

**Fondazione Terzo Pilastro – Italia e Mediterraneo
Statute**

**Article 1
Establishment and Registered Office**

- 1) The non-profit institution, Fondazione Terzo Pilastro – Italia e Mediterraneo, has been established.
- 2) The Foundation's registered office is located in Rome and branch offices may be established both in Italy and abroad.

**Article 2
Purpose**

1. The purpose of the Foundation is to:
 - a) promote and support, in Italy and abroad, solidarity and/or social benefit projects in sectors such as (though not limited to), Health, Scientific Research, Aid to the Underprivileged, Education and Art and Culture, as well as social enterprises and voluntary activities, also for the purpose of encouraging new employment opportunities, especially with regard to those most deserving of support. The above may be accomplished even by acting as an interlocutor of the Italian State and other supranational organisations on the subject of the employment, social and development policies of local communities and any agreements and conventions for the operational implementation thereof;
 - b) foster economic, cultural and social development of countries throughout the world, by exchanging experiences, understanding their reciprocal values and contributing to the creation of a network of cultural relationships between them;
2. The Foundation shall carry out the purposes by:
 - a) accomplishing independently or entrusting public or private third parties, national and international social cooperatives or enterprises to manage programmes, projects and undertakings in the sectors under Article 1 a)

hereinbefore;

- b) supporting, by means of donations, programmes, projects and undertakings that fall within in the policy sectors under Article 1 a) hereinbefore submitted by national and international public or private non-profit organizations and social cooperatives and enterprises;
 - c) identifying and enhancing the diverse cultures of the world in order to establish, with due regard to the different traditions, a common identity with the aim of protecting cultural, artistic and historic heritage;
 - d) cooperating with other national and international public and private institutions having purposes similar to those of the Foundation;
 - e) performing any activity or accomplishing any project related to or serving the statutory purposes, principally by helping the less fortunate and sick as well as scientific research in order to find a cure for diseases and, lastly, in the field of education and culture.
3. The Foundation may also conduct other instrumental and ancillary activities related to the accomplishment of its goals, such as, though not restricted to:
- a) organising events and shows;
 - b) producing publications in print and electronic format;
 - c) establishing a documentation centre for the economic, cultural and social development of the countries listed under Article 2. b) hereinbefore;
 - d) promoting and managing vocational training and refresher courses;
 - e) issuing calls for papers/proposals, even in concert with public and private organisations, to award scholarships and research grants aimed at the accomplishment of the Foundation's institutional purposes;
 - f) promoting investigation and research on subjects pertaining to the pursuit of the statutory objectives;
 - g) supporting, through promotional grants and contributions, third party projects and undertakings instrumental to the pursuit of the statutory objectives;
 - h) establishing Foundations, Associations and Companies;

- i) joining existing foundations and associations; acquiring and holding shares, including a controlling interest, in Companies;
 - j) performing banking, financial, movable and immovable property transactions and issuing securities;
 - k) applying for funding, contributions and mortgages;
 - l) entering into contracts, agreements and conventions with national and international public or private organizations.
4. The Foundation may employ its own personnel in compliance with the private employment laws.

Article 3 Duration

1. The duration of the Foundation is unlimited.

Article 4 Assets

1. The Foundation's assets consist of:
 - a) the initial capital specified in the Articles of Incorporation and further additions made specifically for the purpose of increasing the assets;
 - b) bestowals and donations, including those made by third parties, of movable assets and immovable assets, rights of use, contributions, inheritance, legacies, bequests, gifts and income of any kind given in observance of the provisions of the law on this matter;
 - c) any operating surplus on the annual balance sheet, explicitly apportioned to increase the assets.
2. Any income arising from the Foundation's assets may be disbursed exclusively in

pursuance of the institutional purposes.

Article 5 Operating Resources

- 1) The following income shall be at the disposal of the Foundation for the pursuance of its purposes:
 - a) any income arising from the assets under Article 4 hereinbefore;
 - b) public and private contributions allocated for the pursuance of the statutory purposes and not explicitly intended to increase the assets;
 - c) any operating surplus arising from the annual balance sheet not explicitly apportioned to increase the assets.

