

MEMORANDUM OF ASSOCIATION
Association for Social Promotion (APS)

On 04/04/2022, at the registered office located in Rome, Viale Aventino 48, at 2.00 p.m.

Those present designated Ms Ropolo Daniela as *President* of the Constituent Assembly Mrs. Ropolo Daniela, which accepts and appoints Mr. Faimali Marco as *Secretary* and drafter of this deed, to assist and support her in the meeting. The President of the Constituent Assembly illustrates the *reasons* that led those present to promote the establishment of a social promotion association and reads out the Articles of Association containing the rules for the functioning of the organization, which are to be considered an integral part of this Memorandum of Association, which is *unanimously approved*.

Those present, by common consent, *agree and stipulate* the following:

ART. 1 - Pursuant to the Italian *Civil Code* and *Legislative Decree No. 117 of 3 July 2017* (hereinafter referred to as the "Third Sector Code"), a social promotion association is hereby established among the present, with the following *name*: "4 Elements" Associazione di promozione sociale (APS), hereinafter referred to as "*association of social promotion*", with *registered office* in the Municipality of Rome, Viale Aventino 48, and with *unlimited duration*.

ART. 2 - Until the operation of the single national Third Sector Register, the regulations in force continue to apply for the social promotion association for the purposes and effects of registration in the National Register of ODAs. The requirement of enrolment in the single national Register of the Third Sector, pending the establishment of the said Register, is understood to be satisfied by the association, pursuant to Article 101 of the Code of the Third Sector, through its enrolment in the National Register of Associations for Social Promotion currently provided for by the specific sector regulations.

ART. 3 - The association of social promotion is *non-profit-making* and pursues *civic, solidarity and social benefit*, by carrying out one or more of the following *general interest activities in favour of its members, their family members or third parties*, with the aim of recognizing and celebrating, on an annual basis and on a national level, companies and institutions that address the issue of integral sustainability through innovation, efficiency and growth by increasing community value.

- a) interventions and services aimed at safeguarding and improving the condition of *the environment* and the prudent and rational use of *natural resources*, excluding the activity, habitually exercised, of collecting and recycling urban, special and hazardous waste;
- b) interventions to make sustainable projects and initiatives in line with the 17 United Nations Sustainable Development Goals – SDGs visible. Annual awards to those who have made sustainable development an integral part of their vision and implementation and who have implemented actions and/or initiatives in innovation and renewal, and who are able to improve their environmental, social and cultural impact;
- c) interventions and *social services* pursuant to Article 1, paragraphs 1 and 2, of Law n. 328 of 8 November 2000, and subsequent amendments and changes, services and deliverables referred to in Law No. 104 of 5 February 1992 and Law No. 112 of 22 June 2016, as amended;
- d) actions to ensure sustainable management of natural resources, halt the loss of biodiversity, foster decarbonization and promote energy for sustainable development, raise awareness of the value of natural capital;
- e) interventions for the protection and enhancement of the *cultural heritage and landscape*, pursuant to Legislative Decree 22 January 2004, No 42, as amended, create resilient communities and territories;
- f) *education, teaching, training and vocational training*, pursuant to Law No 53 of 28 March 2003, as amended, as well as *cultural activities of social interest with an educational purpose*;
- g) organization and management of *tourist activities* of social, cultural or religious interest, and actions for the protection of traditions;
- h) interventions to reduce social exclusion, *humanitarian reception and social integration of migrants*, promotion and protection of human, civil, social and political rights, as well as of the rights of consumers and users of the activities of general interest referred to in this article, promotion of equal opportunities and mutual aid initiatives, including time banks, referred to in Article 27 of Law No. 53 of 8 March 2000 and solidarity purchasing groups referred to in Article 1, paragraph 266 of Law No. 244 of 24 December 2007;
- i) promotion of the *culture of legality, peace among peoples, non-violence and unarmed defence*;
- j) interventions to promote health and well-being;
- k) *social agriculture*, pursuant to Article 2 of Law No 141 of 18 August 2015, as amended;
- l) *healthcare interventions and services, and socio-medical services* pursuant to the Prime Ministerial Decree of 14 February 2001, published in the Official Gazette No. 129 of 6 June 2001, as amended;
- m) undergraduate and postgraduate training, scientific research of particular social interest;
- n) organization and management of *cultural, artistic or recreational events of particular social interest*, including activities such as publishing, promoting and disseminating the culture and practice of voluntary work and activities of general interest referred to in this Article;
- o) *community radio broadcasting*, pursuant to Article 16(5) of the Law of 6 August 1990, No 223, as amended;
- p) *extra-curricular training*, aimed at preventing school drop-out and educational and training success, preventing bullying and combating educational poverty;
- q) *instrumental services* to Third Sector entities rendered by organizations composed by not less than seventy per cent Third sector entities;
- r) *cooperation for development*, pursuant to Law No. 125 of 11 August 2014, as amended;
- s) commercial, production, education and information, promotion, representation, licensing of certification marks activities, carried out within or in favour of *fair trade supply chains*, meant as a commercial relationship with a producer operating in an disadvantaged economic area, located, as a rule, in a developing country, on the basis of a long-term agreement aimed at promoting the producer's access to the market and providing for the payment of a fair price, development measures, in favour of the producer and the obligation of the producer to guarantee safe working conditions, in compliance with national and international regulations, so as to allow workers to lead a free and decent existence, and to respect trade union rights, as well as to commit to the fight against child labour;
- t) services aimed at *the integration or reintegration into the labour market of workers and persons* pursuant to Article 2(4) of the Legislative Decree referred to in Article 1(2)(c) of Law No 106 of 6 June 2016;

