

-----**EXTRAORDINARY ASSEMBLY**-----  
 -----**OF ASSOCIAZIONE RONDINE CITTADELLA DELLA PACE**-----  
 -----**O.N.L.U.S.**-----  
 -----**ITALIAN REPUBLIC**-----

On the twenty-third of May two thousand fifteen, at six p.m.-----  
 -----(May 23<sup>rd</sup>, 2015)-----

In Arezzo, Località Rondine 1-----  
 In front of me, Dr. FABRIZIO PANTANI, Notary Public in Arezzo, registered in the Arezzo Board of Notaries, is personally present Mr.:

VACCARI FRANCO, born in Arezzo on July 9<sup>th</sup>, 1952, domiciled in the Association’s offices to the purpose of his position, participating in this act in his quality of President of the Board of Directors of “ASSOCIAZIONE RONDINE CITTADELLA DELLA PACE O.N.L.U.S.” whose headquarters are in Arezzo, Località Rondine 1, Fiscal code No. 92006970518, not-for-profit organization of social utility (ONLUS) registered in the National Register of Volunteer Organizations – Arezzo Provincial Section – under No. 154 (Decree of the President of the Arezzo Province, 1 December 1997, No. 253).-----

The appearing party, an Italian citizen of whose personal identity and declared position I am certain, asks me to assist at the Extraordinary Assembly of the aforesaid Association’s members convened in this place, on this date and at this time to discuss and deliberate on the following, previously established

----- Agenda-----

- Discussion and approval of the proposed modifications to the Statute of Associazione Rondine-----
- Any other business-----

Complying with such request I, Notary Public, acknowledge the execution of social operations as follows.-----

According to the Association’s Statute, the appearing party Mr. Franco Vaccari in his quality of President is chairman of the Assembly and, therefore acknowledges and invites to acknowledge:-

- the presence, personally or by means of proxies whose formal regularity has been previously verified by the President and that will be filed into the Association’s archives, of 147 (one hundred and forty seven) members out of total 287 (two hundred and eighty seven) members holding the right the vote and making up the entire Association. The list of the participants’ names, whose reading is omitted upon mutually agreed dispensation received by the appearing party, is signed by the participants and the President, and is attached to this act under the letter “A”;-

- the presence of following components of the Board of Directors, in addition to the appearing party in his quality of President: Mr. Fabbroni Angelo, Mr. Mussuto Lorenzo, and Mr. Cassini Giuseppe;-----

- that this Assembly has been regularly convened according to Art. 20 (twenty) of the current Statute of the Association;-----

- that the first Assembly convened on April 30<sup>th</sup>, 2015 at 10 a.m. was not quorate;-----

- that this Assembly is therefore validly established in order to deliberate on the above mentioned Agenda according to Art. 23 (twenty-three) of the current Statute of the Association.-----

The President then illustrates the operational reasons underlying the need for a complete revision of the Association’s Statute and invites me, the Notary Public, to read the draft of the new modified text to the Assembly, which he invites to approve the draft.-----

Once I, the Notary Public, have finished reading the drat of the new Statute, and after a broad

and articulate debate with explanations provided by the President; the Assembly unanimously  
-----deliberates-----  
-the adoption of the new text of the Statute as proposed and illustrated by the President, made  
up of 22 (twenty-two) articles, in the version previously red to the Assembly by me, the Notary  
Public, and attached to this act under letter B.-----  
-The agenda does not include any other item to be deliberated, hence the President declares  
that the Assembly comes to a conclusion at six forty p.m.-----  
The expenses relating to this act and deriving from it are borne by the Association, which  
requests the implementation of all fiscal benefits established by law for not-for-profit  
organization of social utility (O.N.L.U.S.).-----  
As requested I, the Notary Public, have received this act written by me on four pages up to this  
point of one sheet, and read to the appearing party who, upon my request, declares this act as  
corresponding to his will.  
Signed: FRANCO VACCARI, FABRIZIO PANTANI NOTARY PUBLIC-----  
I certify that this copy, including attachments "A" and "B", is a true copy of the original document  
signed as prescribed by law.-----Arezzo,  
June 12<sup>th</sup>, 2015

[STAMP AND SIGNATURE]

