

Instituto Acaia
Financial statements at
December 31, 2015
and independent auditor's report

Independent auditor's report

To the Management
Instituto Acaia

We have audited the accompanying financial statements of Instituto Acaia (the "Institute"), which comprise the balance sheet as at December 31, 2015 and the statements of income and of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies adopted in Brazil and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the entity's financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Instituto Acaia as at December 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

São Paulo, April 18, 2016

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Caio Fernandes Arantes
Contador CRC 1SP222767/O-3

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Instituto Acaia**Balance sheet at December 31**

All amounts in reais

(A free translation of the original in Portuguese)

| Assets | 2015 | 2014 | Liabilities and equity | 2015 | 2014 |
|-----------------------------------|------------------|------------------|---------------------------------------|------------------|------------------|
| Current assets | | | Current liabilities | | |
| Cash | 4,142 | 2,557 | Trade payables (Nota 7a) | 320,615 | 202,401 |
| Banks – current accounts (Nota 4) | 1,088 | 141,225 | Labor and social security obligations | 364,340 | 312,668 |
| Financial Investments (Nota 5) | 464,800 | 158,017 | Tax obligations | 10,262 | 13,241 |
| Receivables | 11,376 | 17,299 | Other liabilities (Nota 7b) | 696,837 | 649,773 |
| Advances to suppliers | 32,283 | 87,107 | | | |
| Vacation pay advances | 158,137 | 152,090 | Non current liabilities | | |
| Other receivables | 16,520 | 17,149 | Other liabilities (Nota 7b) | 2,972,414 | 3,063,167 |
| Inventories of goods | 15,393 | 17,068 | | | |
| | <u>703,739</u> | <u>592,512</u> | Total liabilities | <u>4,364,468</u> | <u>4,241,250</u> |
| Non current assets | | | Equity | | |
| Investments | 50,000 | - | Social capital | | |
| Fixed Assets (Nota 6) | 3,639,203 | 3,710,858 | Accumulated surplus | 62,120 | 92,199 |
| | <u>3,689,203</u> | <u>3,710,858</u> | Surplus/(déficit) for the year | <u>(33,646)</u> | <u>(30,079)</u> |
| Total assets | <u>4,392,942</u> | <u>4,303,370</u> | Total equity | <u>28,474</u> | <u>62,120</u> |
| | | | Total liabilities and equity | <u>4,392,942</u> | <u>4,303,370</u> |

The accompanying notes are an integral part of these financial statements.

Instituto Acaia

Statement of changes in equity Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|--------------------|
| Income | | |
| Donations from individuals (Note 8) | 9,287,208 | 8,280,600 |
| Donations from legal entities (Note 8) | 550,502 | 577,617 |
| Donations for specific projects (Note 9 (b)) | 254,882 | 291,168 |
| Finance income | 134,046 | 57,839 |
| Revenue from sales of goods | 38,360 | 56,804 |
| Voluntary work (Note 12 (b)) | 2,598 | 48,357 |
| Other operating income (Note 10) | <u>225,475</u> | <u>32,709</u> |
| | <u>10,493,071</u> | <u>9,345,094</u> |
| Expenses with social activities (Note 11(b)) | | |
| Personnel expenses (Note 13(b)) | (4,501,420) | (4,080,355) |
| General and administrative expenses (Note 13(a)) | (5,402,229) | (4,724,720) |
| Tax expenses | (80,677) | (64,782) |
| Finance costs | (22,276) | (18,067) |
| Depreciation and amortization expenses | <u>(520,115)</u> | <u>(487,249)</u> |
| | <u>(10,526,717)</u> | <u>(9,375,173)</u> |
| Surplus/(deficit) for the year | <u>(33,646)</u> | <u>(30,079)</u> |

The accompanying notes are an integral part of these financial statements.