- u) *social housing*, within the meaning of the Decree of the Ministry of Infrastructure of 22 April 2008, as amended, as well as any other activity of a temporary residential nature aimed at meeting social, health, cultural, training or employment needs;
- v) organization and management of *amateur sports activities*;
- w) *charity, long-distance support, free transfer of food or products* referred to in Law No. 166 of 19 August 2016, as amended, or *disbursement of money, goods or services* in support of disadvantaged persons or activities of general interest under this Article;
- x) care of *international adoption* procedures pursuant to Law No. 184 of 4 May 1983;
- y) civil protection within the meaning of Law No. 225 of 24 February 1992, as amended;
- z) *redevelopment of unused public property or property confiscated from organised crime*".

The social promotion association has no *restrictions with regard to* economic conditions and *discrimination of any kind in relation to the admission of members* and does not provide for the right to transfer, for any reason whatsoever, membership fees.

Pursuant to Article 6 of the Third Sector Code, the social promotion association may carry out *activities other than those of general interest, secondary and instrumental to the latter*, according to criteria and limits defined by a ministerial Decree.

The social promotion association may also carry out *fundraising activities*, (also in an *organized and continuous manner*), and also by means of solicitation to the public, or through the sale or supply of goods or services of modest value, using its own resources, and those of third parties, including volunteers and employees, **(co. 2, Art. 7 Cts)** through the request to *third parties* of donations, bequests and contributions of a non-concessional nature - in order to finance its activities of general interest, and in compliance with the principles of truth, transparency and fairness, in its relations with the supporters, and the public.

ART. 3 Those present agree that, for the first term of office, the *Governing Body (or Governing Council)* shall consist of three members and appoint the following Persons to *serve* on it:

President Mrs. Ropolo Daniela

Deputy Mrs. Lattanzio Elisabetta

Secretary Mr. Faimali Marco

ART. 4 Those present stipulate that the *Supervisory Board* shall be mandatorily appointed when 2 of the following limits are exceeded for 2 consecutive financial years: a) *total assets* in the balance sheet: EUR 110,000.00; b) *revenue, income, receipts* however denominated: EUR 220,000.00; c) average number of *employees* during the financial year: 5. The obligation will cease if, for 2 consecutive financial years, the aforementioned limits are not exceeded. The appointment of the Supervisory Board will also be mandatory when assets have been set up (**para. 2-4, Art. 30 Cts**). The Supervisory Board, if appointed, will consist of one chairperson, two full members and two substitute members. "Article 2399 of the Civil Code shall apply to the members of the Supervisory Board. The members of the Supervisory Board must be chosen from the categories of persons referred to in Article 2397(2) of the Civil Code. In the case of a collegiate supervisory board, at least one of the members (para. 5, Art. 30 Cts) must possess the aforementioned requirements.

ART. 5 The *first financial year* shall end on 31/12/2022. *Subsequent financial years* shall begin on 1 January and shall close on 31 December of each year.

ART. 6 (Transitional provision)

1. All fulfilments related to the registration to the Single National Register of the Third Sector, which are incompatible with the current regulations, are applied to the operation of the RUNTS itself.

2. The acronym ETS (or the term "ENTE DEL TERZO SETTORE") may be automatically included in the name and will be usable in relations with third parties, in deeds, correspondence and communications with the public only after registration with the Single National Register of the Third Sector.

ART. 7 The *expenses* of this deed, related and dependent are agreed to be borne exclusively by the association of social promotion established herein.

Rome, 04/04/2022

ARTICLES OF ASSOCIATION
Association for Social Promotion (APS)

ART. 1 (Name, seat and duration)

An association of social promotion with the following name is hereby constituted among those present, pursuant to the *Civil Code* and *Legislative Decree No. 117 of 3 July 2017* (hereinafter referred to as the "Third Sector Code"): "*4 Elements* "Associazione di promozione sociale (APS), hereinafter referred to as "association of social promotion", with registered office in the Municipality of Rome, Viale Aventino 48 and with *unlimited duration*.

