to the Fund associated with day-to-day accounts, including operating costs and expenses of the Fund, shall be deposited (the “**GLF Account**”). Funds allocated to the GLF Account shall be used to fund the day-to-day operations of the Fund. Proper accounts shall be kept of all sums of money received and expended or invested in any form by the Fund and of the matters in respect of which such receipts, expenditures or investments take place and the assets and liabilities of the Fund. The Bank Accounts of the Fund shall be subject to inspection by the Directors. Any and all Bank Accounts shall be managed by the management team of the Fund, but shall be governed by an authorization matrix that shall be approved and delegated by the Board.

11.3 ENDOWMENT ACCOUNTS

- (a) The Board may establish investment management accounts (each an “**Endowment Account**”, any Endowment Account funded by proceeds received by the Fund pursuant to the Conservation Funding Agreement, a “**CFA Endowment Account**” and collectively with the Bank Accounts, the “**Accounts**”). If the Board designates an Account as an Endowment Account, such investment assets, including income and capital gains generated thereon, shall be invested in a manner that is substantially similar to the Investment Policy, objectives and guidelines.
- (b) The Board shall require the manager(s) of any Endowment Account to submit to the Board, on a minimum quarterly basis, regular reports showing overall portfolio value, investment holdings, including asset ratings, portfolio diversification, earnings (or losses) for the period and the year, prior period comparisons, distributions to the Fund, and fees and other details as requested by the Board or the Executive Director. Each Endowment Account shall be subject to inspection by the Member Directors and the Non-Government Directors, subject to reasonable restrictions provided by resolution of the Board.
- (c) Except as provided below regarding the use of funds for operating costs and expenses of the Fund, the funds received by the Fund from the Conservation Funding Agreement and amounts allocated from the CFA Endowment Account shall only fund projects designed to support and promote the maintenance, growth and security of the natural capital of the Galápagos Islands and their marine ecosystems, including, without limitation, the following in order of priority:
 - (i) Management of the existing marine reserve and Hermandad Marine Reserve (“**HMR**”) (with priority for the HMR) including control, monitoring, surveillance, management, and enforcement.
 - (ii) Sustainability Commitment projects aimed to support the implementation of the Sustainability Commitments Agreement.
 - (iii) Sustainable fisheries, including, but not limited to, individual fishing quotas (“**IFQs**”) systems, and a territorial use rights for fishing (TURF), including fishery monitoring and enforcement systems, gear change (Green Stick) organization of the IFQs and TURF and all expenses towards implementation.
 - (iv) Science and economics research projects including, but not limited to, a baseline study on the current and new reserves, total allowable catches for each fishery, value chain analysis, and the design of monitoring, and enforcement systems, both for the reserve and for fisheries.

- (v) Environmental education projects aimed at further educating the community on best practices for conservation and sustainability.
- (vi) Sustainable tourism and Blue Economy projects, including, but not limited to, fund conversions of some fishermen to sustainable tourism (contingent on the Galápagos National Park's agreement and consent), as well as projects which directly support the sustainability of the archipelago as a result of tourism.
- (vii) Other projects, including, but not limited to, focused on conservation and sustainability related projects of interest to the community of the Galápagos Islands;

provided that such funding shall not cause the Fund to conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Code or by an organization contributions to which are deductible under Sections 170(c)(2), 2055(a) and/or 2522(a) of the Code. Up to 10% of each GLF Payment Amount received by the Fund pursuant to the Conservation Funding Agreement may be used to fund the operating costs and expenses of the Fund.

11.4 QUARTERLY REPORTS

The Board shall prepare or cause to be prepared on a quarterly basis pro forma financial statements, which the Fund shall make available on the Fund Website.

11.5 ANNUAL AUDITS

- (a) The books, accounts and records of the Fund for each Fiscal Year shall be examined by an independent external registered auditor of internationally recognized standing from among the Big Four Firms and selected by the Board (the “**Auditor**”). The Auditor shall conduct annual audits (each an “**Audit**”) for a period of three consecutive Fiscal Years at which time, the Board shall select a new Auditor. The Auditor shall verify the Fund's balance sheet and other financial accounts for each Fiscal Year and shall prepare a comprehensive, detailed written report. Each Audit shall include testing of the financial records of a number of the Recipients that have received grants from the Fund for purposes of confirming the financial reporting provided to the Fund by such entities, with the criteria for selection of the Recipients to be included in such testing to be determined by the Board in consultation with the Auditor.
- (b) A copy of each Auditor's report shall be presented to the Board as soon as practicable after the conclusion of the Fund's Fiscal Year. The Board shall make the Auditor's completed annual report publicly available and publish the reports on the Fund Website.

