

## **Articles of Association**

# **FOUNDATION “CENTRO EURO-MEDITERRANEO SUI CAMBIAMENTI CLIMATICI”**

## **TITLE 1**

### **DENOMINATION – SEAT – OBJECT – DURATION**

#### **ARTICLE 1**

1.1 – A Participatory Foundation named “FONDAZIONE CENTRO EURO – MEDITERRANEO SUI CAMBIAMENTI CLIMATICI”, in short “**Fondazione CMCC**”, is hereby established according to articles 14 and following Italian Civil Code.

#### **ARTICLE 2**

2.1 – The Foundation meets the principles and juridical structure of the Participatory Foundation and has its registered office in Lecce.

Its registered office is currently in via Marco Biagi, 5.

The Foundation may be structured into branch and local offices, in Italy and abroad, working at regional, national and international level.

#### **ARTICLE 3**

3.1 –The Foundation is non-profit.

The following activities, to be performed at local, regional, national and international level, are object of the Foundation:

- a) promoting, implementing and coordinating the researches and different scientific and application activities in the field of the study on climate change on global and local scale, also fostering collaborations among Universities, national and international Research Entities, Local Bodies and Private Sector;
- b) producing analyses, simulations, assessments and projections on climate system and its interactions with the environment, society and economy, both at global and local level;
- c) developing global and regional models of climate system and its interactions with the environment and society, in order to offer reliable, accurate and timely outcomes, with the aim of encouraging a sustainable development, protecting the environment and identifying scientifically supported mitigation and adaptation policies to climate variability;
- d) the higher education in the field of Climate Sciences, in the analysis and assessment of impacts, and mitigation and adaptation policies;
- e) promoting and disseminating the scientific culture on Climate Sciences, adaptation strategies and mitigation policies, on regional, national and international territory;
- f) transferring the research outcomes through application activities developed in cooperation with public administrations, enterprises, territory and development agencies;
- g) scientifically supporting and validating the initiatives for the benefit of society and the environment;
- h) technically and scientifically supporting the climate policies on both national and global scale.

3.2 – The Foundation, promoting its purposes, undertakes to ensure the scientific integrity and independence of its researches and facilitate the dialogue among scientists, stakeholders, decision makers and the general public.

The Foundation, developing its activity, undertakes to encourage the confluence of different disciplines, aiming at promoting new ideas, creating new skills and ensure that the supplied observations, analyses, assessments and services successfully meet the needs of society.

The Foundation, recruiting its staff, undertakes to keep equal job opportunities and promote diversity in workplaces.

The Foundation, performing its research, analysis and assessment activities, does not support neither defend nor plead any cause of specific lobby groups or stakeholders.

3.3 – In order to achieve its object, the Foundation may promote the following actions on regional, national and international territory:

- a) raising the necessary funds for the research activities, also through financing instruments related to international, national or local funds;
- b) organizing integrated training programs and activities, supplied also jointly with a group of subjects belonging to the labour, university and testing systems, foremost in cooperation with universities and other founding bodies;
- c) supporting research activities of national and international qualified users and performing training initiatives, structures and activities aiming at facilitating the use of products and resources of the Center by external users in the different fields of climate change study.

To the aims of achieving its object, the Foundation may also:

- d) coordinate the activities developed by the Founders and Institutional Participants within the Foundation, with reference to the projects they are involved in, without prejudice to the Foundation's liability and strategic independence in the phases of screening and selection of the projects;
- e) participate to public tenders for funding research and development activities or programs, transfer of the research, cooperation and training outcomes issued by public administrations, entities, territory and development agencies, at regional, national and international level;
- f) sign cooperation contracts or agreements with public administrations, entities, territory and development agencies for implementing specific projects and researches;
- g) sign cooperation contracts or agreements with bodies and enterprises for performing specific projects and researches or promoting and implementing initiatives for transferring the research outcomes and building new entrepreneurships arising from the research;
- h) have recourse to the cooperation with public and private research bodies and entities such as for example Universities, university institutes and departments, research Foundations, other Foundations, provided that they perform activities in the same field on in other related ones;
- i) supply services and initiatives aiming at supporting the application of the acquired knowledge in the field of Climate Sciences to public administrations, bodies, agencies and enterprises, also through the coordination of projects involving several entities at international level;
- j) promote and support the organization of stages, summer schools, specialization courses and other training activities, on national and international territory, as well as distance learning initiatives;
- k) implement all necessary or useful operations for achieving the Foundation's purposes; as per example it may purchase goods and services, build and manage real estate for implementing the activities falling into the Foundation's object, perform all the personal, real estate, movable, commercial, industrial, financial and bank operations, as well as any operation related to the Foundation's object and purposes, except for collecting savings from the public and investment services set by Legislative Decree 24<sup>th</sup> February 1998 no. 58;
- l) always with particular reference to the achievement of the institutional purposes, participate to other Foundations or associations, provided that they are juridical persons, acquire participations and not qualified minority shares in other, both Italian and foreign, enterprises, whose object is equal, similar or complementary to its object.