ART. 2 (Aim, purpose and activities)

The association of social promotion promotes and coordinates cooperation among its members and between them and other public and private entities, including foreign ones, also for the specific activities that these may autonomously contribute to the association's programmes.

The association of social promotion carries out productive, commercial and publishing activities by directly or indirectly publishing and disseminating the results of the association's activities, reinvesting any profits in the association's activities.

The association of social promotion carries out training, instruction and education activities; however, they are finalized, either with its own resources or with funds made available by external, national and international public or private entities.

The association of social promotion *is non-profit* and pursues *civic, solidarity and socially useful* purposes by carrying out one or more of the following *activities of general interest in favour of its members, their family members or third parties*, with the aim of recognizing and celebrating, on an annual basis and on a national level, companies and institutions that address the issue of integral sustainability through innovation, efficiency and growth by increasing the value of the community:

- a) interventions and services aimed at safeguarding and improving the condition of *the environment* and the prudent and rational use of *natural resources*, excluding the activity, habitually exercised, of collecting and recycling urban, special and hazardous waste;
- b) interventions to give visibility to sustainable projects and initiatives in line with the 17 United Nations Sustainable Development Goals – SDGs. Annual awards to those who have made sustainable development an integral part of their vision and implementation and who have implemented actions and/or initiatives in innovation and renewal, and who are able to improve their environmental, social and cultural impact;
- c) interventions and social services pursuant to Article 1(1) and (2) of Law No 328 of 8 November 2000, as amended and interventions, services and deliverables referred to in Law No. 104 of 5 February 1992 and Law No. 112 of 22 June 2016, as amended;
- d) actions to ensure sustainable management of natural resources, halt biodiversity loss, foster decarbonization and promote energy for development;
- e) interventions for the protection and enhancement of the cultural heritage and landscape, pursuant to Legislative Decree No 42 of 22 January 2004, as amended, creating resilient communities and territories;
- f) *education, training and vocational training*, pursuant to Law No 53 of 28 March 2003, as amended, as well as *cultural activities of social interest with an educational purpose*;
- g) organization and management of *activities for tourism of social, cultural or religious interest*, and actions for the protection of traditions;
- h) interventions to reduce *social exclusion, humanitarian reception and social integration of migrants, promotion and protection of human, civil, social and political rights, as well as of the rights of consumers and users of the activities of general interest referred to in this article, promotion of equal opportunities and mutual aid initiatives, including time banks referred to in Article 27 of Law no. 53 of 8 March 2000, and solidarity purchasing groups referred to in Article 1, paragraph 266 of Law no. 244 of 24 December 2007*;

- i) promotion of the *culture of legality, peace among peoples, non-violence and unarmed defence*;
- j) interventions to promote health and well-being;
- k) *social agriculture*, pursuant to Article 2 of Law No 141 of 18 August 2015, as amended;
- l) *healthcare interventions and services, and socio-medical services* referred to in the Prime Ministerial Decree of 14 February 2001, published in the Official Gazette no. 129 of 6 June 2001, as amended;
- m) *implementation of initiatives and events to disseminate the content and scientific culture dedicated to sustainability and related training and education both in Italy and abroad, including through the provision of dedicated prizes and scholarships*.
- n) organization and management of *cultural, artistic or recreational activities of particular social interest*, including activities, including publishing, promoting and disseminating the culture and practice of voluntary work and activities of general interest referred to in this Article;
- o) *community radio broadcasting*, pursuant to Article 16(5) of the Law of 6 August 1990, No 223, as amended;
- p) *extra-curricular training*, aimed at preventing school drop-out and educational and training success, preventing bullying and combating educational poverty;
- q) *instrumental services to third sector entities* rendered by entities composed of not less than seventy per cent by organizations of the third sector;
- r) *cooperation for development*, pursuant to Law No. 125 of 11 August 2014, as amended;
- s) commercial, production, education and information, promotion, representation, licensing of certification marks activities, carried out in the context of or for the benefit of *fair trade* supply chains, understood as a commercial relationship with a producer operating in a disadvantaged economic area, normally located in a developing country on the basis of a long-term agreement aimed at promoting the producer's access to the market and providing for the payment of a fair price, development measures in favour of the producer and the obligation of the producer to guarantee safe working conditions, in compliance with national and international regulations, so as to allow workers to lead a free and dignified existence, and to respect trade union rights, as well as to commit to the fight against child labour;
- t) services aimed at the *integration or reintegration into the labour market of workers and persons as per* Article 2(4) of the Legislative Decree and referred to in Article 1(2)(c) of Law No 106 of 6 June 2016;
- u) *social housing*, within the meaning of the Decree of the Ministry of Infrastructure of 22 April 2008, as amended, as well as any other activity of a temporary residential nature aimed at meeting social, health, cultural, training or employment needs;
- v) organization and management of *amateur sports activities*;
- w) *charity, long-distance support, free transfer of food or products* referred to in Law No. 166 of 19 August 2016, as amended, *or disbursement of money, goods or services* in support of disadvantaged persons or activities of general interest under this Article;
- x) *international adoptions care* pursuant to Law No. 184 of 4 May 1983;
- y) *civil protection within the meaning of Law No. 225 of 24 February 1992, as amended*;
- z) *redevelopment of unused public property or property confiscated from organized crime*.

