

CONSTITUTION
MARCEGAGLIA FOUNDATION, Not-for-profit Organization of Social Utility
Article 1

Establishment – Registered Office - Delegations

A Foundation called “*Fondazione Marcegaglia Onlus*” (“The Marcegaglia Foundation – Not-for-Profit Organization of Social Utility”) has been constituted, with its registered office at no. 12, Via Giovanni della Casa, Milan.

Delegations and offices may be established both in Italy and abroad in order to carry out, in a manner that is incidental and instrumental to the Foundation’s aims, the work of promoting, developing and expanding the necessary network of national and international relations to support the Foundation itself.

The Foundation shall answer to the principles and the legal framework applicable to Participatory Foundations, in the context of the broader category of Foundation governed by the Civil Code and related laws.

The Foundation shall be not-for-profit and shall not have the power to distribute its profits.

The Foundation shall have the duty to use the expression “*organizzazione non lucrativa di utilità sociale*” (“not-for-profit organization of social utility”) or the acronym “ONLUS” in its name and in any and every identifying logo or communication addressed to the public.

Article 2
Purposes

The Foundation shall exclusively pursue aims benefiting society that therefore support the creation of projects in a social, socio-medical, educational and socio-economic context, particularly, but not exhaustively, with the purposes of fostering the social and cultural growth of disadvantaged women in the world’s areas of territorial and urban underdevelopment, promoting the realisation of medical and surgical centres in underdeveloped areas of the world in order to offer free medical assistance to poor/needy persons and promoting professional training activities that, likewise, foster women in the world’s poor/needy areas.

The Foundation shall likewise promote charitable activities pursuant to section 10(1)(a)(iii) of Legislative Decree no. 460/1997, complying with the provisions set out in subsection 2-bis of the said section 10 by awarding grants (using sums deriving from the administration of its assets or from specially collected donations) in favour of Not-for-Profit entities operating prevalently and directly in the sectors referred to in the same section 10(1)(a) of the abovementioned Legislative Decree no. 460/1997, for the direct realisation of socially useful projects. In such connection, the Foundation shall have the power to set up systems for awarding grants directed at alleviating the neediness of disadvantaged women in the World’s areas of territorial and urban underdevelopment, including grants in favour of Not-for-Profit entities that work directly and prevalently for the benefit of the said persons, as well as grants to other Not-for-Profit Organizations of Social Utility and public bodies, including foreign ones, operating in the same sector.

The Foundation is prohibited from carrying out activities other than those mentioned above, with the exception of those closely linked to the Foundation’s purposes that are indicated under article 3 below.

Article 3
Activities directly linked to the Institutional Aims

In order to achieve its purposes, the Foundation shall have the power, *inter alia*, to:

- a) undertake, either directly or indirectly, the management and promotion of charitable, residential and/or social facilities such as training centres and hospices;
- b) draw up every appropriate instrument or contract, including for the financing of the operations officially decided upon, including (without excluding others) the contracting of short or long-term loans and mortgages, the purchase or leasing of land and buildings and the drawing up of agreements of any kind with public or private bodies (including those requiring registration in public registers) that may be considered appropriate and effective for achieving the Foundation's purposes;
- c) administer and manage the assets of which it is the owner, the lessor or the bailee or possesses in any event;
- d) become a member of associations, foundations, entities and public and private institutions, the work of which directly or indirectly pursues purposes analogous to those of the Foundation itself; should it consider it appropriate, the Foundation shall have the power to contribute to the establishment of the aforesaid organisations;
- e) draw up agreements entrusting part of its activities to third parties;
- f) set up prizes and scholarships in favour of persons as identified in the social benefits purpose, through grants promoted by the Foundation and financed by third parties in accordance with rules and procedures agreed in advance between the Foundation and the financing third parties, in conformity with the content of Resolution no. 186/E of the Revenue Agency and under the supervision of the Foundation's organs with competence, with the duty to provide a statement of accounts to the financing third parties;
- g) carry out, in a manner incidental and instrumental to the pursuit of its institutional ends and within the confines of the laws in force, commercial activities, including with reference to the publishing sector and audiovisuals in general; and
- h) carry out every other activity suited to or supporting pursuit of its institutional aims.