11.6 ANNUAL BUDGET

At the beginning of each Fiscal Year, the Board shall cause to be prepared and shall approve the Fund's budget, which shall also set forth the Fund's expenditures and its sources of revenue.

11.7 TRANSACTIONS AND PROCUREMENT

The Fund shall establish such policies and carry out such investigations as are reasonable to ensure that purchases, loans, leases and other transactions are at fair market value or are otherwise favorable to the Fund. The Fund shall maintain a financial system that requires receipt of written invoices prior to payment for any services or goods.

11.8 GRANTS BY THE FUND

- (a) Before making a grant, gift, contribution of funds or loan to a Recipient or issuing a guaranty or providing any other type of financial support for the benefit of a Recipient (each a “Grant”), the Board shall (i) conduct a limited inquiry concerning the potential Recipient to ensure that the Recipient will use the funds in furtherance of the purposes set forth in Section 1.2 and (ii) ensure that any prospective Recipient has sufficient resources and has instituted appropriate policies and procedures to enable compliance with the Fund’s Anti-Money Laundering and Sanctions Compliance Policy. The Board shall review and approve each Grant to a potential Recipient, and shall carry out, on an ongoing basis, appropriate due diligence review of Recipients and Projects funded, in order to ensure that the use of such funds remains consistent with the charitable purposes, tax exemptions and nonprofit status of the Fund and with all applicable laws. The Board may, by appropriate resolution, delegate the aforementioned responsibilities to a Committee or to the Officers, and may solicit the assistance of such professional advisors and experts as it may deem advisable.
- (b) No more than fifty percent (50%) of the Grants given in any year by the Fund shall be distributed to the Recipients that are Government Affiliates. In addition to the foregoing limitation, the Fund shall not make Grants to the Galápagos National Park for the purpose of funding projects and/or staff that have been previously funded in the last five years pursuant to the annual budget approved by the National Assembly of the government of the Republic of Ecuador and allocated for the Galápagos National Park (the “**Annual Park Budget**”). In addition, if the Annual Park Budget for any year falls below the equivalent of US \$20 million (such amount below \$20 million (the “**Deficit Amount**”)), the aggregate amount of funding that the Recipients that are Government Affiliates may receive from the Fund in such year shall be reduced by the Deficit Amount. By way of example only, if for 2024, the Annual Park Budget is \$18 million and the aggregate value of Grants for such year is \$13 million, the aggregate funding available to Recipients that are Government Affiliates shall be reduced by \$2 million to \$4.5 million (50% of \$13 million reduced by the Deficit Amount).
- (c) No Grant shall be made without a written commitment in which the Recipient agrees to do the following and such Recipient completes the following: (i) repay any portion of the Grant which is not used for the purposes of the Grant; (ii) submit full and complete annual reports on the manner in which the funds are spent and the progress made in accomplishing the purposes of the Grant; (iii) maintain records of receipts and expenditures and make such records available to the Fund at reasonable times; (iv) comply with all relevant documents and agreements relating to such Grant and satisfy all conditions to which such Grant is subject; and (v) not use any of the funds to carry on propaganda, attempt to influence legislation or the outcome of a public election, make any Grant which does not comply with section 4945(d)(3) or (4) of the Code, or undertake any activity for any purpose other than the one specified in section 170(c)(2)(B) of the Code.