## «ASSOCIAZIONE RONDINE CITTADELLA DELLA PACE»

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### STATUTE

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#### Introduction

In 1977, the Bishop of Arezzo, S.E. Monsignor Telesforo Cioli, entrusted a group of young families with the use of the church and some adjacent structures in the hamlet of Rondine, which had been abandoned for years. Here, the community of Rondine was born, alongside its commitment to start the reconstruction of the small village. In the following years, the young people from another two communities - the Sacred Heart community in 1979, and the Youth Community of Saione in 1984 - joined the founding group, inspired by some early members of the Rondine community. Rondine became a place of training, especially for young people and families and a place of welcome and services for people and families in difficulty. In 1990, the three communities federated to form the "Associazione Rondine" to provide, while respecting the individuality of each group, a legal instrument that would allow for the communal management of Rondine. Numerous initiatives grew over the following years, as well as the development of intense relations with the Soviet Union, which later became the Russian Federation, up until the outbreak of the first war in Chechnya in 1995, an event in which the Association first worked out a truce. Accredited as a "common friend" of the Russian and Chechen people, the Association changed its name in 1997 to "Associazione Rondine-Cittadella della Pace" and decided to welcome five students from Chechnya and Russia, giving life to the World House. The village, which was gradually restructured from the start, took on new life: a place, an idea, a concrete perspective on civilization had taken shape.

#### Title I - General Provisions

##### Art. 1. Denomination

1. The organization is constituted under Italian legislation in the legal form of Association and is called "Associazione Rondine Cittadella della Pace, volunteer organization and non-profit organisation of social utility", also referred to in short as "Associazione Rondine Cittadella della Pace OdV Onlus" or "Associazione Rondine Cittadella della Pace" or "Associazione Rondine" or simply "Rondine" ("Associazione").

##### Art. 2. Headquarters

1. The Association's legal headquarters are located in Italy, in the Municipality of Arezzo, at the following address:  
Località Rondine, 1.
2. The Association may establish administrative offices other than the main office, operational offices, secondary offices, branches and representative offices both in Italy and abroad, without any territorial constraints.

##### Art. 3. Duration

1. The duration of the Association is undetermined.

#### **Art. 4. Object of the Association: purposes and sectors**

1. The Association is freely constituted in order to carry out volunteer activities which shall be personal, spontaneous, free of charge, and not pursuing any lucrative purposes neither directly nor indirectly. More specifically, its institutional aim is to promote a culture of peace in order to contribute to the resolution of conflicts through a tangible example of dialogue and peaceful coexistence. The Association's action is conducted on European, international, ecumenical and interreligious levels and constantly inspired by the Christian and universal values of freedom, justice, truth and love. The Association firmly believes that thanks to those values, conflict will not transform into violence but, instead, spur creativity, enhance reconciled relationships and allow the creation of a laical dimension where all and everyone's opinions can meet and confront with one other without any discriminations and limitations.
2. The Association carries out its activities and those linked and complementary to them in the following areas:
  - a) charity;
  - b) education;
  - c) training;
  - d) amateur sports;
  - e) protection and promotion of culture and of artistic goods;
  - f) protection of civil rights;
  - g) environmental protection;
  - h) scientific research;
  - i) development cooperation activities in favour of the populations living in third-world, developing and transition countries;
  - j) ecumenical and interreligious dialogue;
  - k) hospitality to people coming from countries or regions in conflict or characterized by political or social unrest, without any discrimination based on gender, race, language, religion, age, economic and social conditions;
  - l) openness of the local community and all its components to the opportunities and responsibilities deriving from the interaction with the international community;
  - m) communication and promotion of the Association's principles.

#### **Art. 5. Interpretation**

1. The Statute is binding on all Association members.
2. The Statute is interpreted in accordance with the provisions of law and with the general principles of the legal system regarding the interpretation of law and of the contract.

#### **Title II – Members and participants other than Members**

##### **Art. 6. Members**

1. Any natural person over 16 years of age, of Italian or foreign citizenship or stateless, regardless of gender, ethnicity, culture, language and religion can become a member, provided that he/she proves to share the goals of the Association.

2. Anyone who wishes to become a Member has the duty of presenting a written or electronic admission request to the Association. The admission request shall be examined and accepted by the Board of Directors.
3. Members are entitled to the right of intervention and the right to vote in the Assembly, and to obtain information regarding the activities put in place by the Association.
4. Members are required to pay an annual membership fee whose amount is established by the Board of Directors, and to perform the Association's activities personally, spontaneously, and free of charge.
5. Membership is not transmissible and can be lost if any of the following events occur: (a) withdrawal; (b) death; (c) exclusion for failing to pay the membership fee; (d) exclusion for dishonourable conduct. Members must communicate their withdrawal in writing to the Board of Directors, and it will come into effect at the end of the membership term, provided that the letter was sent at least three months in advance. The death of a Member shall not result in the transfer of membership to his/her heirs or to the person succeeding in his/her rights. Exclusion for failing to pay the membership fees is established by the Board of Directors if the Member has failed to pay the membership fee for two years; the exclusion takes effect thirty days after the member has received the related communication by any means ensuring a proof of receipt; within this term the excluded member may appeal to the Arbitrator against the exclusion or settle his/her overdue payments. The exclusion of a Member for dishonourable conduct shall be established by the Board of Directors when a member's behaviour is clearly not in compliance with the Association's purposes. Exclusion for dishonourable conduct takes effect thirty days after the member has received the related communication, by any means ensuring a proof of receipt; within this term the excluded member may appeal to the Arbitrator against the exclusion.