Article 4 Monitoring

The competent Authorities shall monitor the Foundation's work in accordance with article 25 of the Civil Code and the special legislation governing the subject.

Article 5 Assets

The Foundation's inalienable assets shall comprise:

- the endowment fund, an untouchable element guaranteeing third parties, created from transfers of money or movables and immovables or other benefits that may be used to pursue the Foundation's purposes, such transfers being effected by the Founders or by other Participants;
- the movables and immovables that may or will reach the Foundation in whatever manner, including those acquired by the same in accordance with this Constitution's rules;
- donations made by entities or private persons for the express purpose of increasing the assets;
- the unused part of income that may, by way of a resolution of the Board of Directors, be allocated to increasing the assets; and
- contributions to the assets made by the European Union, the State, territorial or other public bodies as well as supranational bodies.

Article 6

Operating Fund

In order to keep the institution alive, the Foundation's operating fund shall be created from:

- the income and proceeds deriving from the assets and activities of the Foundation itself;
- possible donations or testamentary gifts that are not expressly allocated to the Endowment Fund;
- other possible contributions made by the European Union, the State, territorial or other public bodies, as well as supranational bodies;
- contributions in any form made by Institutional Participants and Participants; and
- proceeds from connected institutional, incidental and instrumental activities.

The Foundation's income and resources shall be employed for the functioning of the Foundation itself and to achieve its purposes.

Article 7

Financial Year

The Financial Year shall begin on 1 January and shall end on 31 December of each year.

The Board of Directors shall approve the budget for the following year by the end of November and the final statement of accounts, for the year ended, by 30th April of the following year. In observance of the laws in force at any one time, the final accounts shall comprise a Statement of Assets and Liabilities, an Income Statement and a Supplementary Note and shall be drawn up following the principles provided for by articles 2423-bis et seq. of the Civil Code.

The Foundation's organs shall have the power, within their respective areas of competence, to enter into undertakings and assume obligations, within the limits of the approved budget's allocations.

The spending commitments and the obligations directly entered into by the Foundation's legal representative or by other members of the Board of Directors having power of attorney must not exceed the limits of the approved allocations.

The distribution, even indirectly, of profits or operating surplus, as well as funds, reserves or capital during the life of the organization is prohibited, unless the allocation or distribution is required by law or is effected in favour of other Not-for-Profit Organizations of Social Utility that, by law, constitution or internal regulations are part of the same unitary structure.

The Foundation shall have the duty to use the profits or operating surplus to carry out its institutional activities and those directly connected to them.

Article 8

Members of the Foundation

The Members of the Foundation shall be divided into:

- Founders; and
- Institutional Participants and Participants.

Article 9

Founders

The Founders are Dr. Carolina Toso Marcegaglia, Steno Marcegaglia, Palmira Bazzani, Emma Marcegaglia and Dr. Antonio Marcegaglia.

Each one of them shall have the following prerogatives: they shall have the power to nominate, including by testamentary provision, the person who is to succeed them in the exercise of the prerogatives and rights referred to in this Constitution; and thus, in perpetuity.

Article 10

Institutional Participants and Participants

Corporate bodies, whether public or private, and other entities that undertake to contribute on a multi-annual basis to the Endowment Fund and the Operating Fund by contributing money, assets or services, in the forms and the minimum amount determined by the Board of Directors itself, may become Institutional Participants.

Natural persons, public or private corporate bodies and other entities that, sharing the Foundation's aims, contribute to its life and to the achievement of its purposes by way of annual or multi-annual money contributions in the modes and in an amount that is not less than that established, even annually, by the Board of Directors, or through an activity, including a professional one, of particular significance or through the transfer of tangible or intangible property, shall be able to acquire the status of "Participant". The Board of Directors shall have the power to provide, by way of internal regulations, for the possible subdivision and re-grouping of Participants according to categories of activity and participation in the Foundation.

Participants shall allocate their contributions to specific projects falling within the scope of the Foundation's activities.

The status both of Institutional Participant and of Participant shall last for the whole period for which the contribution has been regularly made or the service regularly performed.

Institutional Participants and Participants shall be admitted by way of an unappealable resolution of the Board of Directors adopted after the majority of its members has voted in favour and provided that all the Founders have voted in favour. Participants must expressly undertake to respect the rules both of this Constitution and of the Foundation's internal regulations.