The association of social promotion has no *restrictions with regard* to economic conditions and *discrimination of any kind in relation to the admission of members* and does not provide for the right to transfer, for any reason whatsoever, their membership fees.

The association of social promotion, pursuant to Article 6 of the Third Sector Code may carry out the following *activities other* than those of general interest, *secondary and instrumental to the latter*, in accordance with criteria and limits defined by a ministerial decree.

The association of social promotion may also carry out *fundraising activities (also in an organized and continuous manner, and also by means of solicitation to the public or through the sale or supply of goods or services of modest value, using its own resources and those of third parties, including volunteers and employees, (co. 2, Art. 7 Cts)* through the request to *third parties* of donations, bequests and contributions of a non-concessional nature - in order to finance its activities of general interest and in compliance with the principles of truth, transparency and fairness in relations with supporters and the public.

The association of social promotion may participate in and access European, national and local public tenders, and private funds from companies in the banking, commercial and financial sector as a form of financing to achieve the social object, and to finance the realization of the "4Elements" project, recognized at European level, and identified by a jury in the environmental, social and cultural reference areas.

The association of social promotion will hold the "4Elements Award", which is also aimed at citizens, with the aim of promoting education and awareness of environmental, social and cultural issues with the active involvement of citizenship in a path dedicated to integral sustainability and ecological transition. The prize-giving event will be held with the help of two judging juries, a popular one with a representative sample and a technical jury (TBD) with expert and authoritative figures in the relevant fields. Different types of awards will be made available during the event to meet the expectations of the nominees belonging to different target groups and will be divided into:

- Category prize:

- a. one prize will be awarded in each category - environment, society and culture;
- b. the winners in each category will be granted the use of the "4Elements" logo for the duration of one year;
- c. dissemination of the winning project in media partners will be recognized;

- Absolute prize:

- a. one absolute winner will be awarded, who will participate in the implementation of the "4Elements" project to be identified by the technical jury (see funding modalities)

Partners of the Association

- a. Scientific: CNR;...
- b. Institutional: Carabinieri; UNIDO;
- c. Media: Today

ART. 3 (Financing of activities)

For the achievement of the above-mentioned purposes, the association of social promotion may, inter alia,

- a) Define the one-off membership fees paid by new members;
- b) Collect any contributions, also in kind, to which the members have committed themselves through the stipulation of specific deeds of agreement, which will be duly accounted for in the accompanying financial statements;
- c) Collect contributions and funding from associations, bodies - both public and private law, corporate bodies and natural persons for the purpose of contributing to the implementation of the promoted initiatives;
- d) Claiming and collecting fees and remuneration variously related to the performance of association activities;
- e) Enter into agreements and conventions with public administrations and bodies, private entities and companies interested in its activities.

ART. 4 (Admission and number of members)

The *number* of members is unlimited but, in any case, cannot be less than the minimum established by law (The *number* must not be less than 7 natural persons or 3 APS (**co. 1, Art. 35 Cts**)).

Membership of the association of social promotion is open to natural persons and Third Sector or *non-profit organisations, research bodies and universities* that share its aims and participate in the activities of the association of social promotion with their work, skills and knowledge.

Anyone wishing to be *admitted as* an associate must submit a *written application* to the Governing Body (governing council) reporting:

- first name, surname, residence, date and place of birth, tax code as well as telephone number and e-mail address;
- a declaration that they know and accept these Articles of Association and any regulations in full, and that they abide by the resolutions legally adopted by the association's bodies;

The Governing Body decides on the application according to *non-discriminatory criteria* consistent with the aims pursued and the general interest activities carried out.

1. The admission resolution must be *communicated* to the interested party and *recorded* in the membership register by the Governing Body.
2. The Governing Body must, within 60 days, state the *reasons for rejecting the application* and notify the interested parties.

If the Governing Body does not accept the application for admission, the applicant may, within 60 days from the communication of the rejection resolution, request that the Shareholders' Meeting decide on the application, which shall deliberate on the unsuccessful applications, if not convened for this purpose, at its next convocation.