Instituto Acaia

Statement of changes in equity Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

| | Social Capital | Superávit/ déficit acumulado | Total |
|---------------------------------|-----------------------|---|---------------|
| At December 31, 2013 | 92,199 | - | 92,199 |
| Deficit for the year | - | (30,079) | (30,079) |
| Incorporation to Social Capital | (30,079) | 30,079 | - |
| At December 31, 2014 | 62,120 | - | 62,120 |
| Deficit for the year | - | (33,646) | (33,646) |
| Incorporation to Social Capital | (33,646) | 33,646 | - |
| At December 31, 2015 | 28,474 | - | 28,474 |

The accompanying notes are an integral part of these financial statements.

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Statement of cash flows Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

| | <u>2015</u> | <u>2014</u> |
|---|------------------|------------------|
| Cash flows from operating activities | | |
| Surplus/(deficit) for the year | <u>(33,646)</u> | <u>(30,079)</u> |
| Adjustments in Income and Expenses | | |
| Depreciation and amortization | <u>520,116</u> | <u>487,249</u> |
| Adjusted surplus/(deficit) for the year | <u>486,470</u> | <u>457,170</u> |
| | | |
| (Increase) in receivables | 5,923 | (12,161) |
| (Increase)/decrease in advances to suppliers | 54,824 | (36,927) |
| (Increase)/decrease in vacation pay advances | (6,047) | (3,717) |
| (Increase) in inventories | 1,675 | (2,897) |
| (Increase)/Decrease in other receivables | 629 | (4,214) |
| Increase (decrease) in accounts payable | 118,214 | (82,911) |
| Increase/(decrease) in labor and social security obligations | 51,672 | (7,431) |
| Increase/(decrease) in taxes obligations | (2,979) | (1,133) |
| Increase/(decrease) in other liabilities | <u>(43,689)</u> | <u>477,222</u> |
| Variation of Assets and Liabilities | <u>180,222</u> | <u>325,831</u> |
| Net cash provided by operating activities | <u>666,692</u> | <u>783,001</u> |
| | | |
| Cash flows from investing activities | | |
| Acquisitions of fixed assets | (448,461) | (946,087) |
| Disposal of fixed assets | - | 35,792 |
| Investments – Capitalization Bonds | (50,000) | |
| Net cash used in investing activities | <u>(498,461)</u> | <u>(910,295)</u> |
| | | |
| Net increase (decrease) in cash and cash equivalents | <u>168,231</u> | <u>(127,294)</u> |
| | | |
| Cash and cash equivalents at the beginning of the year | 301,799 | 429,093 |
| | | |
| Cash and cash equivalents at the end of the year | <u>470,030</u> | <u>301,799</u> |
| | | |
| Net increase (decrease) in cash and cash equivalents | <u>168,231</u> | <u>(127,294)</u> |

The accompanying notes are an integral part of these financial statements.

Instituto Acaia

Notes to the financial statements At December 31, 2014

All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

1 Operations

Instituto Acaia was founded as a non-profit philanthropic entity on April 3, 2001. Its principal objective, according to article 2 of its bylaws, is to promote social assistance services, to individuals or to persons whom, together with their immediate family are in a situation of vulnerability, exclusion due to poverty and/or lack of access to other public policies for children, adolescents, youths or adults, through the formation, education, professional qualification, culture and support to those with psychological disorders, in São Paulo and Mato Grosso do Sul.

The Corumbá branch was established on October 8, 2007, under the name of Acaia Pantanal, and it effectively began its activities in January 2008.

The entity's funds were used for its institutional purposes, in conformity with its bylaws, demonstrated by its expenses, as 100% of its activities are carried out free of charge.

Instituto Acaia develops its actions through three programs:

(a) Ateliê Acaia

In 2015, it was 400 participants, divided as follows:

Full time – 20 / 3 to 5 years old – Pre-Reception

Mornings – 100 / 6 to 11 years old – Reception

Afternoons – 110 / 12 to 18 years old – Autonomy and Specialization

Evenings – 70 / adults accompanied by their small children – Reception

“Barracos-Escola” (External activities) – 100 / several ages – Pre-Reception,

(b) Centro de Estudar Acaia Sagarana (Acaia Sagarana Study Center) Project

In 2015, the project provided assistance to 36 students who completed their high-school level education in public schools, offering them the opportunity to continue studies and seek admission to public universities.

