



**FONDAZIONE ROMA**

**STATUTE**

**OCTOBER 2007**



# **STATUTE**

## **FONDAZIONE ROMA**

### **CHAPTER I**

#### **Name and Registered Office Purpose, Assets and Income**

##### **Section I Institutional Activities**

###### **Article 1 Name and Registered Office**

1. The non-profit organization Fondazione Roma, hereinafter the “Foundation,” established as an association is the ideal continuation of the Cassa di Risparmio di Roma, a savings bank founded by Pontifical Rescript on the 20th June 1836, and the Mount of Piety of Rome incorporated in 1937 of which it perpetuates the original principles.
2. The Foundation, established under private law for an unlimited period, is an independent and entirely self-governed non-profit legal entity entrusted with the organisation of social freedom.
3. The Foundation is governed by Book I, Chapter II, Section II of the Italian Civil Code as well as by Law number 461 dated 23rd December 1998, Legislative Decree number 153 dated 17th May 1999 and this Statute.
4. The Foundation’s registered office is located in Rome and branch offices may be established both in Italy and abroad.

## Article 2

### **Purpose and Areas of Involvement**

1. The Foundation pursues purposes of social benefit and the promotion of economic development exclusively in the areas described in paragraph 2 below.
  
2. The Foundation operates in the following areas:
  - a) Health, preventive and rehabilitating medicine;
  - b) Art , cultural activities and heritage;
  - c) Education and training, including the purchase of publications for schools;
  - d) Scientific and technological research;
  - e) Voluntary work and philanthropy;
  - f) Religion and spiritual development;
  - g) Assistance to the elderly;
  - h) Civil rights;
  - i) Food safety and agricultural quality;
  - j) Sports;
  - k) Prevention of drug addiction and relative rehabilitation;
  - l) Civil defence;
  - m) Psychological disorders;
  - n) Family and associated values;
  - o) Development and training of youths.
  
3. Every three years the Policy Committee shall identify and select up to five key sectors from the areas described in paragraph 2 above. The key sectors and any changes thereto shall be reported to the Supervising Authority.

## Article 3

### **Geographic Scope**

The Foundation shall perform its institutional activities in Italy, mainly focusing on the Province of Rome and the Lazio Region, in geographical Europe and in exceptional cases in non-European countries.

## Article 4

### **Operating methods**

1. In order to accomplish the purposes described in Article 2 above, the Foundation may develop and implement its own programmes and projects, as it may likewise collaborate with other parties.
2. The methods and principles by which the Foundation shall accomplish its statutory purposes are generally established by Internal Regulations that particularly refer to the way projects and initiatives to be financed shall be identified and selected in order to ensure, in all transparency, the grounds for choice and the most extensive protection of the interests contemplated by the present Statute as well as the best employment and balanced allocation of resources, the effectiveness of contributions and priority for the most important social areas.
3. The Foundation may conduct commercial activities, with separate accounting, only if these are directly instrumental to its statutory purposes and are exclusively in the key areas chosen by the Policy Committee pursuant to Article 2, paragraph 3 above, or hold shares, including controlling shares, in institutions or companies that have the sole purpose of exercising the instrumental businesses described in Article 1. h) of Legislative Decree number 153/1999, meaning businesses exercised by the Foundation or by companies in which the Foundation holds a controlling interest that operate exclusively for the direct accomplishment of the statutory goals pursued by the Foundation in the key areas. The Foundation may not exercise credit functions nor any form of financing, grants or subsidies, either direct or indirect, in favour of businesses of any nature with the exception of the instrumental businesses and the social cooperatives described in Law number 381 dated 8th November 1991 and subsequent amendments thereto.
4. In order to pursue its objectives, the Foundation may conduct any financial, commercial and real-estate transactions provided that these are instrumental to the pursuit of its statutory purposes and, operating in compliance with the principles of efficient management and observing prudential risk standards, may incur debt with

companies in which it has shares or receive and likewise give security to these. Security may be given only in pursuit of the institutional purposes and may never exceed 10% of the assets.

5. The Foundation may engage its own staff in accordance with the employment laws. It may also use personnel seconded by the companies in which it holds a controlling interest. For the purpose of efficiency and economy, it may also assign organisational, administrative and accounting functions and services to third parties, even on a permanent basis.

## Section II Assets

### Article 5

#### Assets

1. The Foundation's assets are completely restricted to the statutory purposes and shall be managed consistent with the Foundation's nature of a non-profit organization that operates according to principles of transparency and high morals.
2. The Foundation's property consists of all the movable assets and real-estate present on the date of approval of the present Statute. Assets may also be increased by means of:
  - a) all the reserve funds as described in paragraph 2 of Article 7 below;
  - b) receipt of donations of any kind that by the express will of the testator or bestower are explicitly intended to increase the Foundation's assets;
  - c) any imputation to the Foundation's net assets of capital gains, even if accrued and unrealised, arising from shares held in the conferring banking company.

### Article 6

#### Investment of Assets

1. The Foundation, ensuring a functional connection with its institutional purposes and in particular with local development, shall employ its assets according to prudential criteria of risk and efficiency and diversify investments in order to protect the value and achieve adequate profitability. The Annual Financial Statements shall provide

specific evidence of said investments and relative earning capacity. For the purpose of disclosure, the Plan and Budget shall specify the investments described in Article 7.1 of Legislative Decree number 153/99.