Article 6 Stakeholders

- 1) Any natural person and public and private organizations, with or without legal personality, that wish to join the Foundation, sharing its aims and contributing to the endowment fund and/or the operating resources may be called Stakeholders. The list of Stakeholders shall be included in the notes to the Financial Statement.
- 2) Stakeholders who are natural persons, shall have full legal capacity, be of undisputed probity and respectability and engaged in the sectors in which the Foundation performs its institutional activities;
- 3) Stakeholders who are public or private organisations, with or without a legal personality, are required to have contributed to the Foundation at a technical, scientific, economic or relational level.
- 4) Stakeholders shall be appointed by the General Council in a meeting duly convened and constituted and the quorum of members under Article 11. 1) and 4) hereinbelow are present. The General Council shall also determine their term of membership and the amount to be paid into the endowment fund and/or towards the operating resources and any representation in the Foundation's governing bodies to which they are entitled.

Article 7 Governing bodies

1. The Foundation's governing bodies are:
 - a) the General Council;
 - b) the Board of Directors, collegial governing body, or the Director, monocratic governing body;
 - c) the Chair, if the Board of Directors has been appointed;
 - d) the General Director;
 - d) the Board of Statutory Auditors.

Article 8

General Council Composition, qualifications, appointment and tenure

1. The General Council shall consist of no less than five (5) and no more than eleven (11) members;
2. having determined their number, the General Council shall co-opt members to replace those incumbent members whose term of office is expiring;
3. individuals who provably meet the requirements of respectability and have experience in the field of activities specified in Article 2) hereinbefore may be appointed as members of the General Council;
4. members of the General Council shall be appointed for a term of six financial years and may be reappointed. The term of office shall end upon approval of the Annual Financial Statement pertaining to the final financial year of office. Members who have been appointed to replace members who leave during their term office shall remain in office until his/her predecessor's mandate expires;
5. members of the General Council who fail to attend three consecutive meetings without submitting a written justification shall automatically lose office.

Article 9 General Council

Functions

The General Council shall:

- a) appoint the governing body by opting between a Board of Directors, collegiate body, and a monocratic Director. Should a Board of Directors be appointed the General Council shall establish the number of members thereof, which shall be no less than three and no more than five;
- b) appoint the members of the Board of Directors or the Director;
- c) determine the compensation for the members of the Board of Directors or the Director;
- d) appoint the Chair and the members of the Board of Statutory Auditors and establish their remuneration;
- e) decide upon amendments to the Statute suggested by the Board of Directors or the Director in a meeting duly convened and constituted and the quorum of members under Article 11. 1) and 4) hereinbelow are present;
- f) verify the operating surplus and approve the annual financial statements drafted by the Board of Directors or the Director;
- g) decide upon the general plans concerning the pursuit of the institutional purposes and the employment of assets;
- h) decide upon any conversion, merger and demerger of the Foundation in a meeting duly convened and the quorum of members under Article 11 (1) and 4) hereinbelow are present;
- i) the Chair may decide to hold a secret ballot when resolutions concern persons;
- j) establish, upon the assent of the Board of Auditors, the compensation due to members of the General Council to attend the meetings thereof; members of the General Council shall also be entitled to the reimbursement of any expenses incurred to attend such meetings, for which the General Council, upon the approval of the Board of Statutory Auditors, may establish a flat rate.

Article 10 General Council

Convocation

- 1) The Chair or the Director of the Foundation shall convene the General Council in the headquarters of the Foundation or any other venue in Italy at least once a year for the purpose of approving the Annual Financial Statements.
- 2) The Chair or the Director of the Foundation shall also convene the General Council whenever he/she may deem it necessary for the execution of the institutional duties. The General Council may also be convened upon the request of one of the following:
 - a) the majority of members of the General Council;
 - b) the majority of the Board of Directors;
 - c) the Board of Statutory Auditors.
- 3) Notice of meetings called by the Chair or the Director shall be sent to the address of the members of the General Council by registered mail at least seven days prior to the date the meeting is scheduled and shall specify the agenda, date, time and place.
- 4) In case of urgent matters, with the exception of the approval of the Annual Financial Statement, the aforementioned notice period may be reduced to three days.
- 5) Meetings of the General Council may also be held by means of a Tele/Video conference call. In this event, all the participants at each link shall be identified and able to address the meeting, state their opinion, see, receive or send all documents and simultaneously examine and pass resolutions. In the event of a meeting held by means of a Tele/Video conference call, the Chair and the Secretary shall be together in the place that shall be considered the venue for the meeting of the General Council.