(c) Filial - Acaia Pantanal

In 2015, the structure was maintained, with the “**Programa Jatobazinho**” within which are developed (06) six distinct activities; **1. “Escola Jatobazinho**” (an extension of “Escola Municipal Rural do Polo Porto Esperança e Extensões”, created by means of Decree 565 of the Municipal Government of Corumbá on February 5, 2009, in partnership with the Municipal Government of Corumbá, it has been contributing with a rural education in Corumbá (MS); **2. “Oficinas Jotobazinho**”; **3. “Alunos Bodoquena**”; **4. “Comunidade de Aprendizagem**”: 6 rural schools in the Região das Águas; **5. “Relações com a comunidade**”; **6. Complementary activities**: university researchers, visitors and students.

Participants:

- 85 children and adolescents
- 53 families
- 6 rural schools from “Região das Águas”
- 350 researchers, partners, visitors and university students

2 Summary of significant accounting policies

The main accounting policies applied in the preparation of these financial statements are set out below.

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Notes to the financial statements

At December 31, 2014

All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

These policies have been consistently applied to the periods presented, unless when otherwise indicated.

2.1 Basis of preparation and presentation of the financial statements

The financial statements were prepared and are being presented in accordance with the CFC Resolution n° 1,409/12, which approved the ITG 2002 – Non Profitable Entities (“ITG 2002”) combined with NBC TG1000 (“CPC PME – “ Small and Medium Sized Entities”). They were prepared considering the historical cost as basis of value.

The preparation of financial statements in accordance with the referred standards requires the use of certain critical accounting estimates. It's also required the Entity's management to exercise its judgment in the process of applying the accounting policies. The financial statement area that requires a higher degree of judgment or complexity refers to the selection of the useful life of the fixed assets.

The items included in the financial statements are measured in accordance with the currency of the primary economic environment in which the Entity operates (“functional currency”). The financial statements are presented in reais, which is the functional currency of the Entity and also its presentation currency.

(a) Determination of surplus/(deficit)

Income and expenses are recorded on the accrual basis of accounting.

Donations are recognized as income during the period of the projects and matched with the expenses which are intended to be offset.

Non-specific donations to fund regular operations, which are not linked to any future obligation, and for which there is no specific allocation established for the periods benefited, are recorded upon receipt directly in results as income from donations.

Donations received for specific projects and social welfare activities developed by the Institute are recorded in current and non-current liabilities under "Other liabilities", and recognized as income during the period in which the objectives specified in such donations are realized (expenditures/obligations).

(b) Current assets

Current assets are stated at cost, plus accrued income and monetary variations up to the balance sheet date, adjusted to market values when applicable.

(c) Current liabilities

Current liabilities are stated at known or estimated amounts including, when applicable, accrued charges and monetary variations up to the balance sheet date.

(d) Non-current assets

The investment is composed by the acquisition in 2015 of a capitalization bond of R\$ 50,000.00

Fixed and intangible assets are stated at cost combined with the following aspects: (i) depreciation of

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Notes to the financial statements

At December 31, 2014

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fixed assets is calculated on the straight-line method at annual rates which take into consideration the economic useful lives of the assets, being 5% for boats, 10% for facilities, machinery and equipment and furniture and fittings and 20% for computers, peripherals and tools; and (ii) leasehold improvements in connection with the construction and refurbishment of the headquarters of the Institute, which are being amortized over ten years, pursuant to the terms stipulated in the land free-lease agreement.

(e) Cash and cash equivalents

Cash and cash equivalents include cash and current accounts at banks (classified under Banks - current accounts) and financial investments with original maturity of 90 days.

(f) Contingent Assets and Liabilities

Refer to potential rights and obligations arising from past events, the occurrence of which is dependent upon future events.

• **Contingent Assets** - Not recognized, except upon evidence ensuring an elevated level of reliability as to its realization, usually represented by claims awarded upon final and un-appealable judgments and confirmation of the recoverability of the claim through receipt or offset against another liability.