11.9 ACCEPTANCE OF CONTRIBUTIONS BY THE CORPORATION

- (a) The Board may accept, on behalf of the Fund, any contribution, gift, bequest or devise for the General Purpose or for any special purposes of the Fund, provided that such acceptance would not (i) be contrary to (w) any provision of these Bylaws, (x) any policy adopted by the Board or a Committee thereof, including the Fund’s Anti-Money Laundering and Sanctions Compliance Policy (y) any applicable law or (z) the tax exempt and nonprofit status of the Fund; (ii) be prejudicial to the image or reputation of the Fund; or (iii) expose the Fund to undue risks or liabilities or require the incurrence by the Fund of undue costs and expenses.
- (b) Without limiting the generality of the foregoing, the Fund shall not accept designated or earmarked donations except under circumstances that the Board has determined will permit the Fund to retain

a degree of control and discretion over funds sufficient to comply with the requirements of Section 11.9 of these Bylaws.

- (c) The Fund shall provide acknowledgments to donors that contain at least the following: (i) a statement of the amount of the donation, if cash, (ii) a description of the property donated, if property other than cash, (iii) a statement of whether the Fund provided any goods or services in return for the payment, and (iv) if goods or services were provided, a good faith estimate of the value thereof. Such information shall be provided by the Fund in writing, in connection with the solicitation or receipt of the donation, and in a manner reasonably likely to come to the attention of the donor.

11.10 FUND REPORTS

- (a) By 30th of June each Fiscal Year commencing June 30, 2024, the Fund shall publish an annual peer-reviewed impact report (the “**Impact Report**”) that identifies the projects funded by the Fund (each a “**Project**” and collectively, the “**Projects**”) and provides information regarding the development of such Projects and assesses the environmental and social impact that the Projects have had with respect to the General Purpose of the Fund. The Impact Report shall be prepared in cooperation and consultation with OFC, shall describe the progress and results of the Projects and shall include the following information and data: (i) an update on the status of all Sustainability Commitments as certified by the Verification Agent, including whether any Sustainability Commitment deadlines have been missed and whether any payments have been made or missed in respect of any such missed deadlines; (ii) the value of the CFA Endowment Account; (iii) the value and description of the Grants awarded or invested using proceeds received by the Fund under the Conservation Funding Agreement or any proceeds of a CFA Endowment Account, including any Grants awarded or invested that supported the implementation of the Sustainability Commitments; and (iv) a description and the value of technical assistance provided, supported, or coordinated by the Fund, each such report being certified by an authorized officer of the Fund as true and complete to the best of his or her knowledge.
- (b) By 30th of June each Fiscal Year commencing June 30, 2024, the Fund shall produce and publish an annual report on each Project (the “**Project Report**”) that provides at a minimum, a description of the Recipient, the amount of the funding for the Project, the source of such funding (e.g., the Conservation Funding Agreement or CFA Endowment Account), the purpose of the Project, and the outcome or projected outcome of the Project, as applicable.
- (c) Commencing with June 30, 2026, and thereafter on every third anniversary thereof, the Fund will participate in a full external triennium evaluation (the “**External Evaluation**”) conducted by an external evaluator to assess progress in respect of the environmental and social impact that the Projects have had with respect to the stated purpose of the Fund, following the format of the annual Impact Report.
- (d) By 30th of June each Fiscal Year commencing June 30, 2024, the Fund shall obtain and provide to the Board reports prepared for and published by the government of the Republic of Ecuador regarding its progress with respect to its Sustainability Commitments (the “**Ecuador Report**”).
- (e) The Fund shall maintain the Fund Website which shall publish all financial audits prepared by the Fund, minutes of the Board, publicly issued reports and evaluations of the Fund, including the Impact Report, the Project Report, the External Evaluation and the Ecuador Report. The Fund shall publish on the Fund Website a description of the policies and procedures utilized for selecting Recipients and the Projects associated with such Recipients and in determining the size and structure of Grants.

The Board shall adopt and approve from time to time such further policies, practices and procedures for the Fund as are necessary, useful or appropriate in order to facilitate and ensure that the intent of this Article 11 and the other provisions of these Bylaws are carried into effect and observed by the Fund.

ARTICLE 12 GENERAL PROVISIONS

12.1 CORPORATE SEAL

The Board may adopt a corporate seal inscribed with the name of the Fund and the words “SEAL” and “DELAWARE” and otherwise in the form approved by the Board.

12.2 AMENDMENTS

These Bylaws may be altered, amended or repealed by the Board only by means of a Special Majority Vote at a meeting of the Board. Notwithstanding the foregoing, any modification of the Bylaws that would alter, amend or eliminate (i) the DFC Consent or (ii) Section 11.10 (a) with respect to the requirements of the Impact Report, in either case while the FESA is in effect, shall be subject to the prior written consent of DFC.

