

**RULES RELATING TO THE ORGANISATION AND OPERATION OF THE  
COOPERATIVE COMPANY  
(KNOWN AS "ARTICLES OF ASSOCIATION")**

The organisation and operation of the company is established by rules that are approved by the shareholders in the following text:

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**TITLE I**

**COMPANY NAME - COMPANY TYPE - APPLICABLE PROVISIONS -  
HEADQUARTERS - DURATION**

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**ARTICLE 1)**

**COMPANY NAME - COMPANY TYPE - APPLICABLE PROVISIONS**

- 1.1. The company is incorporated under the name of **"ARTISTI 7607 - SOCIETA' COOPERATIVA"** and is a limited liability "Cooperative".
- 1.2. It assumes the nature of "collective management body", pursuant to and for the purposes of the Legislative Decree No. 35 of March 15<sup>th</sup> 2017 (hereinafter referred to as "Decree") on the "Implementation of Directive 2014/26 / EU on the collective management of copyright and related rights and on multi-territorial licensing of rights of musical works for use online in the internal market "(in OJ No. 72 of 27 March 2017); therefore, it is a subject of law whose main purpose is the management of rights related to copyright on behalf of more than one owner of these rights, as qualified in accordance with Article 2 paragraph 3 of the "Decree", for the collective benefit of these owners.
- 1.3. The company was incorporated in the context of the provisions introduced by the Decree of the President of the Council of Ministers dated 19 December 2012 laying down "Identification, in the interests of the entitled holders, of the minimum requirements needed for the rational and correct development of the market of intermediaries of rights related to copyright set out in Italian Law 22 April 1941, no. 633 as amended", published in Official Journal no. 59 dated 11 March 2013.
- 1.4. The company's Articles of Association are in compliance with the general rules of its company type and to the special rules set forth in the aforementioned regulation (the Decree) actually applicable. The Articles of Association, in its actual version, will be made available to the public in the internet site of the "Cooperative", pursuant to Article 26, paragraph 1, letter a) of the "Decree".
- 1.5. In these Articles of Association, the company "ARTISTI 7607 - SOCIETA' COOPERATIVA" might hence hereinafter be indicated as the "Cooperative" or as the "Collecting society".

**ARTICLE 2)**

## **HEADQUARTERS**

**2.1.** The "Cooperative" has its registered headquarters mandatorily in the territory of the Italian State and currently in the Municipality of Rome, at the address shown by the appropriate registration made at the relevant Companies Register, in accordance with Art. 111-ter of the implementation provisions of the Italian Civil Code.

**2.2.** The "Cooperative" may open secondary headquarters, branches, agencies and representative offices, in the methods and within the terms of law.

**2.3.** The Administrative Body is responsible for resolving upon the transfer of the headquarters within the municipal territory.

**2.4.** The Shareholders' Meeting is responsible for resolving upon the transfer of the headquarters to other Municipalities as well as the opening and closing of secondary headquarters.

## **ARTICLE 3) DURATION**

**3.1.** The "Cooperative" has a duration until 31 (thirty-first) December 2070 (two thousand and seventy) and may be extended to new expiries by decision of the shareholders. In the case of extension, the shareholders who have not contributed to approving the resolution of extension have the right of withdrawal.

## **TITLE II**

### **CORPORATE MODEL**

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### **ARTICLE 4) CORPORATE MODEL**

**4.1.** The "Cooperative" adopts the limited liability company model as it is compatible with the regulation provided by the Code in force in relation to cooperative companies. For corporate obligations, the company is solely liable with its equity.

**4.2.** The "Cooperative" as "Collecting society" is detained and controlled by its members (hereinafter also indicated as "Shareholders"), pursuant to the applicable laws and to the present Articles of Association, and is a not-for-profit cooperative.

**4.3.** The "Cooperative" does not conduct its activity predominantly in favour of its shareholders, but acts in the interest of the "rights holders" represented by it, without imposing on them any obligation that is not objectively necessary for the protection of their rights and interests or for the effective management of the latter.

### TITLE III

#### MUTUAL PURPOSE - CORPORATE OBJECTIVE - RELATIONSHIPS WITH THE "RIGHTS HOLDERS" MEMBERS OF THE COOPERATIVE AS SHAREHOLDERS - ACTIVITIES IN RESPECT OF "NON-MEMBER HOLDERS"

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#### ARTICLE 5)

#### MUTUAL PURPOSE - CORPORATE OBJECTIVE -

5.1. With reference to and in compliance with the mutual purpose and the interests and requirements of its cooperative shareholders, the "Cooperative" has as its main corporate objective the management, administration and intermediation activity of rights related to copyright, or in any case set out by Italian Law 22 April 1941 no. 633, of the relevant categories or types of works and other materials protected in the territories referred to by the "right holders", irrespective of the EU State nationality, residence or establishment of the "Cooperative" or of the "right holder", without prejudice to the provisions set forth in article 180 of the aforementioned Law of 22 April 1941, no. 633, with reference to the intermediation of copyrights.

5.2. The corporate activity is carried on following to the mandate of artists, actors and/or performers or their successors, issued directly or by way of associations or representative bodies of the relevant category. The "Cooperative" has the obligation to assume the management entrusted to it by the "rights holders", as falling within its activity, provided that there are no reasons objectively justifying the refusal.

The "Cooperative", before assuming the management of rights, provides the "rights holders" with the information referred to in paragraphs 4, 5, 6 and 7 of article 1 of the "Decree" as well as information relating to management expenses and deductions deriving from the remunerations of the rights and any income from the investment of the remunerations.