Article 11

Foreign Participants

Natural persons and corporate bodies as well as public or private entities or other institutions having their registered office abroad may also be appointed Institutional Participants or Participants.

Article 12

Financial Statement

The Institutional Participants, Participants and foreign Participants referred to in articles 10 and 11 above shall have the right to receive an annual financial statement regarding all the activities initiated by the Foundation.

Article 13

Committees

The Board of Directors shall appoint a Committee for the planning and implementation of every project and/or thematic area of interest to the Foundation.

The members of each Committee shall comprise:

- a member of the Board of Directors, appointed by the same; and
- all the Institutional Participants and Participants, including foreign ones, involved in an individual project.

At a Committee's first meeting, the members of the same shall elect a Representative of their choice from amongst the Institutional Participants and the Participants, including foreign ones.

The Representative of each Committee shall have the right to attend the meetings of the Board of Directors that are for the discussion and approval of the related project and of the budget and the final statement of accounts. He/she shall have the right to intervene and be consulted and the right to have included in the minutes any observations he may make and/or his/her approval and/or reservations regarding the Board of Directors' resolution. He/she shall not have the right to take part in the resolution's discussion and adoption.

The Committees shall be dissolved when their objective has been achieved.

Article 14

Exclusion and Withdrawal

The Board of Directors shall decide, by way of a resolution adopted after the majority of its members have voted in favour, to exclude an Institutional Participant or Participant on the grounds of a serious and repeated failure to honour obligations and duties deriving from this Constitution, including, by way of (non-exhaustive) example,

- breach of the duty to make the contributions and effect the transfers provided for by this Constitution;
- conduct that is incompatible with the purposes of the Foundation referred to in article 2 and with the duty to collaborate with the Foundation's other members; or
- behaviour that is contrary to the duty to make non-asset related contributions.

In the case of entities or corporate bodies, exclusion shall also occur on the following grounds:

- dissolution, for whatever reason;
- the institution of winding up proceedings;
- insolvency and/or collective creditor actions, including extra-judicial ones.

Without prejudice to their duty to honour the obligations they have assumed, Institutional Participants and Participants shall have the power to withdraw from the Foundation at any time.

The Founder or the persons nominated pursuant to the second clause of article 9 cannot, in any circumstances, be excluded from the Foundation.

Article 15

The Foundation's Organs and Offices

The organs of the Foundation shall comprise:

- the Board of Directors;
- the Committees;
- the President of the Foundation;
- the Honorary President; and
- the Auditor.

Article 16

Board of Directors

The Board of Directors shall be composed of a minimum of three up to a maximum of five members appointed by the Founders.

The members of the Board of Directors shall remain in office until the final statement of accounts relating to the third financial year following their appointment has been approved and they may be reconfirmed, save in cases where their mandate is revoked by the person who appointed them, before its expiry.

Members of the Board of Directors who, without good cause, do not take part in three consecutive meetings, may be declared disqualified by the Board itself. In such cases, as in other situations of vacancy of the office of Director, the remaining members must see to the co-optation of another Director/other Directors who will remain in office until the end of the Board of Directors' term.

The Board of Directors shall approve the objectives and programmes that the President¹ proposes for the Foundation and shall check on the overall results of the Foundation's administration.

In particular, it shall:

- establish, annually, the general lines of the Foundation's work, within the scope of the purposes and activities referred to in articles 2 and 3 of this Constitution;
- approve the budget and the final statements of account;
- approve the Foundation's internal regulations, if appropriate;
- pass resolutions regarding the acceptance of testamentary gifts, legacies or contributions;
- elect the President of the Foundation from amongst its members;
- delegate specific tasks to the Directors;
- appoint a General Manager, if appropriate, establishing the post's qualifications, tasks, nature and duration;
- appoint the Auditor;
- appoint the Institutional Participants and Participants;
- pass resolutions regarding possible amendments to the Constitution;
- pass resolutions regarding the Foundation's dissolution and the devolution of its assets;
- carry out all the additional tasks entrusted to it by this Constitution; and
- set up committees in relation to particular projects and/or thematic areas of interest to the Foundation.

The resolutions concerning approval of the final accounts, approval of amendments to the Constitution and the Institution's dissolution, shall be validly passed after the Founders or the person nominated by the same pursuant to the second clause of article 9 have voted in favour.