3.4 – The Foundation may develop different activities from the institutional ones only if they are directly related or accessory to them.

#### **ARTICLE 4**

4.1 – The duration of the Foundation is set from the date of its establishment until 31<sup>st</sup> December 2050. It may be extended by deliberation of the Steering Board of the Foundation.

**TITLE II**  
**ENDOWMENT FUND – PROPERTY ASSETS – PARTICIPATION OF FOUNDERS AND PARTICIPANTS – CONTRIBUTIONS**

**ARTICLE 5**

5.1 - The endowment fund is equal to the contribution mentioned in the establishing Act of the Foundation and the subsequent contributions to increase the fund.

The same fund may be increased by subsequent contributions to this aim.

**ARTICLE 6**

6.1 – The Foundation is open to the participation of new public or private subjects, resident in Italy or abroad, able, according to the Board of Directors and the Steering Board, to contribute to the achievement of the Foundation’s purposes according to the procedures above specified and in compliance with the statutory purposes.

6.2 – Founders, Institutional Participants and Participants take part in the Foundation.

6.3 – Bodies which have been Participants of CMCC S.c.ar.l., whose transformation the Foundation arises from, are Founders by the date on which the transformation of the Consortium itself is effective.

Founders may contribute to the property assets and the management fund of the Foundation through contributions, in nature, work done, or cash on voluntary basis, for a value to be proposed by the Board of Directors of the Foundation to the Steering Board.

The Steering Board may assign the status of co-Founder, with the favorable vote of at least 2/3 of votes assigned to its members, to natural, juridical, public or private subjects which decide to adhere to the Foundation with this title, even if they did not participate to the Articles of Association, and stably contribute to the assets and the management fund, by relevant contributions, in cash, nature or work done, according to the applicant’s proposal, approved by the Board of Directors and subsequently by the Steering Board of the Foundation. The Board of Directors also deliberates and decides whenever the applicant’s proposed contributions should be deemed including or replacing the contributions under the previous paragraph, already decided by the Board of Directors and ratified by the Steering Board.

Co-Founders, once admitted at the Foundation, have the same status, rights and obligations of Founders.

6.4 – The Steering Board assigns the status of Institutional Participant, with the favorable vote of at least 2/3 of votes assigned to its members, upon proposal of the Board of Directors of the Foundation, to public or private bodies which, sharing its purposes, contribute to the management fund of the Foundation on a several-years basis, through adequate contributions, in cash, nature or work done, in the measure and according to the procedures set to this aim by the Board of Directors of the Foundation. The status of Institutional Participant remains for the period set to this aim at the acceptance of the proposal by the Steering Board; it cannot be in any case less than three years.

6.5 – The Board of Directors of the Foundation assigns the status of Participant to natural, juridical, public or private persons who, sharing its purposes, contribute to the management fund of the Foundation not continuously, by means and resources in not less measure than the one set to this aim by the Board of Directors, or by services and even professional activities of particular relevance. The status of Participant remains for the period set to this aim at the acceptance of the proposal by the Steering Board.

The Steering Board may set by specific Rules and upon proposal of the Board of Directors any more specified subdivisions of Participants according to the contribution and purpose, as well as the criteria for the duration of the relevant status.

Participants do not have right to vote and do not take part in the Foundation’s Bodies.

## **ARTICLE 7**

7.1 – Subjects with the requirements under previous article 6 intending to take part in the Foundation shall submit their application to the President of the Board of Directors.

The application shall include: a) the applicant's name, business name or denomination as well as the address or registered office; b) the documentation concerning the activity performed by the applicant and its development plans; c) the applicant's signature; d) the declaration of acknowledgment and acceptance of the Foundation's Articles of Association and deliberations already adopted; e) the indication of divisions/programs/activities he/she/it is possibly interested to participate to; f) the participation status under which the admission is required and the amount of the contributions/donations/allocations; g) any other useful fact for the evaluation of the application.

7.2 The application as co-Founder and/or Institutional Participant is subject to the advice of the Board of Directors and the approval by the Steering Board, which shall deliberate with the favorable vote of at least 2/3 of votes assigned to its members and the procedures for admission.