5.3. The "rights holders" who entrust the management of their rights to the "Cooperative" specify, in written form, which right, or category of rights, or type of works and other protected materials are entrusted to its management. In any case, the right of the "rights holders" to grant licenses for non-commercial use of their rights, categories of rights or types of works and other protected materials of their choice, remains. The "rights holders" have the right to revoke the entrustment of the intermediation activity granted by them, in whole or in part, to the territories of their choice, with notice of not less than four months and not more than six months. This right can not be subject to any condition. It is established that such revocation only produces effects at the end of the relevant financial year. In the event of sums due to "rights holders" for acts of exploitation which occurred prior to the withdrawal of the authorization or for licenses granted before the effects of a revocation occurred, the "rights

holders" retain the rights referred to in articles 15, 17, 24, 27, 34

**5.4.** The Cooperative, therefore, by way of example, in the course of its activity, may establish and obtain the fee due to the artists, actors and/or performers for the private reproduction of sound and video recordings in accordance with Articles 71-septies, 71-octies - using the share provided by law due to the artists, actors and/or performers to activities of study and research as well as for the purposes of promotion and training and professional support of artists, actors and/or performers - 73 and 73-bis of Italian Law no. 633/1941; determine and obtain fair remuneration and a fair fee due to the artists, actors and/or performers respectively provided by Articles 80 and 84 of Italian Law no. 633/1941; enter into agreements and conventions with the Italian Society of Authors and Publishers in accordance with Art. 180 bis of Italian Law 633/1941.

For the aforementioned purposes, the "Cooperative" may, on behalf of its principals "right holders":

- perform activity of information and training towards the artists, actors and/or performers, regarding their rights and their prerogatives of an economic, legal, social security and welfare nature in the context of the Italian legal system, with particular regard to all aspects related to copyright;
- conclude, with the producers and users of the works and with their representatives, activity of negotiation of fees due to the artists, actors and/or performers for rights related to copyright;
- collect and distribute among the artists, actors and/or performers the income that in any case derives from use of the works, establishing its allocation criteria;
- define, with similar Italian and foreign organisations for the management of the related rights, understandings and agreements for the mutual exchange of information and data for collection and attribution of fees due to artists, actors and/or performers;
- promote, ensure and pursue, both in Italy and abroad, in all venues, including legal, the best protection of the rights related to copyright also through agreements for the collective management of rights related to copyright.

The "Cooperative" may also perform the following additional activities, included in its corporate objective:

- promote and disseminate the affirmation of rights of artists, actors and/or performers;
- support research, study and awareness in the field of production, use, communication, dissemination and in general of the audio-visual and musical market for the purposes of the most complete protection of the rights of the artists, actors and/or performers;
- disseminate in relation to the artists, actors and/or performers awareness of cinematography, music, theatre and other performing arts.

With reference to the mutual purpose and the interests and requirements of its shareholders, the "Cooperative" may perform any other activity instrumental and subsidiary to the foregoing. The "Cooperative" may offer social, cultural or educational services financed by deductions from the proceeds of the rights or from any income deriving from their investment.

**5.5.** The "Cooperative" prepares and approves, making them publicly available on its website, the following documents:

- the internal regulation of allocation of rights, established by Article 1, Paragraph 1, Letter h), Number 6 of the Decree of the President of the Council of Ministers dated 19 December 2012;
- the internal regulation relating to the methods of registration and/or granting of the mandates.

**5.6.** The regulation related to:

- the collection and use of the proceeds of the rights;
- the management fees and other deductions;
- the social, cultural or educational services;
- the distribution of the amounts due to the "rights holders";
- the identification of the "rights holders";
- the non-distributable incomes;

shall be made in accordance with the provisions of articles from 14 to 19 of the "Decree" which are understood as fully reported here and entirely transcribed in the present Articles of Association.

The "Cooperative" mandatorily adopts separate management, by way of analytical accounts, of the sums collected and due to holders of rights, as well as any plans for investment made with those sums. The results of the analytical accounts must be evidenced in the explanatory notes of the financial statements.

**5.7.** In the hypothesis in which the "Cooperative" manages the rights of the "rights holders" in the framework of a representation agreement, it regulates its activity in accordance with the provisions of Chapter II - Section IV of the "Decree".

**5.8.** The "Cooperative" may perform the activities that constitute the corporate objective also in relation to third parties, (non members rights-holders); in particular in the hypothesis in which the "Cooperative", on the basis of a direct legal relationship deriving from the law or a transfer of rights, from a license or any other contractual agreement, manages rights of "rights holders" that are not its members, it

must observe the provisions of articles 5, paragraph 3, 27 and 38 of the "Decree".

#### **ARTICLE 6)**

#### **NATURE OF THE COOPERATIVE LEGAL FORM - RELATED AND COMPLEMENTARY ACTIVITIES -**

##### **6.1. The "Cooperative":**

- is strictly non-political and non-partisan;
- is based upon the principles at the foundation of the cooperative movement, in relation to which it acts, which are constituted by: mutuality, solidarity, respect for the individual, internal and external democracy, partnerships between cooperatives;
- it may also undertake activities of development and promotion of moral and social values of the cooperation within the Italian and international cooperative movement.

**6.2.** The "Cooperative" may constitute provisions for technological development and for business restructuring and strengthening, as well as adopt long-term planning procedures aimed at business development and modernisation.

**6.3.** At the resolution of the Administrative Body it may join European, national, regional and provincial trade Associations and other economic and union organisations that offer initiatives of mutual, cooperative, labour or service activities.