• **Contingent** - These contingencies, consistent with conservative practices adopted, are evaluated by legal advisors and take into consideration the probability that financial resources shall be required in the settlement of the obligation and that the amount of the liability can be estimated with sufficient certainty. Contingencies are classified as probable, for which provisions are recorded; possible, which are solely disclosed but not recorded; and remote, for which recognition and disclosure are not required. Any contingent amounts are quantified through the use of models and criteria which allow for their adequate measurement, in spite of the uncertainty inherent in their term and value.

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Notes to the financial statements At December 31, 2014

All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

3 Cash and cash equivalents

At the balance sheet dates, cash and cash equivalents comprised the following:

| | <u>2015</u> | <u>2014</u> |
|--------------------------------|-----------------------|-----------------------|
| Cash and banks | 5,230 | 143,782 |
| Financial investments (Note 5) | <u>464,800</u> | <u>158,017</u> |
| | <u><u>470,030</u></u> | <u><u>301,799</u></u> |

4 Banks - current accounts

The balance comprises available funds deposited in a current account of a first-tier bank, which at December 31, 2015, amounted to R\$ 1,088 (R\$ 141,225 - 2014).

5 Financial investments

Financial investments refer substantially to bank deposit certificates (CDB) issued by Banco Bradesco S.A., with floating rates between 93,5% and 96% of CDI valuation per month, totalizing R\$ 230,757 in 2015 (R\$ 147,334 in 2014) and Investment Funds with an average profitability of 1,12% per month, totalizing R\$ 234,043 in 2015 (R\$ 10,683 in 2014). the financial investments have daily liquidity.

6 Fixed assets

| | <u>2015</u> | <u>2014</u> | <u>Annual depreciation depreciation - %</u> |
|---------------------------|-------------------------|-----------------------------|---|
| Machinery and equipment | 485,169 | 460,205 | 10 |
| Furniture and fittings | 471,960 | 426,827 | 10 |
| Leasehold improvements | 4,706,552 (i) | 4,495,731 (i) | 10 |
| Boats | 127,337 | 91,837 | 5 |
| Tractors | 66,000 | 66,000 | 25 |
| Computers and peripherals | 324,682 | 281,325 | 20 |
| Tools | 10,874 | 9,278 | 20 |
| Ongoing Construction | <u>86,983(ii)</u> | <u> </u> | |
| | <u>6,279,557</u> | <u>5,831,203</u> | |
| Accumulated depreciation | <u>(2,640,354)</u> | <u>(2,120,345)</u> | |
| | <u><u>3,639,203</u></u> | <u><u>3,710,858</u></u> | |

- (i) Leasehold improvements refer to renovations made in the headquarters located in São Paulo and in Corumbá (Acaia Pantanal), where the properties are assigned under a free-lease agreement to Instituto Acaia.
- (ii) In 2015, the total Ongoing Construction in the amount of R\$ 86,983 refers to the works at Acaia Pantanal to the employees' houses, with the prevision of conclusion in 2016.

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Notes to the financial statements At December 31, 2014

All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

7 Other liabilities and trade payables

(a) Trade payables

| | <u>2015</u> | <u>2014</u> |
|------------------------|----------------|----------------|
| Domestic suppliers | 315,578 | 196,122 |
| Other accounts payable | <u>5,037</u> | <u>6,279</u> |
| | <u>320,615</u> | <u>202,401</u> |

(b) Other liabilities

Refers to acquisition of fixed assets, whose revenue will be recognized in proportion to the depreciation expense as the useful life of the asset, with a period shorter than 360 days.

| | <u>2015</u> | <u>2014</u> |
|-----------------------|------------------|------------------|
| Other Liabilities (1) | 3,628,761 | 3,680,656 |
| Other receivables | <u>40,490</u> | <u>32,284</u> |
| | <u>3,669,251</u> | <u>3,712,940</u> |

(1) The amount of R\$ 3,628,761 (R\$ 3,680,656 in 2014) recorded in this account relates to amounts received that will be recorded in the result of donations as they comply with the liabilities related to those donations.

8 Donations received

In 2015, donations from individuals totaled R\$ 9,287,208 (2014 - R\$ 8,280,600) and from legal entities, R\$ 550,502 (2014 - R\$ 577,617).