## **ARTICLE 8**

8.1 – In view of the Foundation's purposes, the Board of Directors, in relation to the general management costs incurred in each financial year may in the common interest require the Founders, Institutional Participants and Participants for the payment of ordinary and extraordinary contributions, even with different shares. The Steering Board unanimously decides the payment of the contributions and their amount, upon proposal of the Board of Directors.

8.2 – Contributions due for the ordinary management of the Foundation, that is for covering the general structural and organizational costs are deemed ordinary or operating contributions. The BoD yearly sets such contributions in advance and the Steering Board approves them.

8.3 – Contributions due for carrying out specific projects are deemed extra-ordinary contributions; such contributions are due by Founders, Institutional Participants and Participants interested and involved in carrying out each project; thus the BoD sets their amount, in percentage to the quota of project's activities developed by each Founder, Institutional Participant or Participant.

8.4 – Founders cannot be burdened in any case by agreements requiring contributions in cash. Thus Founders' contribution consists exclusively in the use of goods and tools for the project's purposes as well as in scientific, technological, staff training work done, replacing the contributions in cash. The amount of such contribution shall be object of specific deliberation by the BoD.

8.5 – The obligation requiring that Founders, Institutional Participants and Participants shall pay the contributions does not imply any increase of asset liability; therefore, possible creditors of the Foundation can never claim an asset liability of those subjects different from that provided by law on Foundations.

8.6 – Contributions paid according to this article 8, State or other bodies' or entities' contributions paid at any title, goods resulting from the activity are available reserves if not differently provided for.

## **ARTICLE 9**

9.1 – The Foundation may use the staff and research structures of Founders, Institutional Participants and Participants, upon definition of its relationships with them by specific agreement, to the aim of achieving the purposes of the Center and the development of specific projects according to the procedures set in previous article 8.

## **TITLE III**

## **BODIES OF THE FOUNDATION**

### **ARTICLE 10**

10.1 – The Steering Board of Founders and Institutional Participants

- The Board of Directors and its President
- The Executive Committee, if appointed
- The Board of Auditors
- The Scientific Committee

are bodies of the Foundation.

## **TITLE IV**

### **DELIBERATIONS OF FOUNDERS AND INSTITUTIONAL PARTICIPANTS**

### **ARTICLE 11**

11.1 – The Steering Board of Founders and Institutional Participants consists of all Founders (who will be represented by the legal representative or his/her/its appointee each time designated), and, in case there are Institutional Participants, by one or two representatives elected by the Institutional Participants themselves. The Steering Board shall set the number (one or two) of the aforementioned representatives at their admission.

11.2 – To this aim, the Institutional Participants, convened upon initiative of the Foundation's President, shall provide for appointing their representatives. In case such appointment would not occur, the Steering Board is nevertheless perfect and in function and shall be integrated whenever such appointment will occur.

Representatives of the Institutional Participants remain in office for three financial years, are renewable and have the right to vote at the Steering Board.

11.3 – The Steering Board shall deliberate on the matters which this Articles of Association reserves to its competence, as well as on the issues that one or more Directors or the Founders representing at least one third of them submit to their approval. Decisions shall be taken by deliberation of the Steering Board or express consent in written or consultation in written.

### **ARTICLE 12**

12.1 – The Steering Board, duly convened and constituted, shall deliberate according to law and this Articles of Association, binding all Founders and Institutional Participants, even if not attending or dissenting, unless the right of withdrawal to be exercised according to law and the Articles of Association.

12.2 – The Steering Board shall be convened at least once per year, for the approval of the financial statements, within 120 days from the closing of the financial year, or within 180 days whenever particular needs related to the Foundation's structure and object require it.

### **ARTICLE 13**

13.1 – The President of the Board of Directors shall convene the Steering Board by notice to the right holders, to the domicile resulting from the book of Founders and Institutional Participants' representatives by Certified Mail or registered letter with acknowledgment of receipt or other lawfully equivalent means received at least fifteen days before the meeting. In case of necessity and urgency, the convocation may be made also by Certified Mail, telegram or fax received within the eighth day before the meeting date. Directors and Auditors shall also be invited to the meetings of the Steering Board, but they do not participate to the calculation of the constitutive and deliberative quorum.

13.2 – The convocation notice shall indicate the day, hour and place of the meeting, as well as the list of issues to be discussed.

13.3 – Failing the above-mentioned formalities, the Steering Board is deemed duly constituted when all members (personally or by representative), the representatives of the Institutional Participants, the Directors and Auditors have attended, as long as nobody opposes the debate on the issues to be decided by the Steering Board. In all other cases the civil code provisions on shareholders' assemblies in Limited Companies shall be applied.