2. The Foundation may appoint external investment managers authorised pursuant to Legislative Decree 58/98 to manage its assets, provided that no members of the Foundation's governing bodies hold office in these companies. Said appointments shall be made in the exclusive interest of the Foundation and consider the restraint on expenses.
3. Should the conferring banking company be selected as the investment manager, the appointment shall be made under the conditions established by special Internal Regulations aimed at ensuring that the Foundation has appropriate control and, as in all other cases, consider the restraint on expenses.
4. The Foundation may manage its assets directly. In this case, suitable in-house executive structures, independent from those performing the Foundation's institutional activities, shall be used.
5. Any controlling interest in businesses, except as provided for in Article 4, paragraph 3 above, is prohibited.

### Section III

#### **Income**

#### Article 7

#### **Definition and Allocation of Income**

1. For the purposes of this Statute, the total amount of revenue, capital gains and any other proceeds received by the Foundation shall be considered income. Moreover, any share of profits, even if not distributed, realized by instrumental companies controlled by the Foundation pursuant to Article 6, paragraph 1, Legislative Decree 153/99, shall be included in the income determination.
2. Every year, on the basis of the Annual Financial Statement, the Board of Directors shall decide how to allocate the income and any other available funds and establish, in

accordance with the laws in force - particularly Article 15 of Law number 266 dated 11th August 1991 - and directives issued by the Supervising Authority, in the following order:

- a) administrative overheads;
  - b) tax liabilities;
  - c) mandatory reserve fund in the amount determined by the Supervising Authority;
  - d) no less than 51% of the residual income or, if higher, the lowest amount of income established by the Supervising Authority pursuant to Article 10, paragraph 3 b) of Legislative Decree number 153 dated 17th May 1999, to the key areas described in Article 2 paragraph 3 above;
  - e) a residual portion, irrelevantly to the other statutory purposes, reinvestment, reserves and other allocations provided for by specific laws.
3. The procedures for the establishment of any optional allocation or reserve fund shall be specified in special Internal Regulations which, on the basis of the principles of prudent and good management and without detriment to the actual protection of the interests contemplated in this Statute, specify the purposes and the criteria to be used for the determination of said allocations and reserve funds. In this case, the section of the Internal Regulations that refers to the optional reserve fund shall be submitted for evaluation to the Supervising Authority.

## CHAPTER II

### **Governing Bodies**

#### Section I

### **The Foundation's Governing Bodies**

#### Article 8

### **Governing Bodies**

The Foundation shall be governed by the following bodies:



- a) the Members' Assembly;
- b) the Policy Committee;
- c) the Board of Directors;
- d) the Chairman;
- e) the Board of Auditors;
- f) the Managing Director.

## Section II

### **Members' Assembly**

#### Article 9

#### **Assembly**

1. The Members' Assembly represents the historic and legal perpetuation of the assembly that established the Foundation and its purpose is to closely supervise compliance with the Statute's provisions and the achievement of the institutional purposes.
2. The Assembly shall consist of no less than fifty eight (58) and no more than one hundred and fifteen (115) members. Membership shall last for a period of twenty years except in the case of reappointment that may be made only once consecutively.

#### Article 10

#### **Self-Regulation of the Assembly**

The Internal Regulations issued pursuant to Article 11 below shall establish, inter alia, the following:

- a) procedures for the election of Members and eligibility requirements;
- b) procedures for a regular verification of their number;
- c) procedures for the Assembly's functioning;

- d) grounds for suspension and loss of Membership and shall also ensure that Membership is suspended in the event of any appointment to the Policy Committee, Board of Directors and Board of Auditors or as General Manager.

## Article 11

### **Appointment of Members**

The Assembly shall elect Members on the basis of the Internal Regulations described in Article 10 a) above which, in establishing the formalities for election, specify the following:

- a) general eligibility requirements, including age and relationship with other Members;
- b) requirements of respectability and professionalism;
- c) reasons for incompatibility;
- d) means of collecting candidatures;
- e) examination process to which the candidature is to be subjected;
- f) the quorum for approval of the election.

## Article 12

### **Authority**

1. The Members' Assembly shall:
  - a) approve its own Internal Regulations;
  - b) appoint its own members;
  - c) designate ten members of the Policy Committee;
  - d) express non-binding opinions on the subject of:
    - 1) General Long-Term Programmes
    - 2) Plan and Budget

- 3) liability proceedings against members of the Policy Committee nominated by the Assembly;
  - 4) conversion, merger and liquidation of the Foundation;
- e) prepare and promote studies and papers that may contribute to the correct achievement of the institutional goals.

2. The Chairman of the Foundation, or the person acting in his/her stead, shall submit any issues for which an opinion is required to the Assembly. Opinions shall be expressed within thirty days from the adoption of the resolutions relating to the aforesaid matters. Should no opinion have been expressed within this term the resolutions may be implemented.

#### Article 13

#### **Convocation and Constitution**

1. The Chairman shall convene the Assembly at least once a year for the purpose of expressing an opinion on the Plan and Budget.
2. Notification to attend shall be sent to Members by registered letter, telegram, fax and e-mail at least seven days prior to the date the Assembly is scheduled and shall state the agenda, date, time and place of the meetings at first and second call. The second call may not be made for a meeting to be held on the same day as the first.
3. The Members' Assembly is validly constituted at first call when at least half of the incumbent Members plus one are present or represented and, at the second call, regardless of the number of Members present or represented.
4. Any Member may represent another by written proxy. No Member may hold more than two proxies.
5. Votes involving persons shall be held by secret ballot unless the Assembly unanimously agrees to establish some other form of voting.