9 Donations for projects

(a) Donations from FUMCAD (Municipal Child and Adolescent Fund)

In 2015, the Instituto Acaia did not receive subsidies from the Municipal Government of São Paulo.

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Notes to the financial statements

At December 31, 2014

All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

(b) Donations for specific projects

In 2015, the entity received from Instituto Credit Suisse Hedging-Griffo the amount of R\$ 245,484 (R\$ 291,168 in 2013), to be used in a partnership project with Ateliê Acaia. Also in 2015, the Entity received the amount of R\$ 9,398 related to the project “Projeto Escola de Moda”.

10 Outras receitas operacionais

In 2015, the entity received R\$ 223,883 (R\$ 25,661 in 2014) referring substantially to credits from the State of São Paulo Program Nota Fiscal Paulista (State Tax Invoices) and the credit of R\$ 1,592 (R\$ 7,048 in 2014) from discounts obtained.

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Notes to the financial statements At December 31, 2014

All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

11 Projects

(a) Resources from sponsors

| | <u>Ateliê Acaia</u> | | <u>Acaia Sagarana</u> | | <u>Acaia Pantanal</u> | |
|---------------------------------|---------------------|------------------|-----------------------|----------------|-----------------------|------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Donations from individuals | 7,193,300 | 6,116,491 | 730,350 | 730,350 | 2,569,421 | 2,498,253 |
| Donations from legal entities | 6,351,487 | 5,630,127 | 730,350 | 730,350 | 2,205,371 | 1,920,123 |
| Donations for specific projects | 238,653 | 25,536 | | | 311,849 | 552,081 |
| Financial institutions | 254,882 | 291,168 | | | | |
| Discounts obtained | 82,883 | 37,018 | | | 51,163 | 20,822 |
| Other revenue | 769 | 1,821 | | | 824 | 5,227 |
| Voluntary work | 223,668 | 25,660 | | | 214 | |
| Sale of goods | 2,598 | 48,357 | | | | |
| | 38,360 | 56,804 | | | | |
| Total funds received | <u>7,193,300</u> | <u>6,116,491</u> | <u>730,350</u> | <u>730,350</u> | <u>2,569,421</u> | <u>2,498,253</u> |

Instituto Acaia

Notes to the financial statements At December 31, 2014

All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

(b) Operating expenses with projects

| <u>Projects/expenses</u> | <u>Ateliê Acaia</u> | | <u>Acaia Sagarana</u> | | <u>Acaia Pantanal</u> | |
|-------------------------------|---------------------|------------------|-----------------------|----------------|-----------------------|------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Personnel expenses | <u>3,699,817</u> | <u>3,292,030</u> | <u>92,675</u> | <u>76,187</u> | <u>708,928</u> | <u>712,138</u> |
| 13th salary | 220,767 | 201,365 | 4,890 | 4,571 | 45,386 | 44,749 |
| Medical Assistance | 327,153 | 285,465 | 7,086 | | 815 | 72,675 |
| Vacation pay | 304,230 | 272,759 | 6,395 | 5,967 | 64,370 | 57,767 |
| Salaries | 2,433,065 | 2,180,235 | 52,808 | 49,422 | 509,183 | 462,139 |
| Social charges | 274,964 | 267,266 | 19,774 | 15,895 | 66,174 | 68,916 |
| Other | 139,638 | 84,940 | 1,722 | 332 | 23,000 | 5,892 |
| Depreciation and amortization | <u>212,892</u> | <u>212,492</u> | | | <u>307,223</u> | <u>274,757</u> |
| Finance costs | <u>8,859</u> | <u>8,261</u> | <u>2,237</u> | <u>1,209</u> | <u>11,180</u> | <u>8,598</u> |
| Bank expenses | 8,226 | 7,805 | 2,237 | 1,209 | 11,089 | 8,540 |
| Other finance costs | 631 | 438 | | | 91 | 18 |
| Interest payable | 2 | 18 | | | | 40 |
| Public relations | <u>24,405</u> | <u>48,447</u> | | | <u>25</u> | <u>13,118</u> |
| Taxes and sundry fees | <u>78,960</u> | <u>63,935</u> | | | <u>1,717</u> | <u>846</u> |
| Facilities | <u>899,729</u> | <u>763,327</u> | <u>29,936</u> | <u>21,757</u> | <u>349,010</u> | <u>603,838</u> |
| Meals | <u>304,899</u> | <u>376,133</u> | <u>72,000</u> | <u>21,000</u> | <u>118,831</u> | <u>94,758</u> |
| Maintenance | <u>280,876</u> | <u>214,470</u> | <u>484</u> | | <u>275,067</u> | <u>184,299</u> |
| Administrative expenses | <u>319,783</u> | <u>236,924</u> | <u>68,720</u> | <u>82,137</u> | <u>483,028</u> | <u>50,900</u> |
| Professional services | <u>1,106,548</u> | <u>969,306</u> | <u>725,750</u> | <u>630,764</u> | <u>343,138</u> | <u>413,542</u> |
| | <u>6,936,768</u> | <u>6,185,325</u> | <u>991,802</u> | <u>833,054</u> | <u>2,598,147</u> | <u>2,356,794</u> |