13.4 – The procedure for the written consultation or the acquisition of the express consent in written is ruled as follows: the President of the BoD shall communicate the text of the Decision to be adopted to all members of the Steering Board, Board of Auditors and all directors, setting a term not less than eight days within which each member shall send any consents to it to the Foundation's registered office; in case of failing answer in the fixed term, the consent shall be deemed denied.

13.5 – Communications may be sent by any means allowing to verify their origin and acknowledge their receipt (also by declaration of receipt sent by the same means), including telefax and e-mail, and shall be kept by the Foundation. Decisions of the Steering Board adopted according to this procedure shall result from specific minutes drawn up by the President and inserted in the minutes' book of the Steering Board. The President shall verify that all entitled persons have received the communication.

#### **ARTICLE 14**

14.1 – All Founders, represented by their legal representative or by appointee in each case designated and the Institutional Participants' representatives take part in the Steering Board.

14.2 – Each Founder and Institutional Participants' representative may be represented in the Steering Board respectively by other Founder or the other Institutional Participants' representative, by proxy in written to be kept by the Foundation. The representative's name with the indication of any power and limits to the proxy shall be specified in the proxy.

14.3 – The Steering Board may meet, with attendees in remote located in several places, near or far, in audio or video conference, provided that the collegial method and the principles of good faith and equal treatment of its members are observed; furthermore, it is necessary that:

- the President is allowed to ascertain, also by his/her presidency office, the attendees' identity and their right to attend, distributing the papers prepared for the meeting, whenever drafted, by fax or e-mail, direct the meeting, verify and announce the votes' results;
- the subject taking the minutes is allowed to properly listen to the meeting's events to be reported;
- the attendees are allowed to participate to the debate and simultaneous vote on the issues in Agenda;
- The audio/video locations connected by the Foundations, where the attendees may gather are indicated in the convocation notice (unless the concerned meeting is plenary), as the meeting shall be deemed held in the location where the President and the subject taking the minutes are physically present.

#### **ARTICLE 15**

15.1 – The vote system at the Steering Board is as follows: within the Steering Board each Founder has a proportionate number of votes to his/her/its contribution to the Foundation's endowment fund. The Institutional Participants' representatives have the votes wholly assigned to the Institutional Participants by the Steering Board at the approval of their participation. Therefore, the Steering Board, admitting a new Institutional Participant, shall deliberate whenever and in which measure the votes assigned to the Institutional Participants' representatives shall be modified. Whenever there are two Institutional Participants' representatives, each of them shall have half votes wholly assigned to the Institutional Participants. Whenever there are two Institutional Participants' representatives, the one may also vote differently from the other.

The required constitutive and deliberative quorum of the Steering Board shall be set according to the whole number of votes assigned to each Founder, in addition to the votes of the Institutional Participants' representatives, if appointed. In case the Institutional Participants' representatives are not appointed, the quorum shall be set according to the whole number of votes assigned to the Founders.

The vote distribution table in the Steering Board shall be approved by deliberation on the Extraordinary Meeting on the Transformation and, then, each time the Steering Board will admit new Co-Founders and/or Institutional Participants, it will modify the table by the same deliberation.

#### **ARTICLE 16**

16.1 – The President of the Board of Directors or, in case of impediment or absence, the Vice-President, if appointed, or the elder Director shall chair the Steering Board, with no right to vote; in absence of, other person appointed by the attendees shall chair the Steering Board.

16.2 – A Secretary, not member, appointed by the attendees, shall assist the President of the Steering Board, unless the minutes shall be drawn up by a notary according to law provision or the President's will.

16.3 – The President of the Steering Board, in order to verify its regular composition, shall ascertain the identity, the title of attendees and the validity of any proxies; the same President shall supervise and direct the meeting as well as verify and announce the deliberations' results.

#### **ARTICLE 17**

17.1 – The Steering Board shall deliberate by majority.

17.2 – The Steering Board, in charge for the modification of the Articles of Association and in the other cases provided for in this Articles of Association, deliberates with the favorable vote of at least 2/3 of votes assigned to the Board's members, unless different majorities required for specific deliberations are provided for in this Articles of Association.