**6.4.** For the purposes of achieving the corporate objective, the "Cooperative" may:

-- **1)** establish employment relationships, in subordinate or autonomous form, therein including the project worker relationship, or any other form permitted by existing Italian legislation;

-- **2)** perform any other activity related or similar to those constituting its corporate objective, indicated in Article 5.1. above, as well as complete all acts and conclude all contractual operations of a property, commercial and economic nature necessary to achieve the corporate objective, and in any case indirectly or directly related to the same, as well as, by way of example and without limitation:

**a)** for the purpose of stable investment and with the exclusion of placement with the public, it may assume interests and investments in any form in companies and other economic and non-economic bodies, including associations with or without legal personality, especially where it is deemed to be convenient and not in contrast with the provisions for the optimal pursuit of its statutory purposes;

**b)** join and participate in activities of bodies, economic organisations and consortia aimed at consolidating and developing the cooperative movement and facilitating exchanges, provisioning and credit;

**c)** in a non-prevalent manner, merely on an occasional basis, it may grant endorsements, bills, sureties and any other guarantee in any form to facilitate the obtaining of credit for entities to which the "Cooperative" belongs as well as in favour of other cooperatives;

**d)** accept the granting on contract of works, services, supplies of the State, by public entities or by private bodies; enter into conventions with public or private bodies useful for achieving the aforementioned corporate objectives;

e) participate in auctions and private negotiations, as well as tenders for supplies of services, participate in consortia and groups of companies, including temporary, or any other form of association that allows for the best use of all its resources;

f) arrange, provide support and promote all initiatives of a cultural, social, sporting, tourist and recreational nature necessary to achieve, directly or indirectly, the corporate objectives;

g) promote the constitution of cooperatives providing the necessary assistance to the same.

-- 3) perform, with mutual orientation, any other activity related to the objectives listed above, as well as complete all acts, transactions and conclude all contractual operations of a property, commercial and economic nature necessary or useful to achieve the corporate objectives and activities. For that purpose, it may request contributions and funding at any institutional level, including the European Union, private and business banks; enter into programme agreements, memoranda of understanding, promote and join consortia and do anything else necessary for the purpose of achieving the set objectives;

-- 4) also promote the self-financing of the "Cooperative" company, stimulating the spirit of welfare and saving of the shareholders, collecting loans from them exclusively for the purposes of achieving the corporate objective. It is therefore prohibited from collecting savings from the public in any form and any other activity of a financial nature that is reserved to authorised or enabled intermediaries or incompatible with the cooperative form;

-- 5) finally, issue financial instruments devoid of administration rights to be offered to qualified investors in accordance with Article 2526 of the Italian Civil Code.

#### **TITLE IV**

#### **SHAREHOLDERS: REQUIREMENTS AND CONDITIONS OF SHAREHOLDERS - ADMISSION PROCEDURE - SHARES - CONTRIBUTIONS - TRANSFER - RESTRICTIONS - LOSS OF CAPACITY OF SHAREHOLDER - WITHDRAWAL - EXCLUSION - DEATH - LIQUIDATION OF SHARE**

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#### **ARTICLE 7) REQUIREMENTS AND CONDITIONS OF SHAREHOLDERS**

**7.1.** The number of shareholders is unlimited, but no less than the minimum established by law, subject to the provision of Art. 2519, Second Paragraph of the Italian Civil Code.

According to the provisions of the subsequent paragraphs, individuals, legal entities and other entities other than individuals, particularly collective bodies without legal personality, may be shareholders of the "Cooperative", without prejudice of article 2, paragraph 4, of the "Decree".



**7.2.** The responsibility of the shareholders for corporate obligations is limited to the amount of subscribed shares.

**7.3.** The following may become shareholders, thus becoming "members" of the collective management organization "ARTISTI 7607 - SOCIETA' COOPERATIVA":

-- as regards individuals: the "rights holders", i.e. artists, actors and/or performers (i.e. actors, singers, musicians, dancers, orchestra conductors, dubbing artists, foleys and other persons who act, sing, recite, intone, perform in any other way musical, cinema, audio-visual, dramatic, literary or artistic works in general) who perform the activity of artist, do not have interests in contrast with those of the "Cooperative" and intend to pursue the statutory purposes as well as being members of "ASSOCIAZIONE ARTISTI 7607", based in Rome, Via Maria Adelaide no. 8, tax code 97604620589;

-- as regards legal entities, companies or collective bodies without legal personality: entities representing "right holders", including other collective management organizations and associations of "right holders", whose nature, corporate objectives, institutional objectives or statutory purposes are compatible with the characteristics of mutual exchange of the "Cooperative", as resulting from the law and from the present Articles of Association.

**7.4.** The cooperative shareholders may belong to the following categories:

a) user shareholders, that in their capacity of artists, actors and/or performers use the services of the "Cooperative", following a direct or indirect mandate in favour of the "Cooperative" for the management, administration and intermediation of rights related to copyright, or, in general, who use the services implemented by the "Cooperative" as part of the different activities constituting its corporate objective;

b) investing shareholders, as provided for by Italian Law no. 59 of 31 January 1992 Art. 4;

c) shareholders in trial are those who, in accordance with and within the limits of Article 2527, third paragraph, of the Italian Civil Code:

- are members of "ASSOCIAZIONE ARTISTI 7607" without having granted a mandate to that Association for the management of the rights related to copyright at the date of incorporation of this "Cooperative"; or

- have not yet accrued the right to receive the remunerations relating to the rights set out in Article 5.1. of the "Articles of Association",

and therefore in favour of such shareholders, with a view to facilitating their full integration into the corporate activity and the correct conduct of the same, the "Cooperative" will proceed with the appropriate guidance and training, based upon responsibility and self-awareness, concerning the set of rights and prerogatives constituting the position of the artist, actor and/or performer in the context of the Italian legal system.