Article 11 General Council Constitution

1. Meetings of the General Council convened by the Chair or the Director shall be legally constituted when attended by the majority of members, except in the cases stated under Article 6. 4) and Article 9 f) and i) hereinbefore when two-thirds (rounded up to the nearest whole number) of the members shall be present.
2. Meetings of the General Council shall be presided by the Chair of the Board of Directors or the Director, with no right of vote.
3. Members of the Board of Statutory Auditors shall attend the meetings of the General Council; members of the Board of Directors, if appointed, may attend such meetings upon convocation, with no right of vote, at the discretion of the Chair, who shall consider the items on the agenda.
4. Resolutions shall be passed by a majority of those present, except in the cases stated under Article 6 4) and Article 9 e) and h) hereinbefore, when a two-thirds (rounded up to the nearest whole number) majority of those present is required. In the event of a tie, the proposal voted upon shall be considered rejected.
5. Only another member may represent a member of the General Council. Members may not appoint more than one proxy.
6. In the event that the convocation formalities under Article 10 hereinbefore have not been fulfilled, the General Council shall be considered legally constituted when all members are represented and the entire Board of Statutory Auditors is attending.
7. The Chair of the General Council and the Secretary he/she has appointed for such duty shall sign the minutes jointly.

Article 12
Governing body
Composition

- 1) The Foundation shall be governed by the Board of Directors or the Director according to the resolutions passed by the General Council in compliance with Article 9 a) hereinbefore; the Foundation shall be legally represented by the Chairperson or the Director.

- 2) The Board of Directors shall be composed of no less than three and no more than five members, who shall be appointed by the General Council in compliance with Article 9 b) hereinbefore.
- 3) The term of office of the Board of Directors, or the Director, shall be six financial years and members may be reappointed. The term of office shall end upon approval of the Annual Financial Statement pertaining to the final financial year of office.
- 4) Members of the Board of Directors who fail to attend three consecutive meetings for no justified reason, shall be declared removed from office.
- 5) Should a member of the Board of Directors leave for any reason, the Board shall co-opt a replacement. The member thus appointed shall remain in office until the subsequent meeting of the General Council.
- 6) Should the majority of members leave, the entire Board of Directors shall be deemed to have resigned, consequently a new governing body shall be appointed.
- 7) Should the Director leave for any reason, the Chair of the Board of Statutory Auditors shall immediately convene the General Council to appoint the governing body.

Article 13
Governing Body
Eligibility requirements

- 1) Individuals who provably meet the requirements of professionalism and respectability and have qualified experience in organising and managing companies may be appointed as a member of the Board or Director.

Article 14
Governing Body
Functions

- 1) The Board of Directors, or the Director, shall be vested with full powers for ordinary and extraordinary management, except for those powers reserved to other bodies by law or this Statute.

- 2) Consequently, as a mere example, the Board, or the Director:
- a) shall appoint the Chair and possibly the Vice Chair from amongst its members;
 - b) shall manage and develop the Foundation's institutional activities;
 - c) shall establish the criteria for the most appropriate dissemination and promotion of the results deriving from the Foundation's activities;
 - d) shall prepare the Foundation's Annual Financial Statement and an Activities Report to be sent to the Board of Statutory Auditors no later than the 31st March;
 - e) shall approve the internal rules and regulations pertaining to the Foundation's institutional activities;
 - f) shall submit the general plans for the pursuance of the institutional objectives and the employment of the assets to the General Council;
 - g) shall decide upon the acceptance of contributions, donations and legacies as well as the acquisition or transfer of immovable property;
 - h) shall decide upon contributions and promotional grants issued in order to carry out the purpose under Article 2 hereinbefore;
 - i) shall decide upon the investment of the Foundation's assets, the allocation of income and any initiative that aims to pursue the foundation's objectives;
 - j) shall decide upon any cooperation agreements between the Foundation and other public and private national and international organisations;
 - k) shall appoint experts on topics related to the Foundation's activities;
 - l) may establish Advisory Committees or Task Forces on topics related to the Foundation's activities and determine their functions, composition and remuneration;
 - m) shall submit proposals to establish separate accounting for any commercial activity to the General Council;
 - n) shall appoint the General Director, determining the nature of employment, remuneration and powers of attorney and appoint him/her to represent the Foundation in court proceedings;

- o) shall determine the employment of the Foundation's executives, their remuneration, disciplinary actions, removal and retirement;
- p) shall approve the employee's organisation chart;
- q) may assign representation to members of the Board of Directors, the General Director, executives, executive cadres and employees of the Foundation, establishing their respective powers, limits and procedures for exercising such powers;
- r) may confer mandates and powers of attorney for the performance of specific acts or categories of acts to parties unrelated to the Foundation;
- s) may delegate, when recognising the need and in compliance with the law, part of its functions to the Chairperson, establishing any procedures and restrictions;
- t) shall submit any amendments to the Statute, merger, conversion or liquidation of the Foundation to the General Council;
- u) the Chair and/or the Director, the Vice Chair if appointed, Members of the Board, the General Director if appointed, executives and executive cadres, according to their respective functions, may, when necessary, assign mandates and powers of attorney for the performance of specific acts or categories of acts to parties unrelated to the Foundation.