17.3 – The Steering Board:

- a. appoints the directors as provided for by article 19 Articles of Association and sets their remuneration;
- b. appoints the President of the Board of Directors and sets his/her remuneration;
- c. appoints the members of the Foundation's Board of Auditors and sets their remuneration;
- d. approves the financial statements of the Foundation;
- e. decides the admission of co-Founders or Institutional Participants;
- f. deliberates on the ordinary and extra-ordinary contributions under article 8 of this Articles of Association;
- g. deliberates on the dissolution of the Foundation;
- h. may propose non-binding directives to the Board of Directors on the Foundation's programs;
- i. may propose specific initiatives for the achievement of the Foundation's purposes to the Board of Directors;
- j. deliberates on the modification of the Articles of Association before a notary.

#### **ARTICLE 18**

18.1 – The Steering Board's deliberations shall result from minutes signed by the President and Secretary or by the notary. The minutes shall indicate: the meeting's date; the identity of the attendees at the meeting, in attached file as well; the results of the President's ascertainments under previous article 16.3; the votes' procedures and results. The minutes shall allow the identification, in attached file as well, of the favorable, abstaining or dissenting Founders, Institutional Participants or Participants. The statements of Founders and Institutional Participants related to the Agenda shall be summarized in the minutes upon their

request. The minutes, even if drawn up as authentic instrument, shall be promptly recorded in the meetings' book of the Steering Board.

## **TITLE V MANAGEMENT**

### **ARTICLE 19**

19.1 – The management of the Foundation is assigned to a Board of Directors consisting of five to eleven members, appointed by the Steering Board, selected also out of the staff referred to the Founders or Institutional Participants.

19.2 – Persons declared bankrupted, interdicted or disqualified or condemned to a sanction implying even temporary interdiction from public offices or inability to cover management roles cannot be appointed Directors.

19.3 – Directors shall apply the provision of article 2391 civil code on conflict of interest, therefore such conflict is ruled by this article.

### **ARTICLE 20**

20.1 – Directors remain in office for the period each time set by the Steering Board at their appointment and in however for a no longer period than three financial years. Their term of office shall expire with the approval of the financial statements related to the last financial year they are appointed for.

The members of the Board of Directors may be re-elected.

The first directors shall be appointed by the deliberation of transformation.

20.2 – The Director waiving his/her office shall give notice in written to the Board of Directors and the President of the Board of Auditors, if appointed.

20.3 – The termination of the directors' mandate for expiry term is effective from the date in which the new management body has been re-established, considering as such the day in which the new body meets for the first time. Whenever in the 30 days after the expiry the Board of Directors would not have provided to convene the Steering Board for the appointment of the new management body, the Board of Auditors shall provide for with no further delay.

20.4 – Whenever one or more directors lack during the financial year, the others shall provide for replacing them, by deliberation approved by the Board of Auditors, provided that the majority of directors always consists of members appointed by the Steering Board. The directors shall be replaced according to the provisions of previous article 19 on their appointment. The appointed Directors shall remain in office until the next Steering Board. Whenever the majority of Directors appointed by the Steering Board lack, the entire Board of Directors shall terminate its office. In this case the Directors remained in office shall urgently convene a Steering Board for appointing the new Board of Directors and until the date the new Board will be set-up their activity shall be limited to the ordinary affairs.

### **ARTICLE 21**

21.1 - The Board of Directors may elect one or more Vice-Presidents, who remain in office for the duration of the Directors' mandate. In case of absence or impediment of the President and, whenever appointed, the elder Vice-President, the elder in age Director shall chair the Board. Upon proposal of the President of the Board of Directors or his/her deputy, the Board of Directors may each time appoint a Secretary, choosing him/her also among persons outside the Foundation.

### **ARTICLE 22**



22.1 – The President or his/her deputy convenes the Board of Directors, at the registered office or elsewhere, each time he/she would deem it appropriate or whenever he/she receives written request from the majority of Directors. The President sets the Agenda, coordinates the works of the Board and provides for informing all Directors about the issues to be discussed.

22.2 - The Board of Directors shall be convened by registered letter with acknowledgment of receipt or by any other means allowing the acknowledgement of receipt, to be sent to the domicile of each director and auditors in office at least seven days before the meeting. In case of necessity and urgency the Board shall be convened by telegram or fax, or by any other means allowing the acknowledgement of receipt, within the third day before the meeting date.

22.3 – Even in absence of convocation notice, the Board of Directors may duly deliberate on any issue it is in charge of, whenever all Directors are gathered in any location and all Auditors in office attend; it is provided that, in this case, each of the attendees has the right to oppose the debate on the issues he/she considers to be not properly informed on.

22.4 – Whenever the convocation notice would provide for it, the Board may meet by video- or tele-conference, provided that all attendees could be identified and allowed to follow the debate and attend in real time the debate on the issues. The meeting is deemed held in the location where the President is physically present.