Shareholders on trial, for a period of four years from the date of admission to the "Cooperative", are entitled to all rights and obligations relating to the capacity of shareholder as well as the use of special activities of guidance and training as part of what is organised by the "Cooperative" as stated above, but excluding the right to vote in elective Shareholders' Meetings relating to the Administrative Body. Once that trial period has elapsed the shareholder on trial automatically acquires the capacity of cooperative shareholder only if there has been no occurrence of events relating to the shareholder individual or the economic activity or corporate structure of the shareholder which objectively impede the establishment of that relationship.

**7.5.** For the regulation of the rights of the shareholders, reference is made to the provisions of Art. 2545-bis of the Italian Civil Code.

The distinction of the shareholders referred to in the previous paragraph 7.4. is exclusively linked to the chosen company type (cooperative company) and is independent of the distinction of the members of the "Cooperative" in relation to the categories of membership, that is:

- "rights holders";
- entities that represent "rights holders".

All these subjects participate on an equal basis to the life of the "Cooperative" and in particular to the decision-making processes within the General Meeting of the shareholders, pursuant to article 6, paragraph 1 of the "Decree"; they can however group and organize their participation by providing "voting lists" or equivalent forms of aggregation, with reference to the category of which they are respectively part, in case of elective assemblies or in any other case where decisions affect or otherwise concern rights and prerogatives referring to the individual categories of "members".

**7.6.** Each shareholder is entitled to one vote.

**7.7.** In any case, the requirements for joining the "Cooperative" are based on objective, transparent and non-discriminatory criteria, and therefore admission can never consider:

- sex, ethnicity, religion, political orientation, personal and social conditions (including educational qualifications and honorary qualifications) of the applicant;
- the economic value of the rights of the individual "right holder".

The "Cooperative" ensures the appropriate forms for these criteria to be publicly accessible.

**7.8.** The "Cooperative" establishes one or more web sites or portals that allow an exchange of communication with its members, also for the purpose of exercising their rights, characterized by a high interaction between said site or portal and the user and by solicitousness in the verification of the requested information.

**7.9.** The "Cooperative" establishes a special register of its members and updates it regularly. This register is submitted, upon request by the Supervisory Body referred to in article 38 below, to a notarial validation.

## **ARTICLE 8)**

## **ADMISSION PROCEDURE**

**8.1.** Those wishing to become a shareholder must submit a written application to the Administrative Body of the "Cooperative" containing the following documents:

**a)** if an individual:

- self-certification showing: name, surname, place and date of birth, residence, tax code, category of reference, education level, professional skills or specific qualifications, telephone number and any e-mail address, enclosing a photocopy of a valid identification document;

- original signed declaration by the legal representative of "Associazione Artisti 7607" certifying the qualification as Member of that association;

-- the granting, directly or indirectly, to the "Cooperative" of the mandate to manage the rights related to copyright set out in Italian Law 22 April 1941 no. 633;

**b)** if a legal entity or other body:

- original signed self-certification by the legal representative showing: company name, headquarters and tax code, registration number at the Register of Legal Entities, at the Companies Register or at other Registers or Lists, if possessed; the name of the person delegated to represent the Entity in relationships with the "Cooperative" must be identified and the minutes of the resolution of the relevant body that decided upon membership must be attached.

**8.2.** Aspiring shareholders are, in addition, required to provide all other documents and information that the administrative body requests to better document the admission application, with the exception of those that constitute a violation of the "privacy" regulations (Legislative Decree 196/2003) or have the purpose to acquire information of potential discriminatory scope. The following must also be specified:

- the reasons for the application;

- the amount of the share wishing to be subscribed.

**8.3.** The shareholder is required:

**a)** to comply with these "Articles of Association", the internal regulations regulating mutual exchange, the resolutions legally adopted by the corporate bodies;

**b)** to participate concretely in the activity of the "Cooperative" based upon the rules established for the implementation of mutual exchange.

**8.4.** The new shareholder must pay, by the methods established by the directors, in addition to the sum of the share, the premium possibly determined by the Administrative Body upon approving the financial statements.

**8.5.** The Administrative Body, having ascertained the existence of the requirements and conditions, as well as the absence of causes of incompatibility provided by these articles of association, resolves within sixty days on the application and establishes the methods and timescales for payment of the share capital. The admission resolution must be communicated to the

interested party and noted by the Administrative Body in the shareholders' book.

**8.6.** In the event of rejection of the admission application by the Cooperative, the directors must adequately motivate the respective resolution within 60 (sixty) days and communicate it to the interested party.

**8.7.** In that case, the aspiring shareholder may, within 60 (sixty) days from the communication, request that the shareholders' meeting rule on the admission application at the time of its next convocation; the shareholders' meeting will in any case be required to decide with the constitutive and deliberative majorities provided by these articles of association for the shareholders' meeting at first convocation.

#### **ARTICLE 9)**

##### **SHARES**

**9.1.** The share capital is divided into shares of variable value, of the minimum value of 25.00 (twenty-five).

**9.2.** Upon subscription, the payment of at least 25% (twenty-five per cent) of the subscribed share and the entire premium is made. The remaining part is to be paid depending upon the request made for it by the Administrative Body.