Article 15
Board of Directors
Convocation

- 1) Meetings of the Board of Directors shall be held at least once every quarter or when deemed necessary by the Chair.
- 2) Meetings of the Board of Directors shall be convened when requested by the majority of the members of the Board or the Board of Statutory Auditors.
- 3) Meetings of the Board of Directors shall be convened by the Chair or in his/her absence or inability to perform his/her duties, by the Vice-Chair, if appointed, or by the member with greater seniority in terms of appointment or, should the members have been appointed at the same time, by the elder. The convocation notice shall be sent at least three days prior to the meeting, by means of a registered letter, telegram, telefax or e-mail with postmaster's successful

delivery status notification and shall include the Agenda, date, time and place. In the event of urgent situations, the notice period shall be reduced to twenty-four hours.

Article 16
Board of Directors
Constitution

- 1) Meetings of the Board of Directors shall be legally constituted when attended by the majority of members. Meetings of the Board of Directors may also be held by means of a Tele/Video conference call. In this event, all the participants at each link shall be identified and able to address the meeting, state their opinion, see, receive or send all documents and simultaneously examine and pass resolutions. In the event of a meeting held by means of a Tele/Video conference call, the Chair and the Secretary shall be together in the place that shall be considered the venue for the meeting of the Board of Directors.
- 2) Meetings of the Board of Directors shall be presided by the Chair or in his/her absence or inability to perform his/her duties, by the Vice-Chair, if appointed. In the event that both are absent or unable to perform their duties or the Vice Chairperson has not been appointed, meetings shall be chaired by the Member of the Board with greater seniority in terms of appointment, or in the event that members were appointed at the same time, by the elder.
- 3) Resolutions shall be passed by a majority of those present. The Chair shall have a casting vote in the event of a tied vote.
- 4) The Chair may decide to hold a secret ballot when resolutions concern a person.
- 5) The Chair and the Secretary designated by the Chair shall sign the minutes jointly.

Article 17
Chairperson
Powers

- 1) The Chair of the Foundation shall indicate the viable strategies and the guidelines of the Foundation's pathway in compliance with the principles

established in the Statute.

In the performance of his/her duties the Chair:

- a) is the legal representative of the Foundation in relation to third parties;
 - b) shall convene and chair the meetings of the General Council, with no right of vote;
 - c) shall convene and chair the meetings of the Board of Directors and has the power to make sure that the resolutions are promptly executed;
 - d) shall sign, jointly with the Secretary, the minutes of the meetings of the General Council and the Board of Directors;
 - e) if necessary, may appoint the General Director to sign documents and agreements on his/her behalf;
 - f) shall determine the General Director's powers of attorney, appointing him/her to represent the Foundation in court proceedings.
- 2) should the Chair be absent or unable to perform his/her duties, his/her functions shall be performed by the Vice Chair, if appointed, and should none have been appointed or in the event of his/her absence or inability to perform his duties, by the member of the Board of Directors with greater seniority in terms of appointment or, in the event that members were appointed at the same time, by the elder.

Article 17 bis General Director

1. The General Director:

- a) shall attend meetings of the Board of Directors and, if requested, may attend assemblies of the General Council;
- b) shall perform all the acts delegated to him/her by the Board of Directors or the Chair and represent the Foundation within the limits established by the Board of Directors in the resolutions adopted under Article 14, 2) s) hereinbefore;
- c) shall prepare, upon the proposal of the Chair, the documents for the

resolutions of the Board of Directors;

- d) shall sign the minutes of the meetings of the Board of Directors jointly with the Chair and shall provide certified copies of the minutes of the meetings of the Board of Directors and of the General Council, signed jointly with the Chair;
 - e) is head of personnel and may hire non-executive employees, determining salaries, any promotions and pay-rises, dismissals and retirements and over whom he/she may exercise managerial, supervisory and disciplinary powers; shall sign employment and collaboration agreements of whatever nature and form establishing the conditions; controls the activities performed by consultants and freelancers and, if necessary, arranges their replacement and/or revocation;
 - f) shall issue special powers of attorney including those under Article 420, Italian Code of Civil Procedure;
 - g) shall direct and coordinate the activities of the offices, planning their work according to (legal, fiscal and statutory) deadlines and meetings of the Governing Bodies;
 - h) shall attend the meetings of all the Committees with an advisory vote;
 - i) shall maintain the relationships with institutions and authorities for all the matters relevant to the activities and functioning of the Foundation.
2. As well as meeting the requirements under Article 13 of this Statute, the General Secretary shall have at least three years' management experience in institutions and bodies with goals similar to those specified in Article 2 hereinbefore.