#### Article 14

#### **Meetings**

1. Should the Chairman of the Foundation be a Member he/she will chair the Assembly though shall not be entitled to vote. Otherwise the Assembly shall elect one of its members as Chairman for a term equivalent to that of the Chairman of the Foundation. The Chair shall ensure that the Assembly is validly constituted and appoint a Secretary who may not necessarily be a Member.
2. The Members' Assembly may pass resolutions when the absolute majority of voters are in favour. Abstentions will not be counted in the calculation of voters.
3. The Secretary shall be responsible for drafting the minutes, which he/she signs jointly with the Chairman.

### Section III

#### **Policy Committee**

#### Article 15

#### **Authority**

The Policy Committee shall:

- a) approve the Internal Regulations provided for by this Statute;
- b) approve any amendments to the Statute submitted by the Board of Directors or at least one-third of the members of the Policy Committee;
- c) approve the general plans for activities and asset management even on a long-term basis;
- d) every three years, choose (or vary) the key sectors from those indicated in Article 2, paragraph 2 above;
- e) appoint and announce the members of the Committee nominated by the Members' Assembly and the Institutions described in Articles 18 and 20 below;
- f) co-opt its members pursuant to Article 19 below;
- g) appoint and, in compliance with the provisions of civil law, remove the members of the Board of Directors, the Chairman and the members of the Board of Auditors and also establish their remuneration;

- h) pass resolutions regarding the enforcement of liability proceedings against Members of the Board of Directors and Board of the Auditors;
- i) verify the management performance, approve the Annual Financial Statements and the Plan and Budget;
- j) pass resolutions regarding the conversion and merger of the Foundation;
- k) pass resolutions regarding the establishment of instrumental businesses with separate accounting as well as the acquisition and divestment of controlling shares in same.

## Article 16

### **Members of the Policy Committee**

1. The Policy Committee shall consist of no more than twenty members, of which:
  - a) ten shall be nominated by the Members' Assembly according to Article 21, paragraph 1 below;
  - b) four shall be nominated and/or co-opted according to Articles 18 and 19 below;
  - c) six shall be nominated according to Article 20 below.
2. In no case shall members represent or answer to the party by whom they were nominated as likewise, under no circumstances, shall they be bound by orders or obligations of any sort in performing their duty.
3. Members of the Policy Committee shall be appointed for a period of six financial years and may be confirmed for a single additional consecutive term. The term of office shall end upon approval of the Annual Financial Statement pertaining to the final financial year of office.

## Article 17

### **Eligibility Requirements**

As well as citizens who are not involved in the cases described in Articles 34 and 35, the following persons may be appointed as members of the Policy Committee:

- a) individuals who have professional qualifications and no less than three years experience in at least one of the areas in which the Foundation operates as specified in Article 2, paragraph 2 above; consequently they shall have such competence and professional experience as to effectively contribute to the pursuit of the Foundation's institutional purposes;
- b) European citizens with full legal capacity and of undisputed integrity, counted amongst the most qualified representatives of the economic and professional categories and sectors in which the Foundation performs its institutional activities;
- c) individuals who have no pending lawsuits with the Foundation or companies and institutions in which it has interest, nor have they caused damage or losses thereto.

#### Article 18

#### **Nominations of Eminence by individuals or legal entities**

Four qualified individuals or legal entities of recognised independence that operate in the areas described in Article 2, paragraph 2 above shall each be invited by the Foundation to indicate a shortlist of three candidates according to the procedures described in Article 21 below.

#### Article 19

#### **Co-optation**

As an alternative to the nominations described in the preceding Article, the Policy Committee shall be entitled to co-opt up to four members of eminence and repute.

#### Article 20

#### **Nominations by local public and private institutions**

The Foundation shall invite each of the following institutions to shortlist three candidates according to the procedures described in Article 21 below:

1. Soprintendenza Speciale del Polo Museale di Roma (Special Superintendency of the Rome Museum Consortium);
2. Università degli Studi di Roma ‘La Sapienza’ (Sapienza University of Rome);
3. Università degli Studi di Roma ‘Tor Vergata’ (Tor Vergata University of Rome);
4. Istituto Dermopatico dell’Immacolata - IDI - IRCCS;
5. Policlinico Universitario ‘Agostino Gemelli’ (Agostino Gemelli University General Hospital);
6. AVIS – Associazione Volontari Italiani Sangue – Comune di Roma (Italian Blood Donors Association – City of Rome).

## Article 21

### **Nominations**

1. During the six months prior to the expiration of his/her term of office, the Foundation’s Chairman shall invite the Members’ Assembly to submit its nominations.
2. At least six months prior to expiration of the term of office, should the Policy Committee decide not to even partially exercise the power to co-opt members according to Article 19 above, it shall select the individuals or legal entities under Article 18 above and, three months prior to said expiration, invite them to shortlist three candidates for each vacant seat on the Committee.
3. At least three months prior to expiration of his/her term of office, the Foundation’s Chairman shall invite the institutions under Article 20 above to shortlist three candidates for each vacant seat on the Committee.
4. The shortlists of three candidates, together with information regarding qualifications and the required documentation, shall be delivered to the Policy Committee.
5. Entitled parties shall exercise the power to nominate within the term of 45 days from the date the request is made by the Foundation’s Chairman.
6. Should the full term of 45 days lapse devoid of nominations from one or more of the parties selected by the Policy Committee pursuant to paragraph 3 above, the Committee, having decided not to co-opt a member, shall select another party as described in Article 18 above and invite it to shortlist, again within the term of 45

days, three candidates. Should this further term of 45-days elapse again in vain, the Policy Committee shall co-opt the member.