Member status has a *permanent* character and can only be terminated in the cases provided for in Article 5. Therefore, memberships that violate this principle by introducing admission criteria that are instrumentally restrictive of rights or limited in time are not permitted.

ART. 5 (Rights and obligations of members)

Members have the *right* to:

- electing membership bodies and being elected to them;
- being informed about the activities of the association of social promotion and monitoring its progress; attending the association's premises;
- participate in all initiatives and events promoted by the association; contribute to the drafting and approval of the programme of activities;
- be reimbursed by the expenses actually incurred and documented;
- take note of the agenda of the assemblies, examine the financial statements and consult the association's books;

Members are *obliged to*:

- comply with these Articles of Association and any internal regulations;
- perform one's activity towards others in a personal, spontaneous and gratuitous manner, without any profit motive, even indirectly;
- pay the membership fee in accordance with the amount, method of payment and terms annually set by the General Assembly;

ART. 6 (Loss of membership status)

Membership is lost by *death, withdrawal or exclusion*.

Any member who seriously contravenes the obligations of these Articles of Association, any internal regulations and the resolutions of the association bodies, or causes material or moral damage of a certain gravity to the association, and in the following other cases: delinquency, unworthiness, may be excluded from the association of social promotion by resolution of the Assembly, by secret vote, after hearing the justifications of the person concerned. The decision of exclusion must be duly communicated to the member who may submit his counter-arguments.

A member may always *withdraw* from the association.

Anyone wishing to withdraw from the association of social promotion must communicate their decision in writing to the governing body, which must adopt an appropriate resolution to be duly notified to the member.

The declaration of withdrawal takes effect with the end of the current year, provided it is made at least three months in advance.

Membership rights to the association of social promotion are not transferable.

The sums paid as membership fees are *non-refundable, re-evaluable and transmissible*.

However, members who have ceased to belong to the association of social promotion have no rights to its *assets*.

ART. 7 (Bodies)

The bodies of the association are:

The General Assembly;

The Governing Body (Governing Council);

The President;

The Supervisory Board (if appointed since mandatory under Article 6 of the memorandum of association);

The Statutory Auditor (if appointed as compulsory under Art. 11 of these articles of association)

ART. 8 (General Assembly)

All those who have been registered in the register of members for at least three months are *entitled* to vote in the *General Assembly*. Each member has one vote.

Each member may be represented at the General Assembly by another member by means of a written proxy, also at the foot of the notice of call. Each member may be *represented* at the Assembly by another member by means of a *written proxy*, also at the foot of the notice of call. Each member may represent up to a maximum of 3 members as long as the association of social promotion has less than 500 members; each member may represent up to a maximum of 5 members when the association of social promotion reaches a number of associates > 500 (**para. 3, art. 24 Cts**).

Paragraphs 4 and 5, Art. 2372 of the Civil Code apply insofar as they are compatible.

The General Assembly shall be convened by written notice, stating the place, date and time of the first and second call (which may not be set on the same day as the first call) and the agenda, sent at least 15 days before the date set for the General Assembly to the address recorded in the register of members.

The General Assembly *meets* at least once a year to approve the *annual budget or the cash financial statement* that will be adopted by the association of social promotion if, according to **par. 2, art. 17 Cts**, "revenues, income or receipts however denominated of less than 220,000.00 euro" are realised in the annual financial year. The General Assembly must also be *convened* when the need arises or when a *reasoned request* is made by at least one tenth of the members (in the latter case, if the directors fail to do so, the convening may be ordered by the president of the court (**para. 2, Art. 20 Civil Code**)).

The General Assembly has the following *mandatory* powers:

- appoints *and dismisses the members of the association's bodies* and, if applicable, the statutory auditor;
- approves the *annual budget*;
- deliberates on the *liability of members of association bodies*, pursuant to Article 28 of the Third Sector Code, and brings *liability actions* against them;
- deliberates *on the exclusion of members*;
- deliberates on *amendments to the Memorandum and Articles of Association*;
- approves any *rules for the proceedings of the meeting*;
- decides on the *dissolution, transformation, merger or demerger* of the association;
- deliberates on *other matters* assigned to its competence by the Law, the Memorandum of Association or the Articles of Association;
- determines the general policy lines of the association's activities;

- determines at the end of the term of office the number of members of the Governing Body;
- approves any other internal regulations.

The General Assembly is validly constituted in *first call* with the presence of half plus one of the members present, in person or by proxy, and in *second call* whatever the number of members present, in person or by proxy.

The General Assembly *passes resolutions* by majority vote. In resolutions approving the financial statements and in those concerning their responsibility, directors do not have a vote, *Amendments to the Articles of Association* require the presence of at least 1/2 of the members and the affirmative vote of the majority of those attending.