Article 18
Board of Statutory Auditors
Composition

- 1) The Board of Statutory Auditors shall consist of three standing members, including the Chair, and two alternate members who shall remain in office for five years. Members may be reappointed. The term of office shall end upon approval of the Annual Financial Statement pertaining to the final year of office.

- 2) Members shall be appointed by the General Council in compliance with Article 9. d) hereinbefore.
- 3) The alternates, in the order of their age, shall replace members of the Board of Statutory Auditors, who have left for any reason. The new Auditors shall remain in office until the subsequent meeting of the General Council, which shall appoint the alternate of the outgoing Auditor.
- 4) Should the absolute majority of the members of the Board be absent, the entire Board of Statutory Auditors shall cease to hold office and a meeting of the General Council shall be called without delay in order to replace the Board.

Article 19
Board of Statutory Auditors
Functions

- 1) The functions provided for under Article 2403 paragraph 1 of the Italian Civil Code, other laws, applicable provisions, and the regulations herein shall be assigned to the Board of Statutory Auditors. The Board shall make sure that the Annual Financial Statement is consistent with the accounting entries and complies with the relevant rules and regulations.
- 2) The Board of Statutory Auditors shall attend meetings of the General Council and the Board of Directors.
- 3) The Board of Statutory Auditors shall meet at least every quarter and resolutions shall be passed by an absolute majority. The attendees shall sign the minutes of the Meetings. Auditors who, for no justified reason, fail to attend three consecutive meetings of the Board of Statutory Auditors, of the General Council or of the Board of Directors shall cease to hold office.
- 4) The Board of Statutory Auditors shall examine the Annual Financial Statement and express its opinion in a specific report to be submitted to the General Council.
- 5) Meetings of the Board of Statutory Auditors may also be held by means of a Tele/Video conference call. In this event, all the participants at each link shall be identified and able to address the meeting, state their opinion and to see, receive or send all documents and simultaneously examine and pass resolutions. In the event of a meeting held by means of a Tele/Video conference call, the meeting of the Board shall be considered as held in the

venue originally stated, where at least one Auditor shall be in attendance.

Article 20

Financial Year

- 1) The financial year shall start on the 1st January and end on the 31st December.

Article 21

Annual Financial Statements

- 1) The Governing Body shall approve the draft Financial Statements and the Management Report no later than the 31st March and transmit such to the Board of Statutory Auditors.
- 2) The draft Financial Statements together with the Management Report and the Board of Statutory Auditors' Report shall be kept in Foundation's headquarters during the seven days preceding the meeting of the General Council called for the approval of such.
- 3) The General Council shall approve the Financial Statements no later than the 30th of April.
- 4) For special reasons the deadline for approval may be extended to the 30th of June.

Article 22

Winding-up and Devolution of Assets

- 1) Should the Foundation wind-up for any reason the endowment fund shall be devolved as established by the General Council in accordance with the laws in force at the time.

Article 23

Arbitration clause

- 1) Any dispute arising between the Stakeholders pertaining to transferable rights

under this Statute shall be settled by a Board of Arbitrators composed of three members appointed by the Presiding Judge of the Court of Rome upon the request of the most diligent party.

- 2) The arbitration clause is not applicable to disputes that by law require the compulsory intervention of the Public Prosecutor.

Article 24 **Transitional provisions**

- 1) This Statute shall enter into force upon the approval of the Prefectural Authority.
- 2) The initial members of the General Council and the Board of Directors, shall be appointed in the articles of incorporation, having established their number. In derogation of Article 8. 4) hereinbefore, the first General Council shall be appointed for a term of five financial years and the term of office shall end upon approval of the Annual Financial Statement pertaining to the final financial year of office.

Article 26 **General Provisions**

Matters not explicitly provided for herein, shall be governed by the applicable provisions of the Italian Civil Code.