7. Should the full period of 45 days lapse devoid of nominations from one or more of the parties pursuant to Article 20 above, the Policy Committee shall appoint the member from the shortlists of three candidates submitted by said parties also specified in Article 20 above.
8. Upon receipt of the shortlists of three candidates, taking full responsibility the incumbent Policy Committee shall ensure the legitimacy of the nomination, that the eligibility requirements are met and that there are no grounds for incompatibility or conflict of interest and, within 30 days of receipt of the designation, make and announce the appointment.
9. The Policy Committee may, in any case, legitimately and fully operate within its powers when at least twelve of the twenty members have been appointed.
10. Within 30 days after the appointment formalities have been fulfilled and having reached the minimum number as per the preceding paragraph, the Foundation's outgoing Chairman shall convene a meeting of the Policy Committee, specify the agenda and, with no right to vote, chair the meeting.
11. Should, for any reason, a member appointed under Article 18 above leave during the five-year term, the Policy Committee, having decided not to exercise the power to co-opt according to Article 19 above, shall select the individuals or legal entities described in the same Article 18 - which could even be those previously nominated - and invite them to shortlist three new candidates from which the new member will be appointed and announced by the Committee. The new member will remain in office until his/her predecessor's mandate expires.
12. Should, for any reason, a member co-opted pursuant to Article 19 above leave during the five-year term, the Policy Committee shall either co-opt a new member or implement the procedure for a shortlist of three candidates as per Article 18 above. The new member thus appointed will remain in office until the predecessor's mandate expires.
13. Should, for any reason, a member appointed under Article 20 above leave during the five-year term, the Chairman of the Foundation shall invite the nominating institution to shortlist three new candidates from which the new member will be appointed and announced by the Policy Committee. The new member will remain in office until his/her predecessor's mandate expires.
14. Should, for any reason, a member nominated by the Members' Assembly leave during the five-year term, the Chairman of the Foundation shall invite the Assembly to make the new appointment. The member thus appointed will remain in office until his/her predecessor's mandate expires.



15. Members of the Foundation's Assembly who accept appointments in the Policy Committee shall be suspended from membership and may not exercise, nor delegate, their vote in the Members' Assembly for the entire duration of their term of office in the Policy Committee. The term serving the Policy Committee shall not be considered for the purpose of determining the expiration of the twenty-year membership.

## Article 22

### **Loss and Suspension of Membership**

1. A member of the Policy Committee who fails to attend three consecutive meetings without submitting a written explanation will be debarred from office.
2. The Policy Committee may inflict a suspension for any alleged conflict of interest or breach of the statutory provisions regarding abstention or debar a member in the event of a permanent conflict of interest.
3. Appointments to the Policy Committee shall also be lost through resignation, which will take effect on the date the relative written notice is received by the Chairman of the Board of Directors.

## Article 23

### **Convening of the Policy Committee**

1. For the purpose of approving the Annual Financial Statement and the Plan and Budget, meetings of the Policy Committee shall be held at least twice a year.
2. Meetings may also be called by the Chairman whenever he/she may deem it necessary or when at least one fourth of the members of the Policy Committee or three members of the Board of Directors or the Board of Auditors submit him/her a grounded request.
3. Notice of a meeting convened by the Chairman shall include the Agenda and be sent at least seven days prior to the meeting by registered letter, telegram, fax or email to the members of the Policy Committee and the Board of Auditors and, should the Chairman deem necessary having also considered the issues to be discussed, to the members of the Board of Directors.
4. At least twenty-four hours shall elapse between the first and the second call.

5. In case of urgent situations, with the exception of the approval of the Annual Financial Statement and the Plan and Budget, the period indicated in paragraph 3 above may be shorter.

## Article 24

### **Constitution of the Policy Committee**

1. The Policy Committee is validly constituted at first call when at least half of the members are present.
2. At second call, regardless of the number of members.
3. Meetings shall be chaired by the Chairman of the Board of Directors or whoever acts in his/her stead.
4. Meetings shall be attended by members of the Board of Auditors whilst members of the Board of Directors may attend, though are not entitled to vote, at the Chairman's discretion who shall consider the matters to be discussed and previously convene them.
5. The minutes shall be signed jointly by the Chairman and the Secretary of the meeting, if appointed by the Policy Committee, or by the Managing Director in the event that no Secretary has been appointed.
6. Resolutions shall be passed by a majority vote of those present. In the event of an equality of votes, the vote will be considered unsuccessful and the motion put to vote rejected.
7. Votes involving persons shall be held by secret ballot, unless the Policy Committee unanimously agrees to establish some other form of voting.
8. In the absence of the convocation formalities provided for in Article 23 above, the Policy Committee will be considered validly constituted when all its members and all the members of the Board of Auditors are present.
9. Meetings of the Policy Committee 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 Chairman and the Secretary shall be together in the place which will be considered the venue for the meeting of the Policy Committee.