12.3 DISTRIBUTION OF BYLAWS

A copy of these Bylaws, as in effect from time to time, shall be furnished to each Member, Director and Officer of the Fund.

12.4 RULES OF ORDER

Robert’s Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Members, Board and Committees in all instances wherein its provisions do not conflict with these Bylaws.

12.5 DFC CONSENT

Any provision of these Bylaws requiring DFC Consent shall be interpreted to require DFC Consent only as long as the FESA is in full force and effect.

ARTICLE 13 DEFINITIONS

“**Accountant**” means the certified public accountant or firm of certified public accountants, if any, selected by the Board to perform accounting functions on behalf of the Fund.

“**Accounts**” means the Bank Accounts and Endowment Accounts of the Fund.

“**Annual Park Budget**” has the meaning set forth on Section 11.8(b) of these Bylaws.

“**Appointing Directors**” shall refer to the Directors appointed by each of the Members and the Special Director.

“**Audit**” has the meaning given to it in Section 11.5 of these Bylaws.

“**Auditor**” has the meaning given to it in Section 11.5 of these Bylaws.

“**Bank Accounts**” has the meaning given to it in Section 11.2 of these Bylaws.

“**Big Four Firm**” means any of Deloitte Touche Tohmatsu, Ernst & Young, KPMG and PricewaterhouseCoopers, including their local affiliates.

“**Board**” means the board of directors of the Fund appointed pursuant to Article 5 of these Bylaws.

“**Bylaws**” has the meaning given to it in Section 1.2 of these Bylaws.

“**CFA Endowment Account**” has the meaning specified in Section 11.3(a).

“**Co-Chairperson**” means the Co-Chairpersons of the Fund appointed under Section 6.3 of these Bylaws.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Committee**” has the meaning given to it in Section 5.17(a) of these Bylaws.

“**Conservation Funding Agreement**” means the Conservation Funding Agreement by and among GPS Blue, Oceans Finance Company B.V., The Bank of New York Mellon as securities intermediary, and the Fund.

“**Deficit Amount**” has the meaning set forth in Section 11.8(b) of these Bylaws.

“**DFC**” means United States International Development Finance Corporation, an agency of the United States of America.

“**DFC Consent**” has the meaning given to it in Section 4.1(b) of these Bylaws.

“**Director**” means a member of the Board as set forth in Section 5.1(a)(ii) of these Bylaws.

“**Ecuador Report**” has the meaning given to it in Section 11.10(d) of these Bylaws.

“**Effective Date**” means the date upon which the Fund is incorporated in the State of Delaware by filing the Certificate of Incorporation of the Fund with the Delaware Secretary of State.

“**Endowment Account**” has the meaning given to it in Section 11.3 of these Bylaws.

“**Ex-Officio Committee Member**” has the meaning given to it in Section 5.17(b) of these Bylaws.

“**Executive Director**” means the Executive Director appointed by the Board in accordance with Section 6.6 of these Bylaws.

“**External Evaluation**” has the meaning set forth in Section 11.10(c) of these Bylaws.

“**FESA**” means the Foreign Enterprise Support Agreement, dated as of April 27, 2023 by and among the Fund, following its accession thereto, GPS Blue, Oceans Finance Company, CEF 2 AO4 B.V and DFC.

“**Finance Committee**” has the meaning given to it in Section 5.17(c)(i) of these Bylaws.

“**Fiscal Year**” has the meaning given to it in Section 11.1 of these Bylaws.

“**Fishing Association Director**” has the meaning given to it in Section 5.3(b)(i) of these Bylaws.

“**Fund**” has the meaning given to it in Section 1.1 of these Bylaws.

“**Fund Website**” a means an identifiable site (excluding social media) on the internet specifically for the Fund, which is accessible by the public.

“**General Purpose**” has the meaning given to it in Section 1.2 of these Bylaws.

“**GLF Account**” has the meaning given to it in Section 11.2 of these Bylaws.

“**GLF Payment Amount**” has the meaning given to such term in the Conservation Funding Agreement.