To resolve on the *dissolution of the association of social promotion and the devolution of its assets*, the affirmative vote of at least 3/4 of the members is required.

ART. 9 (Governing Body- Governing Council)

The Governing Body(governing council) *acts* in implementation of the will and general policies of the General Assembly to which it is directly answerable and by which it can be *revoked* for serious reasons, with justification. The Governing Body is responsible for everything that is not, by law or the Articles of Association, the exclusive responsibility of the General Assembly or other Association bodies.

In particular, and among others, the *tasks* of this body include:

- executing the resolutions of the General Assembly;
- formulating the Association's activity programmes on the basis of the lines approved by the General Assembly;
- preparing the Financial Statements and the Social Report, if any;
- preparing all elements useful to the General Assembly for the economic forecast and planning of the financial year;
- deliberating on the admission and exclusion of members;
- deliberating disciplinary actions against members;
- entering into all acts and contracts pertaining to the association's activities;
- managing all movable and immovable property owned by the association of social promotion or entrusted to it;
- fixing the amount, payment methods and terms of any annual membership fee;

The Governing Council may also appoint:

- The Scientific Committee
- The Programming Committee
- The Director-General

The scientific committee is the advisory body of the association of social promotion: it expresses opinions and proposals on the programmes of the association of social promotion by assessing their content. The scientific committee is composed of members chosen from among the leading figures in the world of science and technology, who hold office for four years and can be re-elected for no more than two consecutive terms. The Scientific Committee consists of 3/ 5 members is appointed by the Governing Board and appoints the chairman of the Scientific Committee from among its members. The members of the scientific committee do not receive remuneration but only documented reimbursement of expenses.

The programming committee consists of 3 to 5 members and has the task of coordinating the president in the executive management of the association.

The director general has the task of supporting the president in the management of the association of social promotion; he is the association's representative.

The Governing Body *consists* of between 3 and 5 members, appointed by the General Assembly for a term of

4 years and may be re-elected for 4 terms. The *majority* of the directors are *chosen* from among the natural persons associated or indicated by the associated bodies: Article 2382 of the Civil Code applies with regard to the causes of ineligibility and disqualification. The Governing Body is *validly constituted* when the majority of its members are present. Resolutions of the Governing Body are *passed* by a majority of those present. The directors, within 30 days of being informed of their appointment, must apply for *registration* in the single national Register of the third sector, indicating, in addition to the information provided for in para. 6, art. 26 of the Third Sector Code, to which of them the representation of the association of social promotion is attributed and specifying whether severally or jointly. The *power of representation* conferred on directors is *general*, so limitations of that power cannot be relied on against third parties unless they are entered in the aforementioned Register or unless it is proved that third parties were aware of them.

ART.10 (President)

The **President** legally represents the association of social promotion - in its internal and external relations, vis-à-vis third parties and in court - and performs all acts that bind it externally.

The President is elected by the General Assembly from among its members by a majority of those present. The President's term of office is the same as that of the Governing Body and expires on expiry of the term, through voluntary resignation or revocation, for serious reasons, decided by the General Assembly, by a majority of those present.

At least one month before the expiry of the term of office of the Governing Body, the President convenes the General Assembly to appoint a new President.

The President convenes and chairs the General Assembly and the Governing Body, carries out ordinary administration on the basis of the directives of these bodies, reporting to the latter on the activities carried out.

The **Vice President** replaces the President in all capacity whenever the latter is prevented from exercising his/her duties.

ART. 11 (Supervisory Board)

The Supervisory Board, which may also be a *single-member body*, is appointed upon fulfilment of the requirements provided for by law (see memorandum of association art. 6). The *members* of the Supervisory Board, to whom Art. 2399 of the Civil Code applies, must be chosen from among the categories of persons referred to in para. 2, Art. 2397 of the Civil Code. In the case of a collegiate body, the aforesaid requirements must be possessed by at least one of the members.

The Supervisory Board *monitors* compliance with the law and the Articles of Association and compliance with the principles of proper administration, also with reference to the provisions of Legislative Decree No. 231 of 8 June 2001, where applicable, as well as the *adequacy* of the organizational, administrative and accounting structure and its actual functioning. It also *audits* the accounts if no statutory auditor is appointed or if one of its members is a registered statutory auditor. The supervisory board also monitors compliance with civic, solidarity and socially useful purposes and certifies that any social report that any social report has been drawn up in accordance with ministerial guidelines. The social report acknowledges the results of the monitoring carried out by the auditors.

The members of the supervisory board may, at any time, even individually, carry out acts of *inspection and control*, and to this end, may request information from the directors on the course of the corporate operations or on certain business affairs.