## Chapter IV

### Board of Directors

#### Article 25

##### Powers

1. The Board of Directors shall be invested with full powers of ordinary and extraordinary administration with the exception of powers which, by law and the present Statute, are retained by the Policy Committee.
2. In particular, the Board of Directors shall:
  - a) draft the Annual Financial Statement together with the Notes to the Accounts and the Management Report no later than the 31st March each year and forward the same to the Board of Auditors within twenty-four hours;
  - b) draft the Plan and Budget and the General Long-term Activities and Investment Plan;
  - c) recommend the text for the Foundation's Regulations;
  - d) within the scope of the general programmes approved by the Policy Committee, determine the grants to be made by the Foundation;
  - e) hire the Foundation's employees, including executives, determine their remuneration, promotions, disciplinary measures, dismissal and retirement;
  - f) appoint the Foundation's Managing Director, determine his/her powers, functions and remuneration. The Managing Director shall be appointed for a term equal to that of the designating Board of Directors, unless the appointment is revoked or cancelled in which case six months notice shall be given. The appointment may be renewed;
  - g) determine the purchase and transfer of shareholdings and property, with full mortgage power;
  - h) nominate and appoint representatives of the governing bodies of companies and institutions in which the Foundation has interest;
  - i) pass resolutions regarding the stipulation of deeds and agreements both with private parties as with the public administration;
  - j) take and decide upon legal actions, arbitrations and settlements;

- k) determine the institution of temporary and permanent advisory or research committees, establish their functions, composition and duration and submit suggestions to the Policy Committee regarding the amount of any remuneration.
3. The Board of Directors shall also exercise any powers that the Policy Committee may have expressly delegated to it in compliance with the separation of powers.

## Article 26

### **Constitution and Eligibility Requirements**

1. The Board of Directors consists of five (5) Directors who may even be elected amongst the members of the Policy Committee. In this case, by accepting the office, members of the Policy Committee appointed as members of the Board of Directors will lose their office on the Committee and shall be replaced according to the provisions under Article 21 above.
2. Directors shall be appointed for a period of six financial years and may be confirmed for a single additional consecutive term. The term of office shall end upon approval of the Annual Financial Statement pertaining to the final financial year of office.
3. Members of the Foundation's Assembly who accept the appointment as member of the Board of Directors will be suspended from membership and may not exercise, nor delegate, their vote in the Members' Assembly. The term serving the Board of Directors shall not be considered for the purpose of determining the expiration of the twenty-year Membership.
4. In addition to citizens who are not involved in any of the circumstances described in Articles 34 and 35 below, celebrities in the business, work, professional, cultural, scientific, artistic and social fields as well as individuals who have several years of significant experience in at least one of the areas in which the Foundation operates as specified in Article 2, paragraph 2 or who may be valuable on the basis of its operating needs or activities, may be appointed members of the Board of Directors by means of a procedure of comparison and selection.

## Article 27

### **Appointments and Replacements**

1. The Board of Directors shall appoint one of its members as Chairman of the Foundation and may appoint a Vice Chairman. Should one or more Members leave, the Board shall convene the Policy Committee in order to replace them.
2. The new Members of the Board thus appointed will remain in office until their predecessor's mandate expires.
3. The Foundation shall be legally represented by the Chairman or in his/her absence or impediment by the Vice Chairman, if appointed, and in the event that latter has not been appointed or is also absent or impeded by the most senior member of the Board of Directors.
4. For specific acts and type of acts, a resolution passed by the Board of Directors may establish that the Foundation be legally represented by individual Members of the Board, the Managing Director, employees of the Foundation and third parties.
5. If necessary, the Chairman, the Vice Chairman, Members of the Board and the Managing Director, according to their respective powers, may assign mandates and powers of attorney for the performance of specific acts or types of acts to parties unrelated to the Foundation.

## Article 28

### **Meetings**

1. The Board of Directors shall meet at least once every quarter.
2. The Board shall also meet whenever the Chairman deems advisable or when at least three Members of the Board or the Board of Auditors submit a grounded request.
3. The Chairman shall convene the meeting by means of a notice that includes the Agenda and is sent either by registered letter, telegram, fax or e-mail at least three days prior to the meeting.
4. In the event of urgent situations, the period of time indicated in the preceding paragraph may be shorter.
5. A member of the Board who, for no good reason, fails to attend three consecutive meetings will be debarred from office and the Chairman shall undertake the procedures for his/her replacement.

6. Should the formalities provided for in Articles 3 and 4 above be lacking, a meeting of the Board of Directors shall be considered validly constituted when all members together with all the members of the Board of Auditors are present.
7. 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 Chairman and the Secretary shall be together in the place which will be considered the venue for the meeting of the Board of Directors.

## Article 29

### **Resolutions**

1. Meetings shall be supervised by the Chairman or, in his/her absence or impediment, by the Vice Chairman if appointed.
2. In the event that both are absent or impeded or the Vice Chairman has not been appointed, meetings shall be chaired by the Member of the Board who was appointed first and in the event that Members were appointed at the same time by the elder.
3. Meetings shall be considered valid when attended by the majority of Members of the Board.
4. Resolutions shall be passed by the majority of attending Members of the Board.
5. In the case of an equality of votes, the Chairman has a casting vote.
6. The minutes shall be signed jointly by the Chairman and the Managing Director and the latter shall act as Secretary.
7. Should votes involve a person the Chairman may order a secret ballot.