#### **Art. 7. Volunteers**

1. Natural persons who cannot or do not intend to be qualified as "Members" can perform the Association's activities as Volunteers. Their status is established and regulated by the Board of Directors. Volunteers provide their services personally, spontaneously and free of charge. Volunteers are recognized as essential components of the Association.

#### **Art. 8. Working members**

1. The Association may sign working agreements only with subordinate or self-employed workforce who are not Members or Volunteers, and only within the limits of the operations which are necessary for its institutional functioning.

### **Title III – Bodies**

#### **Art. 9. List**

In order to fulfil its duties, the Association avails itself of the following bodies:

- a) the Assembly;
- b) the President;
- c) the Vice-President;
- d) the Board of Directors;
- e) delegated administrative bodies (Directors and/or Executive Committees);

- f) the internal control body (Auditor or Board of Auditors);
  - g) the Arbitrator.
1. The Association's rules are inspired by principles of democracy, transparency and pluralism. The Association's roles are elective and free of charge.

#### **Art. 10. The Assembly**

1. The Assembly is an essential body of the Association. The Assembly is a collegial body composed of all Members, who participate personally or through their legal representatives or other persons designated to this purpose.
2. The Assembly has the power to deliberate on matters established in the Statute as pertaining to it. The Assembly can be ordinary or extraordinary depending on the subject matter to be deliberated on. The ordinary Assembly deliberates on: (a) the approval of the annual program; (b) the approval of the financial statements; (c) the institution and discipline of special categories of members; (d) the number of Administrators and Auditors; (e) the appointment of the President, Administrators, Auditors, and Arbitrator; (f) the dismissal of the President, Administrators, Auditors, and Arbitrator; (g) the action of liability against the President, Administrators, Auditors, and Arbitrator. The extraordinary Assembly deliberates on: (a) modifications of the Statute; (b) the dissolution of the Association; (c) the appointment of liquidators; (d) the devolution of assets.
3. The Assembly exercises its powers collectively according to the rules set out below:
  - a) The Assembly may be convened by the President of the Association whenever he/she deems it appropriate. The Assembly must be convened at least once a year, within one hundred and twenty days after the end of the previous financial year, in order to approve the annual financial statements. If the President fails to convene the Assembly, this shall be convened by the Arbitrator at the request of any Member; if the Arbitrator fails to convene the Assembly, this shall be convened by the president of the tribunal at the request of any Member. The Assembly must be convened whenever at least 1/10 of the Members submit a justified request and within ten days from the request. If the President fails to convene the Assembly, this shall be convened by the Arbitrator at the request of any Member; if the Arbitrator fails to convene the Assembly, this is convened by the president of the tribunal at the request of any Member. The Assembly is convened in the Italian territory by means of a notification indicating the day, time and place of the meeting in first and in second convocation, the agenda, and with a proxy form enclosed. This notification must be published on the Association's website at least ten days before the meeting or must be sent to all Members by any means ensuring a confirmation of receipt. If the summoning is not or irregularly notified, the Assembly is still considered as regularly convened if all Members are present.
  - b) The Assembly is chaired by the President of the Association, or by the Vice President in his absence, or by a member elected by the majority of attendees if both the President and the Vice-President are absent. The chairman of the Assembly appoints the secretary; he verifies the legitimacy of the attendees, the validity of the meeting and the validity of deliberations. He invites the Assembly's secretary to take minutes of the meeting: these must be signed by both the chairman and the secretary of the Assembly and transcribed in a registry kept by the Board of Directors.

- c) Each Member has the right of intervention and the right to only one vote. The right of intervention may be exercised by Members: (i) through direct participation in the Assembly, (ii) through indirect participation in the Assembly by mail. The right to vote may be exercised by Members: (i) personally and directly through their vote in the Assembly, (ii) through a personal and indirect vote, either by mail or electronically, (iii) through a representative; the right to vote through a representative requires a written proxy to be delivered to another Member. The latter cannot represent more than a total of ten Members.
- d) The first convocation of the ordinary Assembly requires a validity quorum of half the Association's Members and a deliberative quorum of the majority of attendees; the second convocation of the ordinary Assembly does not require any validity quorum and only requires a deliberative quorum of the majority of attendees. The first convocation of the extraordinary Assembly requires a validity quorum of half the Association's Members and a deliberative quorum of two thirds of the attendees; the second convocation of the extraordinary Assembly requires a validity quorum of one fourth of the Association's Members and a deliberative quorum of two thirds of the attendees. The extraordinary assembly called to decide on the Association's dissolution or on the devolution of assets requires a special validity and deliberative quorum of three quarters of all members, regardless of the convocation.