In order to achieve a greater effectiveness in the work of the Board of Directors, part of its powers may be delegated to the President.²

The Board of Directors shall be convened by the President of his/her own initiative or at the request of the majority of its members, without any obligations as to form provided that the means are appropriate and the convocation is transmitted at least ten days before the day fixed for the meeting; in cases of need or urgency, the communication may occur three days before the fixed date.

The convocation notice must contain the session's agenda, place and time. It may also, at the same time, indicate the day and time of the second convocation and may establish that this be fixed for the same day as the first convocation, within not less than one hour of the latter.

The Board shall meet validly when the majority of the members in office are present.

Resolutions shall be passed when the majority of the Directors present vote in favour, save where different quorums are established by this Constitution or by other legal rules. In cases where there is a split vote, the President shall have the casting vote.

Meetings shall be chaired by the President or, in the case of his/her absence or impediment, by a person nominated by the same.

Specific minutes of the Board's meetings shall be drawn up. They shall be signed by the person who chairs the Board meeting itself and by the secretary.

¹ Translator's note: i.e. the President of the Foundation.

² Translator's note: the Italian is ambiguous at this point, since the word "*presidente*" can be used to mean both "Chairperson" (of the Board) and "President" (of the Foundation). I have translated the word as "President" here throughout, even in places where one would expect to find "Chairperson", because I have been given to understand that the President of the Foundation is, in fact, also the Chairperson of the Board.

Article 17

The Foundation's President

Dr. Carolina Toso shall be the Foundation's President for the duration of her natural life. She shall have the power to nominate her successor, including by way of testamentary provision. Should no successor be appointed, the President shall be elected by the Board of Directors from amongst its members.

The President shall have the legal power to represent the Foundation in its relations with third parties and shall bring and defend actions before any and every administrative or ordinary Court, appointing Counsel.

The President shall, additionally, foster relations with entities, institutions, public and private undertakings and other organisations, including for the purpose of establishing relationships that collaborate with and support the Foundation's individual initiatives.

In cases of the President's absence or impediment, he/she shall be substituted by a Director who has been identified on an enduring basis by the same President.

Article 18

Honorary President

The Foundation shall have the power to appoint an honorary President, identifying him/her from amongst the important public figures who, during the course of their lives, have stood for the material, moral and social growth of the disadvantaged female world.

The Honorary President shall be a permanent invitee to the Board of Directors' meetings. He/she shall have voting rights and may be delegated by the Foundation's President to represent it at events and public initiatives supporting the Foundation's work.

The office of Honorary President shall be assigned by the Board of Directors during the first meeting of its mandate. The Honorary President shall remain in office for the same duration as the Board of Directors and may be re-appointed.

Article 19

Auditor

The Auditor shall be appointed by the Founders or by the person nominated by the same pursuant to the second clause of article 9 in this Constitution and shall be chosen from amongst the persons entered on the Register of Auditors.

The Auditor shall be the Foundation's technical accounting consultant. He/she shall verify that the bookkeeping entries are made correctly, examine the proposed budgets and financial statements and draw up special reports on them, and carry out cash inspections.

The Auditor shall have the power to take part, without voting rights, in the meetings of the Board of Directors. The Auditor shall remain in office until the final statement of accounts relating to the third accounting period following his/her appointment has been approved. He/she may be reappointed.

Article 20

Dissolution

In the case of the Foundation's dissolution for whatever reason, its assets shall be devolved to other Not-for-Profit Organizations of Social Utility, by way of a resolution of the Board of Directors (who will also appoint the liquidator) adopted upon the vote of two thirds of its members in favour,

after consulting the supervisory body referred to in section 3(190) of Law no. 662 dated 23 December 1996, save where a different allocation is imposed by law.

Article 21
Referral Clause

All matters not provided for by this Constitution shall be governed by the provisions of the Civil Code and the Laws in force regarding the subject.

Article 22
Transitional Provision

The Foundation's organs shall have the power to operate validly immediately, in the composition provided for by the Founder at the moment of constitution, and shall be integrated afterwards.

The members of the organs thus appointed shall remain in office until the final statement of accounts relating to the third accounting year following their appointment have been approved.