## Chapter V

### **Chairman**

## Article 30

### **Powers.**

1. The Foundation shall be legally represented by the Chairman who will be invested with full substantial and material powers concerning third parties and in Court. Should the Chairman also hold the positions of Chairman of the Assembly, Chairman of the Policy Committee and Chairman of the Board of Directors, he/she shall prompt and coordinate the activities of the Member's Assembly. The Chairman shall also supervise the implementation of the relative resolutions and the Foundation's progress in general.
2. The Chairman shall therefore:
  - a) convene and chair the meetings of the Board of Directors and suggest the matters to be dealt with;
  - b) implement resolutions passed by the Board of Directors;
  - c) convene and chair, though will not be entitled to vote, the meetings of the Policy Committee and suggest the matters to be dealt with;
  - d) except in the case provided for by Article 14, paragraph 1 above, convene and chair, though will not be entitled to vote, the Member's Assembly and suggest the matters to be dealt with;
  - e) in the event of urgent situations, adopt any necessary measure, including suggestions made by the Managing Director, and refer the matter to the Board at the first subsequent meeting;
  - f) exercise the powers and perform the acts assigned to him/her by the Board of Directors.
3. In the absence or impediment of the Chairman, his/her functions shall be performed by the Vice Chairman, if appointed, and should none have been appointed or in the event of his/her absence or impediment, by the most senior member of the Board of Directors. The person acting in the Chairman's stead will not be entitled to vote when performing the functions described in paragraph 2 c) and d) above.

## Section VI

### **Board of Auditors**

#### Article 31

### **Structure of the Board of Auditors**

1. The Board of Auditors shall consist of three regular members who will remain in office for five years and be eligible for one consecutive re-election. In addition, two alternate auditors shall be appointed. The term of office shall end upon approval of the Annual Financial Statement pertaining to the final year of office.
2. Members of the Foundation's Assembly who accept the appointment as member of the Board of Auditors shall be suspended from membership and may not exercise, nor delegate, their vote in the Members' Assembly. The term serving the Board of Auditors shall not be considered for the purpose of determining the expiration of the twenty-year Membership.
3. Auditors must be licensed to legally audit the accounts.
4. In the event of death, resignation or loss of office, Auditors will be replaced by the alternates in the order of their age. The new Auditors will remain in office until the subsequent meeting of the Policy Committee, which shall appoint as many regular and alternate Auditors as needed to integrate the Board. The newly appointed Auditors will remain in office for the duration of the term of their predecessors. In the event that the Chairman is substituted, the most senior Auditor shall take the chair until the next meeting of the Policy Committee.
5. Should the alternate Auditors be insufficient to form the Board, a meeting of the Policy Committee shall be convened without delay in order to integrate the number of members.

## Article 32

### **Functions of the Board of Auditors**

1. The Board of Auditors shall be assigned with the functions established by Article 2403 paragraph 1 of the Italian Civil Code, other laws and applicable provisions and the provisions of this Statute. The Board shall ensure that the Annual Financial Statement is consistent with the book-keeping entries and in compliance with the relative regulations. The Board of Auditors shall also express an opinion on the Annual Financial Statement in a special report.
2. Regular Auditors shall attend meetings of the Board of Directors and of the Policy Committee.
3. The Board of Auditors shall meet at least every quarter and resolutions shall be passed by the absolute majority. The minutes of the Meetings are signed by the participants. An Auditor who, for no good reason, fails to attend three consecutive meetings of the Board of Auditors, of the Policy Committee or of the Board of Directors, shall be debarred from office.



- 4) The Board of Auditors shall draft a special report concerning the Annual Financial Statement and the Plan and Budget.
- 5) Meetings of the Board of 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 Board will be considered to have met in the convened venue for the meeting where at least one Auditor shall be present.

## Section VII

### **Managing Director**

#### Article 33

#### **Powers**

1. The Managing Director shall:
  - a) attend meetings of the Board of Directors and may, if requested, attend meetings of the Policy Committee;
  - b) perform all acts delegated to him/her by the Board of Directors or by the Chairman and represent the Foundation within the limits established by the Board of Directors in a resolution adopted according to Article 27, paragraph 4 above;
  - c) upon the request of the Chairman, prepare the documents for the Board of Directors' resolutions;
  - d) sign, jointly with the Chairman, the minutes of the meetings of the Board of Directors and issue true copies of the minutes of meetings of the Board and of the Policy Committee bearing his/her and the Chairman's joint signatures;
  - e) be head of personnel.
2. As well as not being concerned with any of the cases described in Articles 34 and 35 of this Statute, the Managing Director shall have at least three years experience of management in institutions having purposes similar to those indicated at Article 2, paragraph 2 above. The Managing Director shall be subject to the provisions under Article 26, paragraph 3 of this Statute.