**9.3.** Any shareholder who, during the life of the "Cooperative", intends to subscribe new share capital may also pay the respective amount in instalments, by the methods and timescales that will be established by appropriate resolution of the Shareholders' Meeting at the suggestion of the Administrative Body.

#### **ARTICLE 10)**

##### **ALTERNATIVE METHODS OF CONTRIBUTING CAPITAL SHARES**

**10.1.** Payment may be replaced by the stipulation, for at least a corresponding amount, of an insurance policy or bank guarantee with the characteristics determined each time by decree of the President of the Council of Ministers; in that case, the shareholder may at any time replace the policy or guarantee with payment of the corresponding amount in cash.

**10.2.** In addition to cash, the shareholders may also contribute assets in kind and credits, in this case, the provisions of the fourth paragraph of Article 2465 of the Italian Civil Code apply. The shares corresponding to those contributions, in kind or in credits, must be fully paid-up at the time of subscription.

#### **ARTICLE 11)**

##### **TRANSFER OF SHARES**

**11.1.** The shares of the shareholders may not be transferred with effect towards the company, if the transfer is not authorised by the Administrative Body.

**11.2.** The shareholder intending to transfer their shares must give communication thereof to the Administrative Body by registered delivery letter, indicating: the name, residence and

all personal details of the aspiring purchaser, the personal requirements possessed by it and the price agreed for the sale.

**11.3.** The measure that grants or denies authorisation must be communicated to the shareholder within sixty days from receipt of the request.

**11.4.** Once that term has elapsed, the shareholder is free to transfer its investment and the company must register the purchaser in the shareholders' book provided that it has the requirements required to become a shareholder.

**11.5.** The measure denying the shareholder authorisation must be motivated. The shareholder, within 60 (sixty) days from receipt of the communication, may bring an objection against any refusal to the Court of the location in which the company is based.

#### **ARTICLE 12) RESTRICTIONS ON SHARES**

**12.1.** The shares may not be subject to pledge or restrictions.

**12.2.** The particular creditor of the cooperative shareholder, for as long as the company lasts, may not take enforcement action on the share of the same in accordance with Art. 2537 of the Italian Civil Code.

#### **ARTICLE 13)**

## **LOSS OF CAPACITY OF SHAREHOLDER**

**13.1.** The capacity of shareholder is lost due to withdrawal, exclusion, transfer of shares and death of the shareholder.

**13.2.** In these cases, the shareholder who ceases being part of the "Cooperative" is liable to the latter for a year from the day upon which those events occurred for payment of the company share subscribed and not paid.

**13.3.** In relation to the liability of the outgoing shareholder or its heirs, reference is made to the rules set forth by Art. 2536 of the Italian Civil Code.

### **ARTICLE 14)**

#### **WITHDRAWAL**

**14.1.** As well as in the other cases provided by law and by these Articles of Association, the right of withdrawal is held by shareholders that have not contributed to resolutions regarding:

- a) change of the objective or type of company;
- b) merger or demerger;
- c) completion of operations that involve a substantial change to the corporate objective provided in the deed of incorporation;
- d) transfer of the company headquarters abroad;
- e) revocation of the state of liquidation;
- f) elimination of one or more causes of withdrawal provided by the deed of incorporation;
- g) change to the allocation criteria contained in the internal regulation of allocation of rights set out in Article 5.2. of these Articles of Association.

**14.2.** Cooperative shareholders who have lost the requirements for admission or who are no longer in the condition to participate in achieving the corporate objectives have the right of withdrawal.

**14.3.** The declaration of withdrawal must be communicated by registered delivery post to the company.

**14.4.** The withdrawal has effect: as regards the corporate relationship, from the communication of the measure accepting the application; as regards mutual relationships between the shareholder and the company, with the closure of the current financial year, if communicated three months before and, otherwise, with the closure of the next financial year.

### **ARTICLE 15)**

#### **EXCLUSION**

**15.1.** The Administrative Body may resolve upon the exclusion of the shareholder:

1. for serious breaches of the obligations resulting from law, from the corporate contract, from the regulation or from the mutual relationship;

2. due to absence or loss of the requirements required for participation in the company;

3. in the case indicated in Article 2531 of the Italian Civil Code;

4. in the cases set forth in Article 2286 of the Italian Civil Code;

5. in the cases set forth in Article 2288, First Paragraph of the Italian Civil Code;

6. that has implemented particularly serious injurious actions or conduct towards shareholders or third parties that may harm the good name or image of the "Cooperative".

**15.2.** The exclusion measure must be motivated with a precise and detailed summary of the facts at the basis of the resolution. Resolutions made in relation to exclusion must be communicated to the shareholder by registered delivery letter.

**15.3.** The shareholder may object to the exclusion resolution before the court, within the term of sixty days from the communication.

**15.4.** Where the shareholder ceases, for any reason, to be a member of the "ASSOCIAZIONE ARTISTI 7607", the Board of Directors - following the information however obtained of the aforementioned termination - will resolve upon the exclusion and consequent termination of the corporate relationship with the shareholder, except where, in the meantime, the latter has withdrawn.

**15.5.** The dissolution of the corporate relationship also determines the termination of pending mutual relationships.

#### **ARTICLE 16) LIQUIDATION OF SHARE**

**16.1.** The reimbursement of the share takes place on the basis of the financial statements of the year in which the withdrawal, exclusion or death of the shareholder occurred.