#### Art. 11. The President

1. The President is an essential body of the Organization. The President is a unipersonal body and a natural person. The President is an ex-officio member as well as Chairman of the Board of Directors. The President is appointed by the Assembly among its members.
2. Causes of ineligibility for the position of President are: (a) minority; (b) incapacitation (c) disablement; (d) final sentence for crimes against property, persons, public faith, public security and public order, the administration of justice, the public administration, and the State. Causes of incompatibility with the position of President: (a) the role of Auditor; (b) the role of Arbitrator; (c) any other position which is clearly incompatible with the position of President due to legitimacy or expediency reasons.
3. The President holds office for three years and can be re-elected.
4. The President is entitled to the reimbursement of expenses incurred in the exercise of his/her functions, but his/her office is unpaid.
5. The position of President is lost in the following cases: (a) end of term; (b) resignation; (c) death; (d) revocation by the Assembly that can take place at any moment and is subject to damage compensation if the President is revoked without a just case. When the President comes to end of term, he/she shall maintain his/her position until a new President is appointed. When the President leaves his/her office due to resignation, death or revocation, any Member is entitled to convene the Assembly for it to appoint the new President.
6. The President is civilly liable for his/her actions towards the Association according to the rules of office and is required to compensate damages if he/she fails to perform the duties imposed by his/her position and by his/her specific skills. Liability action against the President is deliberated by the Assembly and is exercised by a Member acting as a diligent party.
7. The President is the legal representative of the Association, both internally and externally, from both a substantial and a procedural point of view, and has the power to convene the Assembly and the Board of Directors. The President can delegate his/her role as a legal representative, in part or completely, to individual

administrators. In case of delegation of the legal representation, it is presumed that the President will maintain his/her representative power separately from the delegate, unless otherwise agreed. In case of multiple delegations of the legal representation, it is presumed that the delegates will be authorized to exercise such power separately, unless otherwise agreed. The decision to delegate the legal representation must be communicated by the President to the Board of Directors; this shall acknowledge it and put it into effect in the first meeting following the decision.

8. The President exercises his/her responsibilities individually.

#### **Art. 12. The Vice Presidents**

1. The Vice Presidents are necessary bodies of the Association. The Vice Presidents can be one person or two, and each of them is a unipersonal body and a natural person. The Vice President is appointed by the Board of Directors among its members.
2. Causes of ineligibility for the position of Vice President are: (a) minority; (b) incapacitation; (c) disablement; (d) final sentence for crimes against property, persons, the public faith, public security and order, the administration of justice, the public administration, and the State. Causes of incompatibility with the position of Vice President are: (a) the role of Auditor; (b) the role of Arbitrator; (c) any other position which is clearly incompatible with the position of Vice President due to legitimacy or expediency reasons.
3. The Vice President holds office for three years and can be re-elected.
4. The Vice President is entitled to the reimbursement of expenses incurred in the exercise of his/her functions, but his/her office is unpaid.
5. The position of Vice President is lost in the following cases: (a) end of term; (b) resignation; (c) death; (d) revocation by the Assembly that can take place at any moment and is subject to damage compensation if the Vice President is revoked without a just case. When the Vice President comes to end of term, he/she shall maintain his/her position until a new Vice President is appointed. When the President leaves his/her office due to resignation, death or revocation, any member of the Board of Directors is entitled to convene the Board for it to appoint the new Vice President.
6. The Vice President is civilly liable for his/her actions towards the Association according to the rules of office and is required to compensate damages if he/she fails to perform the duties imposed by his/her position and by his/her specific skills. Liability action against the Vice President is deliberated by the Assembly and is exercised by a Member acting as a diligent party.
7. The Vice President is entrusted to act as a surrogate and a substitute for the President in case of his/her absence or impediment.
8. The Vice President exercises his/her functions individually.

#### **Art. 13. The Board of Directors**

1. The Board of Directors is an essential body of the Association. The Board of Directors is a collegial body composed of an odd number of persons ranging from eleven to fifteen. The number of its members is established by the Assembly. The President of the Association is an ex-officio member as well as Chairman of the Board of Directors. The Board of Directors is appointed by the Assembly among its members.