## CHAPTER III

### **General Requirements, Conflict of Interest, Remuneration and Reimbursements**

#### Section I

#### Article 34

#### **General Requirements of Respectability**

1. In view of the provisions made in Article 4, paragraph 1 g) of Legislative Decree number 153/99, the office of Member of the Policy Committee, Board of Directors, Board of Auditors and Managing Director of the Foundation may not be held by citizens:

- a) who for some reason are ineligible or have lost rights pursuant to article 2382 of the Italian Civil Code;
- b) to whom the Courts of Justice have subjected to preventive measures pursuant to Law number 1423 dated 27th December 1956 or Law number 575 dated 31st May 1965 as amended, unless rehabilitated;
- c) who have been sentenced with an unappealable verdict, unless rehabilitated, to
  - (1) imprisonment for one of the offences provided for by the laws regulating banking, financial, real-estate and insurance activities and by laws concerning securities markets and monetary instruments;
  - (2) imprisonment for one of the offences provided for in Chapter XI, Book V of the Italian Civil Code and by Royal Decree number 267 dated 16th March 1942;
  - (3) imprisonment for no less than one year for an offence against the public administration, public trust, public property, public order, public economy or for a tax offence;
  - (4) imprisonment for no less than two years for any intentional crime.

2. The offices of Member of the Policy Committee, Board of Directors, Board of Auditors and Managing Director of the Foundation may not be held by individuals to whom, at the request of the parties, one of the sentences under paragraph 1 c) has been enforced,

except in the case of extinguishment of the offence; sentences provided for in paragraph 1 c) points (1) (2) shall not count if less than one year.

3. The following shall be grounds for the suspension from the office of Member of the Policy Committee, Board of Directors, Board of Auditors and Managing Director:
  - a) an appealable sentence for one of the offences under paragraph 1 c) above;
  - b) enforcement, at the request of the parties, of one of the appealable sentences under paragraph 2;
  - c) temporary enforcement of one of the measures provided for in Article 10, paragraph 3 of Law number 575 dated 31st May 1965, recently replaced by Article 3 of Law number 55 dated 19th March 1990 as amended;
  - d) enforcement of a personalised precautionary measure.

## Article 35

### **General Requirements of Incompatibility**

1. Members of the Policy Committee, Board of Directors, Board of Auditors and the Managing Director are subject to the rules regarding incompatibility provided for by the Law, the Supervising Authority and this Statute.

In particular:

- a) no individual may hold more than one office in the Foundation's governing bodies;
- b) directors and employees of parties having the power to nominate as well as individuals associated with these through any kind of professional collaboration may not be appointed as a Member of the Policy Committee, Board of Directors, Board of Auditors or as Managing Director;
- c) cases of incompatibility provided for by Article 4, paragraph 3, Legislative Decree number 153/99 shall apply;
- d) members of the Foundation's governing bodies and parties having the power to nominate Members of the Policy Committee may not receive any grant from the Foundation, except for grants intended to satisfy the general or public interests expressed by said nominating parties;
- e) Members of the Policy Committee, Board of Directors, Board of Auditors or Managing Directors in other conferring institutions, meaning one of the institutions under Legislative Decree number 356/1990, may not hold the same office within the Foundation;

- f) Members of the Board of Directors of organisations that are permanently related to the Foundation and from which they receive grants may not be Members of the Policy Committee, Board of Directors, Board of Auditors or Managing Director unless said organisations have been, directly or indirectly, created by the Foundation itself or are organisations through which the Foundation pursues its institutional purposes;
  - g) Members of the Board of Directors, Managing Directors and employees of intermediaries entrusted with the management of the Foundation's assets may not be appointed as Members of the Foundation's Policy Committee, Board of Directors or Board of Auditors;
  - h) individuals holding any public office, even non-elective, in local authorities, constitutional bodies and the public administration, in particular the Members of the Board of Directors, employees or professionals connected in any way to such institutions, may not be Members of the Policy Committee, Board of Directors, Board of Auditors or Managing Director; in exceptional cases and through a well-grounded resolution passed by the appointing body having sought the opinion of the Board of Auditors, some exceptions may be authorised should no conflict of interest, the complete freedom to perform duties and transparency of decisions be ensured;
  - i) appointments as Member of one of the Foundation's governing bodies are not incompatible with any academic positions even if remunerated.
2. Any appointment is void should grounds for incompatibility arise.

## Article 36

### **General Procedures for Verifying Respectability, Requirements of Incompatibility and Loss of Office**

1. All the Foundation's governing bodies - or the Board of Directors for the Managing Director - shall ensure that their members have, initially, no reason to be considered incompatible and that no such reason should subsequently arise, that the requirements of respectability under Article 34 above are initially met and subsequently maintained and, should the necessity arise, adopt within thirty days any appropriate measure according to the procedures set forth in the special Internal Regulations.
2. The members of each governing body shall immediately report any grounds for incompatibility or failure to meet the requirements of respectability established by this Statute.

3. The governing body to which the contravening individual belongs - or the Board of Directors for the Managing Director - may consider cause for the removal from office any failure to comply with the provisions in the preceding paragraph.

## Section II

### Article 37

#### **Conflict of interest**

1. Members of the Foundation's governing bodies and the Managing Director who for any reason have a conflict of interest with the Foundation shall immediately disclose such conflict respectively to the governing body to which they belong or to the Board of Directors and refrain from performing any of the Foundation's executive procedures.
2. The governing body to which the contravening individual belongs - or the Board of Directors for the Managing Director - may consider cause for the removal from office any failure to comply with the provisions in the preceding paragraph.