**16.2.** The withdrawn or excluded shareholder and heirs of the deceased shareholder are only entitled to the reimbursement of the nominal value of the sums paid (possibly reduced in proportion to losses attributable to the capital).

**16.3.** The liquidation also involves the reimbursement of the premium, where paid, where it exists in the equity of the company and has not been used for free capital increase in accordance with Article 2545-quinquies, Third Paragraph of the Italian Civil Code.

**16.4.** The payment must be made within six months from approval of the financial statements.

**16.5.** The shareholder who ceases to be part of the company is liable to the latter for payment of the contributions not paid, for one year from the day on which the withdrawal, exclusion or termination of the share occurred.

**16.6.** If, within one year from the dissolution of the associative relationship, the insolvency of the company occurs, the outgoing shareholder is obliged towards the latter, within the limits of what was received for the reimbursement of the share. In the same way and for the same term, the heirs of the deceased shareholder are liable towards the company.

**16.7.** The shareholder who has obtained guarantees from the "Cooperative" is not entitled, whatever the circumstances that determine the dissolution of the corporate relationship, to the liquidation of its share prior to having proved that it has fulfilled all obligations upon it deriving from the operation in progress.

## **TITLE V**

### **EQUITY - SHARE CAPITAL - FINANCIAL YEAR AND FINANCIAL STATEMENTS - REBATES - PROFIT ALLOCATION -**

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#### **ARTICLE 17) EQUITY**

**17.1.** The equity of the "Cooperative" is constituted:

**a)** by the share capital constituted by the amount of shares subscribed by the shareholders;

**b)** by the indivisible legal reserve, formed by the shares of surplus management assets and any shares of capital not reimbursed to withdrawing, excluded shareholders or heirs of deceased shareholders;

**c)** by the provisioning to the indivisible reserve of any contributions by third parties, such as contributions by public bodies, bequests, donations and other free payments made or arranged by anyone in favour of the "Cooperative" to be used for the purpose of achieving the corporate objectives;

**d)** by any other reserve provided by law and by any other provision resolved by the shareholders' meeting to cover particular risks, or in anticipation of future charges and any fulfilments required by law, investments or for the purchase of treasury shares;

**e)** by any premium provision;

**f)** by reserves for holders of financial instruments.

**17.2.** The reserves referred to in previous letters "b", "c", "d", and "e" may not be allocated between the cooperative shareholders neither during the life of the company nor upon the dissolution of the "Cooperative".

#### **ARTICLE 18 SHARE CAPITAL**

**18.1.** The share capital of the "Cooperative" is not determined at a set amount and is formed by an unlimited number of shares of the nominal value no less than and no greater than the limits permitted by existing laws.

**18.2.** The admission of new shareholders does not involve the amendment of the deed of incorporation.



**18.3.** The company may resolve upon capital increases by payment in the forms provided by law.

**18.4.** In this case, the exclusion or limitation of the right of option may be authorised by the Shareholders' General Assembly at the proposal of the Administrative Body.

**ARTICLE 19)  
FINANCIAL YEAR AND FINANCIAL STATEMENTS**

**19.1.** The financial year runs from 1st (first) January to 31 (thirty-first) December of each year.

**19.2.** At the end of each financial year, the administrative body proceeds to prepare the financial statements in accordance with the criteria established by law, in accordance with Book V - Title V - Chapter V - Section IX of the Italian Civil Code.

**19.3.** The report of the Administrative Body, in addition to what is provided by Article 2428 of the Italian Civil Code, must illustrate the criteria followed to achieve the statutory purposes in compliance with the cooperative nature of the company, with particular reference to the benefits produced to the advantage of persons in whose favour the "Cooperative" works, the shareholders, non-shareholders and the whole community.

**19.4.** The financial statements must report separately the data relating to the activities performed with the shareholders, possibly distinguishing any different mutual management.

**19.5.** The explanatory notes to the financial statements must highlight the parameters that document the condition of prevalence, in accordance with and by virtue of Article 2513 of the Italian Civil Code, as well as - in line with the provisions set out by the Decree of the President of the Council of Ministers 19 December 2012 referred to in Article 1.1. of these "Articles of Association" - the results of the analytical accounts relating to the sums collected and due to the holders of rights, as well as any plans for investment made with those sums, subject to separate management.

**19.6.** At the time of approval of the financial statements, the shareholders' meeting determines, in compliance with these "Articles of Association", the allocation of profits.

**ARTICLE 20)  
REBATES**

**20.1.** The Shareholders' General Assembly, at the proposal of the administrative body, may resolve upon the payment of rebates, to an extent in any case able to render possible the provisioning and payment set out in points a) and b) of Article 21 of these Articles of Association.

**20.2.** The rebates shall be allocated in proportion to the quantity and/or quality of the mutual exchanges, based upon the provisions of internal regulations.

**20.3.** The payment may occur, based upon the decisions of the shareholders, also by way of:

- proportional increase of the respective shares;
- issuance of financial instruments.

**20.4.** The payment of the rebate in favour of shareholders - without prejudice to the accounts separation - is not subject to provisioning of the sums due by way of payment to mutual funds and to the legal reserve.