ART. 12 (Statutory Audit)

If the Supervisory Board does not exercise *accounting control* and if the requirements of the law are met (If the association of social promotion exceeds 2 of the following limits for 2 consecutive financial years: 1) total assets in the balance sheet: 1,100,000.00 euros; 2) revenue, income, receipts however denominated: 2,200. 000.00 euros; 3) average number of employees during the financial year: 12; or when destined assets have been established pursuant to Art. 10 of the Third Sector Code (**Art. 31 Cts**), the association of social promotion must appoint a Statutory Auditor or Auditing Company registered in the appropriate register.

ART. 13 (Assets)

The assets of the association of social promotion-including any revenues, annuities, proceeds and other income however denominated- *are used* to carry out the statutory activities, for the exclusive pursuit of civic, solidarity and socially useful purposes; (the association, if it is endowed with legal personality and enrolled in the Register of Enterprises, “may set up one or more assets intended for a specific business, pursuant to and to the effects of Articles 2447-bis et seq. of the Civil Code” (Art. 10 Cts).

ART. 14 (Prohibition of Profit Distribution)

The association of social promotion is *prohibited from distributing*, even *indirectly*, profits and operating surpluses, funds and reserves, however denominated, to its members, workers and collaborators, directors and other members of the association's bodies, even in the event of withdrawal or any other hypothesis of individual dissolution of the association's relationship. Pursuant to **para. 3, art. 8 Cts**, “in any case, *indirect distribution of profits* shall be considered”:

- a) the payment to directors, statutory auditors and anyone holding corporate offices of individual remuneration that is not proportionate to the activity performed, the responsibilities assumed and the specific skills or in any case higher than those provided for in entities operating in the same or similar sectors and conditions;
- b) the payment to employed or self-employed workers of remuneration, or compensation that is forty per cent higher than that provided for, for the same qualifications, by the collective agreements, referred to in Article 51 of Legislative Decree No. 81 of 15 June 2015, except for proven needs, relating to the need to acquire specific skills for the purpose of carrying out activities of general interest referred to in Article 5(1)(b), (g) or (h);
- c) the purchase of goods or services for a consideration which, without valid economic reasons, exceeds their ordinary value;
- d) the supply of goods and services, at conditions more favourable than market conditions, to members, associates or participants, to founders, to members of the administrative and control bodies, to those who in any capacity work for the organization or are part of it, to persons who make donations in favour of the organization their relatives, up to the third degree and their relatives-in-law up to the second degree, as well as the companies directly or indirectly controlled or affiliated by them, exclusively by reason of their capacity, unless such donations or services do not constitute the object of the activity of general interest referred to in Article 5;
- e) the payment to entities, other than banks and authorized financial intermediaries, of interest expense, in respect of loans of any kind, in excess of four points above the annual reference rate. This limit may be updated by decree of the Minister of Labour and Social Policy, in agreement with the Minister of the Economy and Finance.

ART. 15 (Financial resources)

The association of social promotion may draw *the economic resources*, necessary for its functioning and the carrying out of its activities, from different sources, such as: symbolic membership fees, public and private contributions, donations and testamentary legacies, income from fundraising activities as well as from activities other than those of general interest, as referred to in Article 6 of the Third Sector Code.

ART. 16 (Financial statements)

The association of social promotion must draw up an *annual balance sheet* (Third sector organizations must draw up an annual balance sheet consisting of a balance sheet, a cash flow statement, showing the income and expenses of the organization, and a mission report illustrating the items in the balance sheet, the economic and financial performance of the organization, and how it pursues its statutory aims. The balance sheet of Third sector organizations with revenues, income or receipts however denominated of less than 220,000.00 euro may be drawn up in the form of a *cash flow statement*. The financial statements referred to in paragraphs 1 and 2 must be drawn up in accordance with the forms defined by decree of

the Minister of Labour and Social Policies, after consulting the National Council of the Third Sector (**co. 1-3, Art. 13 Cts**) and with effect from 1 January of each year.

It is prepared by the Governing Body, approved by the General Assembly within four months of the end of the financial year to which the financial statements refer, and filed with the Single National Register of the Third Sector. The Governing Body documents the secondary and instrumental character of the different activities, as referred to in Article 6 of the Third Sector Code, possibly carried out by the Association, in the report to the Financial Statements or in the mission report (**co. 6, Art. 13 Cts**).

ART. 17 (Social Report and Social Disclosure)

a) If the revenues, income or receipts however denominated > 100,000 euro per year

The association of social promotion must publish annually and keep updated on its website or on the website of the associative network to which it may belong (**para. 2, Art. 14 Cts**) *any emoluments, remunerations or payments* for any reason attributed to the members of the administration and control bodies, managers and associates.

b) If revenues, income or receipts however denominated >1 mln euro per year

The association of social promotion must draw up, file with the single national register of the third sector and publish on its website the *social report*.