2. Causes of ineligibility for the position of Director are: (a) minority; (b) incapacitation; (c) disablement; (d) final sentence for crimes against property, persons, the public faith, public security and order, the administration of justice, the public administration, and the State. Causes of incompatibility with the position of Director are: (a) the role of Auditor; (b) the role of Arbitrator; (c) any other position which is clearly incompatible with the position of Director due to legitimacy or expediency reasons.
3. The Board of Directors holds office for three years and each member can be re-elected.
4. Each Director is entitled to the reimbursement of expenses incurred in the exercise of his/her functions, but his/her office is unpaid.
5. The position of Director is lost in the following cases: (a) end of term; (b) resignation; (c) death; (d) revocation by the Assembly that can take place at any moment and is subject to damage compensation if the Director is revoked without a just case. When the Director comes to end of term, he/she shall maintain his/her position until a new Director is appointed. When the Director leaves his/her office due to resignation, death or revocation, (i) if the number of Directors still in office is more than half the appointed members, the remaining members shall appoint a substitute who will remain in office until the following meeting of the Assembly, that will either confirm or replace him; (ii) If the number of Directors still in office is less than half the appointed members, the remaining members shall summon the Assembly for it to appoint a substitute. The substitute will remain in office until the end of term of the members who were in office on the date of his/her appointment; (iii) if all Directors have ceased office, any Association Member can convene the Assembly for it to re-establish the Board of Directors.
6. Directors are civilly liable for their actions towards the Association according to the rules of office and are required to compensate damages if they fail to perform the duties imposed by their position and by their specific skills. The Directors are jointly responsible, however, the Director who has expressed his disagreement and had it registered in the minutes is exempt from such joint responsibility. Liability action against the President is deliberated by the Assembly and is exercised by a Member acting as a diligent party.
7. The Board of Directors is responsible for the administration of the Association and also has the power to advise and provide general direction in all areas, except for those assigned to the Assembly by the law or the Statute. The Board of Directors can totally or partially delegate its administrative power to individual administrators. In case of delegation of the administrative power, it is presumed that the Board of Directors will maintain its administrative power separately from the delegated person, unless otherwise agreed. In case of delegation of the administrative power to more than one person, it is presumed that the delegates will be authorized to exercise their administrative power separately, unless otherwise agreed. The Board of Directors may not delegate its administrative power in the following fields: (a) admission of Members; (b) exclusion of Members; (c) determination of the membership fee; (d) appointment of the Vice Presidents; (e) implementation of the President's decision to delegate his/her representative power to the administrators; (f) delegation of the administrative power to individual administrators; (g) convocation of the general elections; (h) appointment of Members delegated to represent the Association in the governing bodies of other institutions; (i) proposal to the Assembly concerning the establishment and regulation of special categories of Members; (j) establishment and regulation of the status of natural persons not classified as Members but as Volunteers; (k) establishment and regulation of the status of natural persons, not classified as Members or Volunteers, who take part in the Association's activities in other roles; (l) establishment and regulation of organizational units and appointment of their managers; (m) appointment of the Director General.

8. The Board of Directors exercises its duties collectively according to the following rules:
- a) The Board of Directors may be convened by its chairman whenever he/she deems it appropriate. The Board of Directors must be convened by its chairman upon duly motivated request of at least one third of its components within ten days of the request; if the chairman fails to convene the Board, this shall be convened by the Arbitrator at the request of any component; if the Arbitrator fails to convene the Board, this shall be convened by the president of the tribunal at the request of any component.
  - b) The Board of Directors is convened within the territory of the Italian Republic by means of a notification indicating the day, time and location of the meeting, and the agenda. A notification must be sent to all directors and Auditors at least ten days before the meeting by any means ensuring a confirmation of receipt. If the summoning is not or not correctly notified, the meeting of the Board of Directors is considered as valid if all components of the Board and the Auditors are present.
  - c) The meeting of the Board of Directors is chaired by the Chairman of the Board or, if absent, by a Vice President; if this absent, the meeting shall be chaired by a person elected by the majority of participants. The Chairman of the meeting shall appoint the secretary of the meeting, verify the legitimacy of the participants, verify the validity of the meeting, ascertain the validity of the decisions, and invite the secretary to take minutes of the meeting which must be signed by the Chairman and the secretary and be transcribed in a registry kept by the Board of Directors.
  - d) Each Director has the right of intervention and the right to only one vote. The right of intervention may be exercised by trustees: (a) through direct participation in the meeting; (b) through indirect participation in the meeting, either by mail or electronically. The right to vote can be exercised: (a) personally and directly, by expressing their vote during the meeting; (b) personally and indirectly, by expressing their vote either by mail or electronically.
  - e) The Board of Directors requires a validity quorum of half of its components and a deliberative quorum of the majority of attendees.