#### **ARTICLE 21)**

##### **PROFIT ALLOCATION**

**21.1.** In the presence of a financial year profit, the following provisions must be respected:

**a)** whatever the amount of the legal reserve provision, at least thirty per cent of the annual net profits must be allocated to it;

**b)** a share of the annual net profits must be paid to mutual funds for the promotion and development of cooperation, in the minimum amount of 3% (three per cent) and in any case to an extent not below that established each time by law;

**c)** a possible share to revaluation of the share capital subscribed and paid and possibly also the share premium, to the extent of the maximum limit provided by Art. 7 of Italian Law no. 59/92;

**d)** to indivisible reserves provided by law;

**e)** the rest will be allocated according to the resolution of the Shareholders' Meeting in compliance with the provisions of law and these "Articles of Association".

It is prohibited, as provided by Article 2514, First Paragraph of the Italian Civil Code and by Article 4.4. of the Articles of Association:

- to distribute dividends to an extent greater than the maximum interest of interest-bearing postal warrants increased by two and a half points compared to the capital actually paid;
- to distribute reserves between cooperative shareholders.

#### **TITLE VI**

##### **CORPORATE BODIES**

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#### **ARTICLE 22)**

##### **LIST**

**22.1.** The bodies of the "Cooperative" are the following:

**a)** the Shareholders' General Assembly;

**b)** the Board of Directors;

**c)** the Board of Auditors;

**d)** the Separate General Meetings and Special Meetings for subscribers of financial instruments devoid of voting rights.

**e)** the Board of Supervisors

#### **CHAPTER I**

**SHAREHOLDERS' GENERAL ASSEMBLY**  
**ARTICLE 23)**  
**DEFINITION**

**23.1.** The Shareholders' General Assembly is the governing body of the "Cooperative"; its resolutions taken in compliance with the "Articles of Association" and the law bind all shareholders, even if not in attendance or dissenting.

**ARTICLE 24)**  
**METHODS OF CONVOCATION**

**24.1.** The Shareholders' General Assemblies are held at the company headquarters or elsewhere provided that it is in Italy.

**24.2.** The Shareholders' General Assembly must be convened at least once a year, for approval of the financial statements, within 120 (one hundred and twenty) days from the closure of the financial year or within the longer term in any case not exceeding 180 (one hundred and eighty) days where particular requirements regarding the structure and objective of the company so require (in that latter case, the directors note in the report required by Article 2428 of the Italian Civil Code the reasons for the extension); it is convened upon the occurrence of the cases provided by the articles of association and by law.

**24.3.** The Shareholders' General Assembly is constituted by the shareholders of the "Cooperative" duly registered in the shareholders' book and up to date with all due payments.

**24.4.** The Shareholders' General Assembly is convened by the administrative body in office by notice sent at least eight days prior to that fixed for the meeting, by registered delivery letter, also by hand, or by any other means appropriate to ensure proof of receipt, sent to the shareholders at their domicile shown by the shareholders' book. The notice of convocation must indicate the day, location, time of the meeting and the list of issues to be discussed.

**24.5.** The notice of convocation of the Shareholders' General Assembly may also establish a date for the second convocation which may not, however, take place on the same day fixed for the first.

**24.6.** If the date for the second convocation is not indicated in the notice, the Shareholders' General Assembly must be reconvened within thirty days from the date of the first.

**24.7.** In the absence of fulfilment of the aforementioned formalities, the Shareholders' General Assembly is deemed to be validly constituted in compliance with the regulations set out in Article 2479-bis, Final Paragraph of the Italian Civil Code dictated in relation to limited liability companies.

**ARTICLE 25)**  
**RESPONSIBILITIES AND CONSTITUTIVE AND DELIBERATIVE QUORUMS**

**25.1.** The Shareholders' General Assembly is responsible for:

1. appoint and dismiss the appointment of the Directors, examine their benefits and approve their fees and any other benefits, including liquidation and social security benefits;

2. resolve on any changes to the "Articles of Association";

3. resolve, in compliance with Section III, of Chapter II of the "Decree", with regard to the following:

a) the general policy of distribution with respect to the amounts due to "right holders";

b) the general policy on the use of non-distributable amounts;

c) the general investment policy concerning the proceeds of the rights and any income deriving from the investment of such proceeds;

d) the general policy regarding deductions from the proceeds of the rights and any income deriving from the investment of such proceeds as well as the adoption of a Regulation which establishes, according to objective and reasonable criteria, the management expenses and other deductions pursuant to Article 15, paragraph 1, of the mentioned "Decree", to be published on the website of the "Cooperative";

e) the use of non-distributable amounts, pursuant to Article 19, paragraph 2, of the "Decree" regarding the use of the non-distributable amounts, without prejudice to the right of "right holders" to claim such amounts from the the "Cooperative" within the prescribed period of four years for the distribution of the rights referred to in Article 17, paragraph 2, of the "Decree";

f) the risk management policy;

g) the approval of any purchase, sale or mortgage of real estate;

h) the approval of mergers and alliances, the establishment of subsidiaries, the acquisition of shareholdings or rights in other entities;

i) the approval of the assumption or the granting of loans or the provision of guarantees for such loans;

l) the appointment and revocation of the members of the accounting control body;

4. approving the financial statements;

5. distributing profits;

6. approving the regulations, referred to in Article 2521, Final Paragraph of the Italian Civil Code, prepared by the Board of Directors;

7. resolving on any liabilities of the directors and auditors, if in charge;

8. controlling the activities of the "Cooperative", approving the annual transparency report referred to in Article 28 of the "Decree";

9. resolving on all other subjects attributed by the Articles of Associations to its remit.

**25.2.** It is also the responsibility of the Shareholders' General Assembly to decide upon the issues reserved to it by these articles of association, as well as on the issues proposed by one or more directors or as many shareholders as represent at least a third of the total votes of the "Cooperative".