ART. 18 (Books)

The association of social promotion must keep the following books:

- register of *members*, kept by the governing body;
- register of *volunteers*, who carry out their activities on a *non-occasional* basis;
- book of the meetings and resolutions of the General Assembly, in which the minutes drawn up in public deed must also be transcribed, kept by the Governing Body;
- book of meetings and resolutions of the Governing Body, kept by the same organ;
- the book of meetings and resolutions of the Supervisory Board, (if appointed as mandatory) kept by the same body;
- the book of meetings and resolutions of any other association bodies (if appointed as mandatory) kept by the body to which they refer.

Members are *entitled to examine* the aforementioned association books in the following manner: Inspection at the registered office and the possibility of requesting a copy of individual minutes, upon written request, to be submitted to the Governing Council, which must comply within 15 days of the written request.

ART. 19 (Volunteers)

Volunteers are *people* who, by their own free choice, carry out activities in favour of the community and the common good through the association, making their time and skills available.

They shall operate in a personal, spontaneous and free manner, without any profit motive, not even indirect, and exclusively for purposes of solidarity.

The activity of volunteers *shall not be remunerated* in any way, not even by the beneficiaries.

Volunteers may only be *reimbursed* by the association of social promotion for *expenses actually incurred and documented* for the activity performed, within maximum limits and under the conditions established in advance by the governing body: *lump-sum* expense reimbursements are in any case prohibited. Expenses incurred by volunteers may be reimbursed within the limits of the provisions of Article 17 of Legislative Decree No. 117 of 3 July 2017 (the expenses incurred by the volunteer may also be reimbursed against a self-certification - made pursuant to Article 46 of Presidential Decree No. 445 of 28 December 2000 - as long as they do not exceed the amount of 10.00 euro per day and 150.00 euro per month, and the Governing Body resolves on the types of expenses and voluntary activities for which this mode of reimbursement is allowed. This mode of reimbursement “does not apply to voluntary activities involving the donation of blood and organs” (**para. 4, Art. 17 Cts**). The status of volunteer is *incompatible with* any form of employment or self-employment relationship and with any other paid employment relationship with the association. For the

purposes of the Cts, a member who occasionally assists the association's bodies in the performance of their functions is not considered a volunteer (**co. 6, art. 17 Cts**) - The provisions of this Article do not apply to volunteers in the *Universal Civil Service*, to voluntary workers in *international development cooperation activities*, and to voluntary workers in the *National Alpine and Speleological Rescue Corps (Cnsas) of the Italian Alpine Club (CAI)* (**co. 7, art. 17 Cts**). The association of social promotion must *insure* volunteers against accidents and illnesses connected to the performance of the voluntary activity, as well as for civil liability towards third parties.

ART. 20 (Workers)

The association of social promotion may recruit employees or make use of self-employed or other services, *including those of its members*, only when this is *necessary* for the performance of its general interest activities and the pursuit of its statutory aims.

In any case, the *number* of workers employed in the activity may not exceed 50% of the number of volunteers or 5% of the number of members.

ART. 21 (Dissolution and devolution of residual assets)

In the event of the association's *extinction or dissolution*, the *residual assets* shall be devolved, subject to the positive opinion of the Regional Office of the Single National Register of the Third Sector, from the time it becomes operational, and unless otherwise required by law, to other Third Sector entities (or, failing this, to the Italia Sociale Foundation), or to socially useful purposes, pending the full operation of the aforesaid Office. (The opinion shall be rendered within thirty days from the date of receipt of the request that the entity concerned is required to forward to the aforesaid Office by registered mail with return receipt or in accordance with the provisions of Legislative Decree No. 82 of 7 March 2005, after which the opinion shall be deemed to have been positively rendered. The deeds of devolution of the residual assets performed in the absence of, or contrary to, the opinion shall be null and void"(**co. 1, art. 9 Cts**)

The General Assembly shall appoint one or more *liquidators* preferably chosen from among its members.

ART. 22 (Referral)

For all matters not expressly provided for in these Articles of Association, in any internal regulations and in the resolutions of the association bodies, the provisions of *Legislative Decree No. 117 of 3 July 2017* (Third Sector Code) and, to the extent compatible, the Civil Code shall apply.

ART. 23 (Transitional provision)

1. All the fulfilments related to the registration in the Single National Register of the Third Sector, which are incompatible with the current regulations, apply to the operation of the RUNTS itself.
2. The acronym ETS (or the term ENTE DEL TERZO SETTORE) may be automatically included in the name and will only be usable in relations with third parties, in deeds, correspondence and communications with the public after registration in the Single National Register of the Third Sector.

Read, approved and undersigned