#### **Art. 14. Delegated Administrative Bodies (Managing Director/Executive Committee)**

1. The delegated Administrative Bodies are non-essential bodies of the Association. The Delegated Administrative Bodies can be unipersonal bodies ("Managing Director") or collective bodies made up of a number of components from three to five natural persons ("Executive Committees"). The delegated administrative bodies are established by the Board of Directors and are internal bodies of the Board. The components of the delegated administrative bodies are appointed by the Board of Directors among its members; if an Executive Committee is established, its president is appointed by the Committee during its first meeting with the majority of participants.
2. Causes of ineligibility for the position of member of the delegated administrative bodies are the same as for the position of member of the Board of Directors. Causes of incompatibility with the position of member of the delegated administrative bodies are the same as for the position of member of the Board of Directors.
3. The members of the delegated administrative bodies hold office for the duration determined in their appointment deliberation, which shall not exceed the duration of their office as members of the Board of Directors; each of them can be re-elected.
4. Members of the delegated administrative bodies are entitled to the reimbursement of expenses incurred in the exercise of their office, but their position is unpaid.

5. The position of member of the Delegated Administrative Bodies shall be terminated according to the same provisions concerning the termination of the position of Directors, where compatible .
6. The members of the Delegated Administrative Bodies are civilly responsible for their work with the Association according to the provisions concerning the liability of the Board of Directors, where compatible.
7. The Delegated Administrative Bodies are granted the power of total or partial administration of the Association by the virtue of the proxy granted by the Board of Directors.
8. Managing Directors exercise their responsibilities individually. If Executive Committees are established, they exercise their responsibilities collectively according to the same provisions governing the functions of the Board of Directors, where compatible.

#### **Art. 15. Internal control body (Auditor or Board of Auditors)**

1. The internal control body is an essential body of the Association. The internal control body can be a unipersonal body made up of a natural person ("Auditor") or a collective body made up of three natural persons ("Board of Auditors"). The number of Auditors is established by the Assembly. The Auditors are appointed by the Assembly; they can be or not be Members of the Association. They must be Italian citizens registered in the Roll of Accountants or in the Roll of Auditors. If a Board of Auditors is established, its chairman is appointed by the Executive Committee during the first meeting with the majority of participants.
2. Causes of ineligibility for the position of Auditor are: (a) minority; (b) incapacitation; (c) disablement; (d) a final sentence for crimes against property, persons, public faith, public security and order, the administration of justice, the public administration, and the State Causes for incompatibility with the position of Auditor are: (a) the position of President; (b) the position of member of the Board of Directors; (c) the position of Arbitrator; (d) the position of Director General; (e) any other position which is clearly incompatible with the position of Auditor due to legitimacy or expediency reasons.
3. The auditor holds office for three years and can be re-elected.
4. Each Auditor is entitled to the reimbursement of expenses incurred in the exercise of his/her office, but his/her position is unpaid.
5. The position of Auditor shall be terminated according to the same provisions concerning the termination of the position of Directors, where compatible.
6. The Auditors are civilly responsible for their work with the Association according to the provisions regarding the liability of the Board of Directors, where compatible.
7. The auditor retains the authority to perform the accounting audit and legitimacy check of administrative acts put in place by the Association's bodies. To this end, he/she also retains the authority to conduct inspections on the parties to whom the statute applies, to ask for information and request documentation. The auditor has the duty to write a report in compliance with art. 2429 of the Civil Code to be attached to the financial statements plan.
8. If there is only one Auditor, the Auditor exercises his/her responsibilities individually. If a Board of Auditors with three components is established, they exercise their responsibilities collectively according to the same provisions governing the functions of the Board of Directors, where compatible.

## Art. 16. The Arbitrator

1. The Arbitrator is an essential body of the Association. The Arbitrator is a unipersonal body made up of a natural person appointed by the Assembly. The Arbitrator can be or not be a member of the Association. The arbitrator must be registered in the Roll of Lawyers or be included in the Roll of notaries, of judges, of researchers, or of regular or assistant professors of juridical disciplines.
2. Causes of ineligibility for the position of Arbitrator are: (a) minority; (b) incapacitation; (c) disablement; (d) a final sentence for crimes against property, persons, public faith, public security and order, the administration of justice, the public administration, and the State. Causes of incompatibility with the position of Arbitrator are: (a) the position of President; (b) the position of Vice-President; (c) the position of member of the Board of Directors; (d) the position of member of the Delegated Administrative Bodies; (e) the position of Auditor; (f) the position of Director General; (g) any other position that is clearly incompatible with the position of auditor due to legitimacy or expediency reasons.
3. The Arbitrator holds office for three years and can be re-elected.
4. The arbitrator is entitled to the reimbursement of expenses incurred in the exercise of his/her office, but his/her position is unpaid.
5. The position of Arbitrator shall be terminated according to the same provisions concerning the termination of the position of Directors, where compatible.
6. The Arbitrator is civilly responsible for his/her work with the Association according to the provisions regarding the liability of the Board of Directors, where compatible.
7. The Arbitrator has the power to mediate and settle controversies between Members or between Members and the Association.
8. The arbitrator exercises his/her responsibilities individually according to the rules set out below:
  - a) All members can turn to the Arbitrator for the protection of their rights as Members of the Association.
  - b) Any member who intends to appeal to the arbitrator must send him/her a written request by any means ensuring a proof of receipt, or deliver it into the Association's legal headquarters to the attention of the Arbitrator. The written request must include: (i) the Member's first and last name; (ii) the defendant's first and last name; (iii) the indication of the Association's rule which are considered as violated; (iv) description of the events violating the Association's rules; (v) evidence of such events; (vi) description of the requested measures.
  - c) Within sixty days of the receipt or deposit of the request, the arbitrator will convene the two parties by any means ensuring a proof of receipt in order to carry out a mandatory reconciliation attempt. If this is successful, both parties will sign a settlement agreement that reiterates the content of the agreement reached by the two parties with the Arbitrator's mediation. If it is not successful, the Arbitrator and both parties will agree on procedural rules that shall guarantee the respect of the debate principle between the opposing parties, equality between the two parties, the impartiality of the Arbitrator, and the reasonable duration of the arbitration process.
  - d) The arbitration process is conducted following the rules agreed between the parties and the Arbitrator and ends with an extra judicial arbitration award governed by rules of equity. The Arbitrator's award is equal to a binding transaction contract, since it derives from the parties' willingness to negotiate