22.5 – The Board may deliberate also by consultation in written or according to the consent in written of each of the directors; in this case the President of the Board of Directors or at least three directors shall communicate the text of the proposed deliberation to all the others, setting a term up to eight days within which each of them shall send his/her possible consent to it to the registered office; in case of lacked answer within the set term, the consent shall be deemed denied; the documents shall clearly show the issue object of deliberation and the relevant consent; communications may be sent by any means allowing to verify their origin and acknowledge their receipt (also by declaration of receipt sent by the same means), including telefax and e-mail, and shall be kept by the Foundation. Decisions of directors adopted under this procedure shall result from specific minutes drawn up by the management body and inserted in the Minutes' book of the Board of Directors, after verifying that all entitled subjects have received the relevant communication.

### **ARTICLE 23**

23.1 – The presence of the majority of directors in office is required for the validity of the Board of Directors' deliberations; deliberations shall be adopted by absolute majority of attendees. In the event of a tie, the chairman shall have the casting vote. In case of deliberations under the procedure provided for in article 22.5, deliberations are effective whenever adopted by the absolute majority of directors.

### **ARTICLE 24**

24.1 – The Board of Directors has the broader powers for the ordinary and extra-ordinary management of the Foundation. The Board is entitled to perform all actions it would deem appropriate for implementing and achieving all purposes of the Foundation, excluding only those assigned to the Steering Board by this Articles of Association.

24.2 – The Board of Directors shall:

- a) draw up and approve the three-years program of activities and financial sheets upon proposal of its President and send them to the Founders and Institutional Participants. The Board of Directors shall approve the three-years Program and Financial Sheets within the month of December of the year preceding the reference period;
- b) draw up the financial statements according to the civil code provisions on the budget of limited companies, if applicable;
- c) appoint a Secretary upon proposal of the President;

- d) set, by qualified majority of 50% of its members, the amount of the contributions under article 8 of this Articles of Association at the expenses of Founders, Institutional Participants and Participants to be submitted to the approval of the Steering Board;
- e) decide the acceptance of the contributions, allocations, donations as well as the real estate purchase and sale;
- f) approve, by qualified majority of 50% of its members, the Founders, Institutional Participants and Participants' proposals on the amount of incomes, revenues or contributions to be used for increasing the assets;
- g) set, if it is not specifically required, by qualified majority of 50% of its members, the amount of incomes, revenues or contributions of Founders, Institutional Participants and Participants to be used for increasing the assets;
- h) submit the applications of new Co-Founders and Institutional Participants to the Steering Board, by qualified majority of 50% of its members;
- i) deliberate on the use of surpluses for the institutional purposes;
- j) set the amount of incomes, revenues or contributions different from the previous ones to be used for covering any yearly or long-term needs;
- k) may authorize the use of contributions of Founders not to be allocated to the assets and contributions of Institutional Participants and Participants for specific initiatives of public interest;
- l) may propose modifications to the Articles of Association of the Foundation, to be submitted to the Steering Board;
- m) deliberate on the opening and closing of local and branch offices.

24.3 – The Board of Directors may delegate part of its powers to one or more Executive Officers, except for those powers that the Board of Directors shall keep according to law or this Articles of Association.

24.4 – The Board of Directors may delegate the ordinary management to an Executive Committee, which may in turn sub-delegate its specific functions to each of its members, under the limits allowed by law and the Articles of Association, for specific issues falling into the institutional purpose of the Foundation, setting the number of its members, the functions, the delegations to operate with third subjects and bank Institutions, the working procedures and any remuneration of its members, according to a specific Rule approved by the Board of Directors of the Foundation, heard the Board of Auditors. In such cases the provisions under article 2381 paragraphs 3, 5 and 6 civil code shall be applied accordingly.

24.5 – The Board of Directors, upon proposal of its President, may also appoint a Scientific Director and / or an Executive Director setting the relevant functions and remunerations.

24.6 – The delegated bodies shall refer to the Board of Directors and Board of Auditors, at least each 90 days, on the general management and its expected development, as well as on the most relevant operations of the Foundation.

24.7 – The Board of Directors shall appoint the Scientific Board, choosing its members among leading representatives of the national and international scientific community.

## **ARTICLE 25**

25.1 – The members of the Board of Directors receive in addition to the reimbursement of expenses made for their office, the remuneration each time set by the Steering Board.

25.2 – The Board of Directors sets the remuneration of the Executive Officers, Executive Committee, Directors and members of the Scientific Committee, at the date of their appointment.

25.3 – Directors not attending 3 meetings of the Board of Directors or Executive Committee, if appointed, during one solar year without adequate justification shall be dismissed and replaced.