Instituto Acaia

Notes to the financial statements

At December 31, 2015

All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

12 Tax immunity and exemption

The Institute complies with its tax requirements and is exempt from income tax and the social contribution on the surplus (based on article 15 of the law 9,532/97), as well as on the employers' portion of the National Institute of Social Security (INSS) contributions and the Social Contribution on Revenues (COFINS) (based on Law 8,212/91).

The amounts of tax exemptions received during the year were as follows:

. 2015 - R\$ 779,043 - INSS Employer's Quota, SAT and third parties (R\$ 728,755 in 2014).

(a) Gratuities services and voluntary work

In 2015, voluntary services received amounted to R\$ 58,377, being R\$ 2,598 related to voluntary services given by the Federal Court and R\$ 55,779 related to audit services.

13 Other information

(a) General and administrative expenses comprise:

| | <u>2015</u> | <u>2014</u> |
|---------------------------------------|------------------|------------------|
| Various professional services | 2,043,797 | 2,013,613 |
| Maintenance and installation expenses | 1,128,104 | 1,029,235 |
| Meals | 495,730 | 491,889 |
| Training and teaching materials | 252,546 | 135,744 |
| Medical | 3,692 | 5,136 |
| Support grants | 265,583 | 239,988 |
| Graphic and advertising materials | 160,023 | 69,407 |
| Donation expenses | 204,586 | 30,945 |
| Transportation expenses | 484,988 | 335,386 |
| Other | 363,180 | 373,377 |
| | <u>5,402,229</u> | <u>4,724,720</u> |

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All amounts in reais unless otherwise stated

(A free translation of the original in Portuguese)

(b) Personnel expenses

| | <u>2015</u> | <u>2014</u> |
|----------------|------------------|------------------|
| Salaries | 2,995,056 | 2,691,796 |
| Vacation pay | 374,995 | 336,492 |
| 13th salary | 271,043 | 250,685 |
| Social charges | 360,912 | 352,077 |
| Other | <u>499,414</u> | <u>449,305</u> |
| | <u>4,501,420</u> | <u>4,080,355</u> |

14 Contingent Assets and Liabilities

a) Contingents Assets: There are no contingents assets recorded.

b) Provisions and Contingencies:

I – Civil Lawsuits: There are no civil lawsuits.

II- Labor Claims: Claims with Possible and Probable Loss.

Contingencies not recognized on the balance sheet: The labor claims are estimated to be Possible Losses and amounted to R\$40,000 (R\$ 12,000 in 2014).

Contingencies recognized on the balance sheet: Labour claim estimated as probable loss in the amount of R\$ 25,000.00

Intituto Acaia, based on the opinion of its legal advisors, is not party to any other administrative or judicial proceeding which could significantly impact the results of its operations.

15 Subsequent Events

There were no significant events worth mentioning between December 31, 2015 and the emission date of this report.

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