expressed by means of the Arbitrator acting on their behalf. The arbitration award is recorded in a register kept by the Arbitrator.

- e) Any dispute that cannot be submitted to arbitration according to the Association's statute will be subject to Italian jurisdiction and to the exclusive jurisdiction of the Court of Arezzo.

#### **Art. 17. Methods of appointing the President, the Board of Directors, Auditors, and the Arbitrator.**

1. Members of legal age who possess the necessary requirements indicated in the Statute hold the rights of a passive electorate and can apply for the general elections.
2. General elections are called by the Board of Directors every three years. The resolution from the Board of Directors to call a general election must contain the convening of the Ordinary Assembly, indication of the date, time, and place of the meeting, indication of the agenda with specific mention regarding the call for general elections, and the invitation to all members who possess the necessary requirements provided for in the Statute to put forward their candidacies at the Association's legal or administrative offices within the fifteen days preceding the date set for the meeting. The resolution is posted at the Association's legal or administrative offices and is communicated with notice to all members within the thirty days preceding the date set for the meeting with any means ensuring a proof of receipt. The notice must contain a proxy form.
3. Any Member who intends to apply for the position of President of the Association must deliver into the Association's legal or administrative offices, within the fifteen days preceding the date set for the meeting, a written document containing his/her name and a list of candidates for the Board of Directors. The maximum number of candidates shall be equal to half of the Board of Directors to be elected, except for the President, and the document must be signed by all the candidates.
4. Members who intend to apply for a position in the Board of Directors may join the list submitted by the Member who intends to apply for the position of President, or they may submit their candidacy to the Association's legal or administrative offices within the fifteen days preceding the date set for the meeting with a written document containing their name and signature. If candidates who are not on a list are less than the number necessary to reach the number of Board components determined by the Assembly, all members are automatically candidates for the Board of Directors; however, to produce the desired results, an eventual election must be accepted.
5. Members who decide to apply for the position of Auditor must file a written document containing their name and signature at the legal office of the Association within fifteen days preceding the date set for the meeting. If, at the end of the term, the candidates are less than the number necessary to reach the number of Auditors determined by the Assembly, the President of the Association may delegate a member who does not belong to any Association body to acquire the consent of natural persons (both members and non-members) in possession of the necessary requirements for the submission of a late application directly at the meeting of the Assembly.
6. Members who intend to apply for the position of Arbitrator must file a written document containing their name and signature at the registered office of the Association within fifteen days preceding the date set for the meeting. If, at the end of the term, there are no candidates, the President of the Association may delegate a member who does not belong to any body to acquire the consent of natural persons (both members and non-members) in possession of the necessary requirements for the submission of a late application directly at the meeting of the Assembly.