## **ARTICLE 26**

26.1 – The Scientific Director, if appointed, performs the scientific directives and advices of the President and Board of Directors and carries out the deliberations of the Executive Committee on the scientific activity. He/she is also responsible for the technical management of the Foundation.

26.2 – In particular the Scientific Director:

- a. exercises any powers the Board of Directors assigns him/her;
- b. is responsible for implementing the deliberations of the Board of Directors he/she is in charge of;
- c. coordinates the offices, activities and scientific staff of the Foundation;
- d. provides for the management and supervision of the scientific activity programs of the Foundation.

26.3 – The Executive Director, if appointed, implements the directives and advises of the President and the Board of Directors and executes the deliberations of the Board of Directors and the Executive Committee, if appointed, related to the general, administrative and organization activity. He/she also provides for the implementation of the financial and administrative directives of the Foundation, expressed by the Board of Directors and the Executive Committee, if appointed.

26.4 – In particular the Executive Director:

- a. exercises any powers assigned by the Board of Directors on management, finance and audit matters;
- b. is responsible for implementing the deliberations of the Board of Directors he/she is responsible for;
- c. coordinates the offices, activities and administrative staff of the Foundation;
- d. provides for the audit of the Foundation;
- e. attends the meetings of the Board of Auditors.

## **TITLE VI SCIENTIFIC COMMITTEE**

### **ARTICLE 27**

27.1 – The Scientific Committee consists of at least 3 (three) and up to 9 (nine) members, chosen among qualified representatives of the national and international scientific community, considering their expertise, skills and experience. The Committee's members elects their President at their first meeting.

27.2 – The members of the Scientific Committee are appointed by the Board of Directors, remain in office for the duration of the Board of Directors that appointed them and are re-eligible. The members of the Scientific Committee are individually revocable by the Board of Directors. The Scientific Committee shall be dismissed, regardless the date it has been appointed, when the Board of Directors terminates its office for any reason.

The first appointment, whenever the Foundation's members would want it, shall be with the deliberation on transformation.

27.3 – Membership in the Scientific Committee is not compatible with membership in the Board of Directors and Executive Committee.

27.4 – The Scientific Committee is convened and chaired by its President. The President of the Board of Directors attends the meetings of the Scientific Committee, with no right to vote. The Scientific Committee's deliberations are valid only if the majority of its members attend. In the event of a tie, the chairman shall have the casting vote.

27.5 – The Scientific Committee is in charge for assessing the researches performed by the Center and the quality of the outcomes achieved. In particular, under the limits set by the Board of Directors, the Scientific Committee:

- a. gives its advice on the three-years Program of activities drawn up by the Board of Directors;
- b. elaborates proposals on the study and research activities of the Center;
- c. issues non-binding advices and observations on the issues the Board of Directors submits.

## **TITLE VII REPRESENTATION OF THE FOUNDATION**

### **ARTICLE 28**

28.1 – The President of the Board of Directors shall represent the Foundation. The Board of Directors has the power to delegate the use of the Foundation’s signature, with those limitations that it would deem appropriate, to one or more Directors, both separately and jointly, or to one or more Executive Officers or Proxies, both separately and jointly.

## **TITLE VIII BOARD OF AUDITORS**

29.1 – The Steering Board may appoint a Board of Auditors.

The first appointment, whenever the Foundation’s members would want, shall be with the deliberation of transformation.

Anyway the Board of Auditors, once appointed, consists of three effective members and two deputies. Almost two of the three effective members, including the President, shall be auditors enrolled in the Register at the Ministry for Economics and Finances. Auditors remain in office for three financial years and their term of office shall expire at the date of the Steering Board convened for the approval of the financial sheets related to the third financial year of the office. The first ones, if the Board will remain in office, remain in office until the current expiry date. The Steering Board shall set the remuneration for the members and President of the Board at their appointment. Law provisions on the Board of Auditors in limited liability companies shall be applied, if applicable, to the Board of Auditors of the Foundation. Once appointed, the Board of Auditors performs the function of legally-required audit of accounts. The Steering Board may assign the legally-required audit to an auditor or audit company enrolled in the Auditors’ Register. In this case it’s not necessary that the auditors are enrolled in the Register at the Ministry for Economics and Finances. The auditor not attending two meetings of the Board in a financial year with no adequate justification shall terminate his/her office and be replaced by the elder in age deputy until the next meeting of the Steering Board, which will provide for the new appointment.

29.2 – The members of the Board of Auditors are invited to attend the meetings of the Steering Board, the Board of Directors and the Executive Committee.