## Section III

### Article 38

#### **Remuneration and Reimbursements**

1. The Foundation may not distribute or allocate shares of profits or any other form of economic benefit to members, directors, founders or employees, except as provided for in the following paragraphs.
2. The Chairman, Vice Chairman (if appointed), members of the Board of Directors and members of the Board of Auditors shall be entitled to an annual remuneration and to an attendance fee for each meeting of the Foundation's governing bodies attended, which will generally be determined by the Policy Committee, as well as to the

reimbursement of any expenses actually incurred in the performance of their respective functions to be paid according to the terms established by the Board of Directors.

3. Members of the Policy Committee and of any technical committee and/or commission, to which even individuals unrelated to the Foundation's governing bodies attend, shall be entitled to an attendance fee for each meeting attended to be paid according to the terms set by the Policy Committee, as well as to the reimbursement of expenses incurred in order to attend such meetings which could be a flat rate generally established by the Policy Committee in agreement with the Board of Auditors.

## CHAPTER IV

### **Financial Year – Books – Annual Financial Statement**

#### Article 39

#### **Financial Year**

The financial year shall begin on the 1st January and close on the 31st December of each year.

#### Article 40

#### **Books**

The Foundation shall keep the following books:

- a) Minutes Book for the meetings of the Members' Assembly
- b) Minutes Book for the meetings of the Policy Committee
- c) Minutes Book for the meetings of the Board of Directors
- d) Minutes Book for the meetings of the Board of Auditors
- e) Journal
- f) Inventory book

## Article 41

### **Annual Report and Financial Statement**

1. Subsequent to the annual closing, the Board of Directors shall approve the draft Annual Report and Financial Statement and remit the same to the Board of Auditors within the next day.
2. The Financial Statement shall consist of the Balance Sheet, the Income Statement and the Notes to the Accounts.
3. In a special section the Annual Report shall illustrate the social objectives pursued and the projects accomplished and emphasise how these affected the various types of beneficiaries.
4. The draft Financial Statement together with the Board of Directors and the Board of Auditors' Report shall be kept in Foundation's headquarters during the seven days preceding the Policy Committee's meeting convened for the approval.
5. The Policy Committee shall approve the Financial Statement no later than the 30th April of each year. For exceptional reasons the term for approval may be extended to the 30th June of each year.
6. The Board of Directors shall remit the Financial Statement to the Supervising Authority within fifteen days of approval.
7. Financial Statements shall be drafted and published according to the technical forms established in a directive issued by the Supervising Authority.
8. The Foundation shall keep separate accounts for any instrumental businesses directly managed by the same.

## Article 42

### **Plan and Budget**

1. The Board of Directors shall draft the Plan and Budget for the following financial year no later than the 30th September of each year and within one day of approval remit it to the Board of Auditors and to the Chairman of the Members' Assembly, who shall then convene a meeting of the same.
2. The Plan and Budget, as approved by the Board of Directors together with the Board of Directors and the Board of Auditors' Report shall be kept in Foundation's headquarters during the seven days preceding the Policy Committee's meeting convened for the approval.

3. The Policy Committee shall approve the Plan and Budget no later than the 31st October of each year. Once approved, the Plan and Budget shall be sent to the Supervising Authority within 15 days.

## CHAPTER V

### **Dissolution and winding up**

#### Article 43

#### **Dissolution**

Having consulted all parties concerned, the Foundation shall be dissolved by ordinance of the Supervising Authority:

- a) when the statutory purposes have been accomplished or have become impossible to accomplish;
- b) upon a resolution passed by the Policy Committee, subsequent to a unanimous and grounded proposal made by the Board of Directors having sought the nonbinding opinion of the Members' Assembly pursuant to Article 12, paragraph 1 d) 4) above;
- c) in the other cases provided for by law.

#### Article 44

#### **Winding up**

1. Upon dissolution, the Supervising Authority shall appoint one or more liquidators, determine their powers, the terms of liquidation and the allocation of residual assets.
2. The procedures for liquidation shall be regulated by the provisions made in Book I, Chapter II, Section II of the Italian Civil Code and relative implementing measures as



well as by the provisions under Article 11, paragraph 8 of Legislative Decree number 153/1999.

## CHAPTER VI

### **Temporary provisions**

#### Article 45

### **Temporary provisions**

1. This Statute shall enter into force on the date it is endorsed by the Supervising Authority.
2. The members of the incumbent Assembly will remain in office for the term established at the time of their appointment. For members who have been appointed for a ten-year term, membership shall be extended for an additional ten years.
3. In pursuance of the provisions made in the last part of Articles 16.3, 26.2 and 31 .1, the mandate of the Policy Committee, Board of Directors and Board of Auditors incumbent on the date the Supervising Authority endorses this Statute shall be terminated upon approval of the Financial Statement for the year ending on the 31st December 2005 though this does not imply any renewal of their term.
4. Mandates performed by members of the Policy Committee and Board of Directors incumbent on the date on which the Cabinet Order number 150 dated 18th May 2004 took effect, shall not be counted for purposes of the limitation to terms of office described respectively in Articles 16.3, and 26.2, above.
5. The mandate of the first Policy Committee appointed in pursuance of this Statute shall expire upon approval of the Financial Statement for the year ending on the 31st December 2010.
6. The general requirements of incompatibility described in Article 35 above, shall also apply to the members of the Policy Committee, Board of Directors, Board of Auditors and Managing Director incumbent on the date of the Supervising Authority will endorse this Statute.