7. On the date and at the place fixed for the general elections, the meeting of the Assembly shall be presided over by the Dean. The oldest member of the Assembly is considered as the Dean. The Dean appoints the Secretary of the Assembly, and, with the help of him or her, verifies the legitimacy of the attendees, the validity of the assembly's constitution, and presents the prospective candidates.
8. Once the candidates are presented, the Dean coordinates the vote for the election of the President and of the Directors indicated in the lists. Each Member has the right to cast one vote in favour of only one list. The list that obtains two thirds of the votes during the first ballot results in the election of the President and the Directors linked to that list. If the first ballot quota has not been reached, a second ballot between the two lists that have obtained the highest number of votes in the first ballot is held. The list that obtains the highest number of votes during the second ballot results in the election of the President and the Directors linked to that list
9. Once the President is elected, he/she replaces the Dean as chairman of the Assembly and coordinates the vote for the election of the remaining Directors. Each Member has the right to express a vote in favour of as many candidates as there are Directors to be elected. The candidates who obtain the highest number of votes are elected to the Board of Directors.
10. Once all the Directors have been elected, the President of the Assembly shall coordinate the vote for the election of the Auditors. Each Member has the right to express a vote in favour of as many candidates as there are Auditors to be elected. The candidates who obtain the highest number of votes are elected as Auditors.
11. Once all the Auditors have been elected, the President of the Assembly shall coordinate the vote for the election of the Arbitrator. Each member has the right to vote for only one of the candidates. The candidate who obtains the highest number of votes during the vote is elected Arbitrator..
12. Once the Arbitrator is elected, the President of the Assembly verifies the validity of the resolutions and invites the Secretary of the Assembly to draw up the corresponding minutes that must be signed by the Dean, the President of the Assembly, and the Secretary, and transcribed in a special register kept by the Board of Directors.

#### **Title IV – Activities**

##### **Art. 18. Organizational Units**

1. In the pursuit of its activities the Association may avail itself of organizational units. To the purpose of this Statute the term “organizational unit” refers to a central or peripheral section without legal capacity, that constitutes part of the Association and directly exercises the Association’s activity either in part or entirely.
2. Organizational units are established and regulated by the Board of Directors which shall specify the units’ names.
3. Organizational units are coordinated by a natural person appointed by the Board of Directors which shall specify the name.

#### **Art. 19. Director General.**

1. In the pursuit of its high-management and coordination activities, the Association may avail itself of a natural person called Director General.
2. The Director General is appointed by the Board of Directors.
3. The Director General collaborates with the Association's bodies in order to allow the implementation of their decisions.

#### **Title VI – Assets**

#### **Art. 20. Assets and revenues**

1. The Association's assets are made up of:
  - a) estate properties, registered and non-registered assets belonging to the Association;
  - b) reserves arising from profits or surpluses;
  - c) accepted donations;
  - d) inheritances accepted with the benefit of inventory;
2. The Association's revenues consist in:
  - a) membership fees;
  - b) contributions received from natural and legal persons, public or private, local, national or international, that want to contribute to the Association's activities;
  - c) funding deriving from covenants;
  - d) revenues deriving from secondary commercial and productive activities;
  - e) any other revenue that contributes to increasing the Association's assets.

#### **Art. 21. Membership period**

1. The membership period begins on the first of January and ends on the thirty-first of December of each calendar year.

#### **Art. 22. Financial statements and their approval**

1. The financial statements are an accounting document that must be drawn up clearly and must truthfully and correctly represent the assets and finances of the Association, as well as the final economic result. It must consist of the balance sheet, the income statement and the notes to the financial statements, and shall include an audit report in compliance with art. 2429 of the Civil Code.
2. The financial statements' approval must comply with the following procedure:
  - a) the Board of Directors must convene the ordinary Assembly for the financial statement's approval within one hundred and twenty days after the end of the previous accounting period;
  - b) the Board of Directors must draw up the financial statements plan;
  - c) the Board of Directors must submit the financial statements plan to the internal control body;
  - d) the internal control body must draw up a report according to Art. 2429 of the Civil Code;
  - e) the internal control body must deliver the financial statements plan and the audit report complying with art. 2429 of the Civil Code into the Association's legal office within the fifteen days preceding the

established assembly date;

f) all members can examine the documents;

g) the Assembly can approve, reject or amend the financial statements plan under examination.

3. The Association cannot distribute profits or relocate balances among the Association members, either directly or indirectly. Profits and outstanding balances must be allocated to institutional activities, to any other activities directly linked to them, and to the pursuit of institutional aims in the fields specified in the Association's object.

#### **Art. 23. Dissolution and devolution of assets**

1. Causes of dissolution of the Association are:

a) achievement of the Association's aims;

b) supervening impossibility to achieve the Association's aims;

c) a six-month lack of plurality of Members;

d) decision to dissolve the Association made by the extraordinary Assembly.

2. The existence of a cause of dissolution does not signify the Association's immediate termination, but only the beginning of a liquidation period.
3. If a cause of dissolution occurs, the extraordinary Assembly must appoint one or more liquidators; if the Assembly fails to do so, the liquidators are appointed by the Arbitrator at the request of any Member; if the Arbitrator fails to appoint them, liquidators are appointed by the president of the tribunal at the request of any Member.
4. Once the liquidation of assets and their conversion into money are accomplished to ensure the due payment of creditors, any surplus resulting from the process may not be divided among members but must be allocated to other volunteer organizations or to other non-profit organizations of social utility operating in the same or similar fields of activity, or in any case to entities with social utility purposes.
5. Once completed the re-allocation of assets, the Association shall be regarded to as terminated.