29.3 – The Board of Auditors gives its advice on the financial statements and, only in case there are observations, on the Three-years Program of activities.

## **TITLE IX FINANCIAL STATEMENTS AND PROFITS**

### **ARTICLE 30**

30.1 Financial years close on 31<sup>st</sup> December each year. Financial statements are drawn up and approved according to the provisions of this Articles of Association.

### **ARTICLE 31**

31.1 Profits, surpluses, funds, reserves, or capital shall not be distributed during the organization's life, unless their destination or distribution is required by law.

31.2 - Given that the Foundation is non-profit, profits and surpluses shall also be used for implementing the institutional activities and those directly related to them. Any surpluses shall be allocated to assets or bound to future expenditure and/or investment projects.

## **TITLE X TERMINATION, WITHDRAWAL AND EXCLUSION**

### **ARTICLE 32**

32.1 – The Steering Board may declare the termination of Founders, Institutional Participants or other Participants whenever the admission requirements would fail for protracted non-compliance with the obligations related to the payment of contributions or other obligations deriving from this Articles of Association.

32.2 – Each Founder may withdraw from the Foundation giving a written prior notice of at least 12 months to the President. Each Institutional Participant and Participant may withdraw from the Foundation giving a written prior notice of at least 12 months to the President. None of the subjects under this paragraph has the right to require, in case of withdrawal, the reimbursement of the sum paid or committed at the signing of the application to the research project.

32.3 – Whenever the majority of Founders would notice their intention to withdraw, the Board of Directors shall continue its activity until the meeting date of the Steering Board for approving the financial statements of the current year. This Board will be in charge for deliberating on the dissolution of the Foundation by the majorities required by article 17.2 of this Articles of Association, or the activity's continuation.

32.4. Whenever all Founders would notice their intention to withdraw, even in different times, or all Founders would lack, the Board of Directors shall continue its activity until the date in which the Steering Board will approve the financial statements of the current year. This Steering Board is in charge for ascertaining the Foundation's dissolution, or deliberating, by the majorities required by article 17.2 of this Articles of Association, the admission of new co-Founders and the continuation of activities with them. A subsequent Steering Board, urgently convened and consisting of the new co-Founders' representatives, will ratify the deliberation and ascertains the continuation of the Foundation's activities.

32.5 – The exclusion of a Founder, Institutional Participant or Participant is deliberated by the Steering Board upon proposal of the Board of Directors and may be decided for serious violations of the obligations deriving from law, this Articles of Association and the Rules, for failure or loss of the requirements provided for the participation to the Foundation, as well as for the bankruptcy, interdiction, disqualification or for a sentence implying the even temporary interdiction from public offices. The bankruptcy declaration of a Founder, Institutional Participant or Participant is immediately effective to the aims of the exclusion. The Founder, Institutional Participant or Participant incurring in one of the cases providing for the exclusion may be immediately suspended from the Foundation's activities, by deliberation of the President of the Board of Directors, who shall contextually convene the Steering Board in order to deliberate to this concern, unless concluding the ongoing projects under the direction and supervision of the Foundation's bodies. The exclusion is effective thirty days after the date on which the Board's deliberation is communicated to the excluded Founder, Institutional Participant or Participant; the Board of Directors shall send this notice by registered letter with acknowledgement of receipt or Certified Mail within ten days from the deliberation. The Founder, Institutional Participant or Participant may submit a claim to the Court against the deliberation of exclusion within the term of 30 days from the communication.

**TITLE XII  
DISSOLUTION AND LIQUIDATION**

**ARTICLE 33**

33.1 – In case of dissolution of the Foundation at any time and for any reason, the Steering Board deliberates on the liquidation procedures and appoints one or more liquidators, setting their powers and remuneration.

The assets remaining after the liquidation shall be devolved upon indication of the Steering Board to other organizations having the same purposes or to public utility purposes or projects, foremost concerning the territories where the Founders work, in proportion to the respective contribution's share to the endowment Fund, unless different destinations or addresses provided for by laws applicable at the closing date of the liquidation.

**TITLE XIII  
JURISDICTION AND FINAL PROVISION**

**ARTICLE 34**

34.1 – Any dispute should arise on the available rights related to the Foundation's relationship among Founders, Institutional Participants or Participants, or between these subjects and the Foundation shall have an out-of-court settlement. In case an out-of-court settlement should not be possible, the jurisdiction is assigned by now to the Court of Lecce.

**ARTICLE 35**

35.1 – The Civil Code and current laws on Foundations, integrated by the provisions on companies, shall be applied for all not provided for in this Articles of Association, only if applicable.

(signature)

(signature)

(stamp)