“Government Affiliate” means any political sub-division, ministry, department, authority linked to the central government of the Republic of Ecuador, or statutory corporation (whether autonomous or not) of or any corporation or other entity which is controlled or (as to 50% or more of its issued share capital or the equivalent thereof) owned, directly or indirectly, by such state or its government and/or one or more such agencies.

“Government Director” means a Director appointed by a Government Member in accordance with Section 5.1(a)(ii)(C) of these Bylaws.

“Government Ministry” has the meaning given to it in Section 5.2 of these Bylaws.

“GPS Blue” means GPS Blue Financing Designated Activity Company, a designated activity company (limited by shares) duly organized and existing under the laws of the Republic of Ireland, under register number 72855.

“Grant” has the meaning given to it in Section 11.8 of these Bylaws.

“HMR” has the meaning given to it in Section 11.3(c)(i) of these Bylaws.

“IFQ” has the meaning given to it in Section 11.3(c)(iii) of these Bylaws.

“Impact Report” has the meaning given to it in Section 11.10(a) of these Bylaws.

“Investment Policy” has the meaning given to it in Section 5.4(m) of these Bylaws.

“Member” has the meaning given to it in Section 4.1(b) of these Bylaws.

“Member Director” means a Director appointed by a Member in accordance with Section 5.1(a)(ii)(A) of these Bylaws.

“NGO Director” has the meaning given to it in Section 5.3(b)(iv) of these Bylaws.

“Non-Affiliate Director” means a Director other than a Director appointed by a Government Affiliate.

“Non-Government Director” means a Director appointed in accordance with Section 5.1(a)(ii)(B) of these Bylaws.

“Notice” has the meaning given to it in Section 9.1 of these Bylaws.

“Officers” means the officers of the Fund selected pursuant to Article 6 of these Bylaws.

“Project” and **“Projects”** have the meanings given to each such definition in Section 11.10(a) of these Bylaws.

“Project Report” has the meaning given to it in Section 11.10(b) of these Bylaws.

“Recipient” means any grantee, donee, entity, agency or organization that receives a Grant from the Fund.

“Replacement Member” has the meaning given to it in Section 4.1(b) of these Bylaws.

“Replacement Government Ministry” has the meaning given to it in Section 5.2(d) of these Bylaws.

“Replacement Non-Government Director” has the meaning given to it in Section 5.3(c) of these Bylaws.

“Resignation” has the meaning given to it in Section 5.6 of these Bylaws.

“Robert’s Rules of Order” means the manual of parliamentary procedures used as a guide for conducting meetings and making decisions as a group, as set forth in the most current edition of “Robert’s Rules of Order”.

“Secretary” means the Secretary of the Board appointed under Section 6.4 of these Bylaws.

“**Special Director**” has the meaning given it in Section 5.2(b) of these Bylaws.

“**Special Majority Vote**” means the affirmative vote of each of the Member Directors then serving, the Special Director then serving and at least two-thirds of the remaining Directors then serving.

“**Successor Member**” has the meaning given to it in Section 4.1(b) of these Bylaws

“**Sustainability Commitments**” means each of the sustainability commitments set out at Schedule 1 of the Sustainability Commitments Agreement.

“**Sustainability Commitments Agreement**” means the agreement between (amongst others) the Ministry of Environment, Water and Ecological Transition of Ecuador, the Ministry of Production, Foreign Trade Investments and Fisheries of Ecuador and the Verification Agent relating, amongst other things, to the Sustainability Commitments.

“**Technical Advisory Committee**” has the meaning given to it in Section 5.17(c)(ii) of these Bylaws.

“**The Affiliate Co-Chairperson**” has the meaning given to it in Section 6.3 of these Bylaws.

“**The Non-Affiliate Co-Chairperson**” has the meaning given to it in Section 6.3 of these Bylaws.

“**Treasurer**” means the Treasurer of the Board appointed under Section 6.5 of these Bylaws.

“**Treasury Regulations**” means the regulations promulgated by the United States Secretary of the Treasury relating to the Code.

“**Vacancy**” has the meaning given to in Section 5.7 of these Bylaws.

“**Verification Agent**” means Assurance Services International GMBH or its successor as appointed pursuant to the Sustainability Commitments Agreement.