**25.3.** For Shareholders' General Assembly resolutions, the following quorums apply:

-- at first convocation, the Shareholders' General Assembly is duly constituted with the attendance of as many shareholders as represent at least half plus one of the votes

due to the totality of the shareholders and resolves by absolute majority of the attendees;

-- at second convocation, the Shareholders' General Assembly is duly constituted whatever the number of shareholders in attendance and resolves by majority of votes of those present and represented, on the subjects that should have been discussed at the first.

**25.4.** In cases where the Shareholders' General Assembly resolves upon amendments to the deed of incorporation and on the decision to complete transactions that involve a substantial change to the corporate objective or a significant change to the shareholders' rights, the quorums provided below are applied: the shareholders' meeting, both at first convocation and at second, resolves with the favourable vote of as many shareholders as represent more than 50% (fifty per cent) of the votes due to the totality of the shareholders.

#### **ARTICLE 26) VOTING RIGHTS**

**26.1.** Shareholders registered in the book of shareholders for at least three months are entitled to vote at the Shareholders' General Assembly. Shareholders in default on payments may not exercise the right to vote.

**26.2.** Each cooperative shareholder has one vote, whatever the value of the share possessed.

**26.3.** The shareholder on trial is not entitled to vote at elective Shareholders' General Assembly relating to the administrative body.

#### **ARTICLE 27) VOTING PROXIES AND METHODS OF OPERATION OF SHAREHOLDERS' GENERAL ASSEMBLY**

**27.1.** Each member of the "Cooperative" has the right to designate a representative authorized to participate and vote on his behalf in the General Assembly of shareholders, provided that such designation does not involve a conflict of interest. The proxy is valid for a single General Assembly meeting. Within the same, the representative enjoys the same rights as the shareholder that he represents and expresses the vote in accordance with the voting instructions given by the member he represents.

The shareholders may be represented at the Shareholders' General Assembly only by other shareholders. The representation must be granted in writing and the respective documents must be retained by the company. Each shareholder may represent up to a maximum of ten shareholders.

**27.2.** The proxy may not be issued with the name of the representative left blank and it is always revocable despite any contrary agreement. The representative may only be replaced by those expressly indicated in the delegation.

**27.3.** For the individual entrepreneur shareholder the provisions set out by Art. 2539 of the Italian Civil Code shall apply.

**27.4.** The Shareholders' General Assembly is chaired by the Chairman of the Board of Directors and in the event of his/her

absence by a person elected by the majority of attendees at that Shareholders' General Assembly, which, by the same method, appoints a secretary, even a non-shareholder, to prepare the minutes and, if necessary, two scrutinisers.

**27.5.** The votes will be taken by show of hands; for elections of corporate roles or for resolutions concerning shareholders, the vote will be taken by secret ballot.

**27.6.** In elections of corporate roles, those who obtain the highest number of votes shall be elected; in the case of a tie, a second ballot will be taken, limited to the interested parties.

**27.7.** The resolutions must be recorded by minutes signed by the Chairman of the Shareholders' Meeting and by the Secretary or by a Notary in cases provided by law or when a request is made by the Chairman of the Shareholders' Meeting.

**27.8.** Meetings of the shareholders may take place by video conference or teleconference, i.e. with attendees spread in a number of locations, close by or distant, linked by video and/or audio connection, provided that the collegial method and the principles of good faith and equality of treatment of shareholders are respected. In particular, it will be necessary for:

- the Chairman of the Shareholders' General Assembly, even by way of his Bureau, to ascertain the identity and legitimacy of the attendees, to regulate the conduct of the meeting, to ascertain and announce the results of the vote;

- the person taking minutes to be able adequately to hear the shareholders' meeting events being recorded;

- the persons legitimately permitted to attend the shareholders' meeting to be able to participate in the discussion and simultaneous vote on the issues on the agenda, with the possibility of receiving and sending documentation in real time;

- the notice of convocation to indicate (except in the case of a totalitarian meeting), the audio and/or video linked locations by the Company, at which attendees may attend.

The Shareholders' General Assembly will be considered to be held in the location in which the Chairman is present and where the minute taker must also be present with a view to allowing for the drafting and signature of the respective minutes.

#### **ARTICLE 28)**

#### **SEPARATE SHAREHOLDERS' GENERAL ASSEMBLY**

**28.1.** The "Cooperative" may conduct separate Shareholders' General Assemblies previewed by the cooperative nature or with reference to the different categories of right holders.

**28.2.** If the "Cooperative" company has more than three thousand shareholders and performs its activity in a number of provinces or if there are more than five hundred shareholders and implements a number of mutual managements, it must provide for the conduct of separate Shareholders' General Assemblies in accordance with Article 2540 of the Italian Civil Code. The issues, methods and regulation of those Shareholders' General Assemblies are devolved to internal regulations.

**ARTICLE 29)**  
**SPECIAL SHAREHOLDERS' GENERAL ASSEMBLY**

**29.1.** In the event of issuance of financial instruments devoid of voting rights, reference is made to the content of Art. 2541 of the Italian Civil Code for the regulation of a special category Shareholders' General Assembly.

**CHAPTER II**  
**BOARD OF DIRECTORS**  
**ARTICLE 30)**  
**COMPOSITION**

**30.1.** The "Cooperative" is administered by a Board of Directors consisting of a number of directors no less than three and no greater than nine, it being understood that the majority of directors must in any case be chosen from the cooperative shareholders. At the time of appointment, the shareholders' meeting determines its composition within the aforementioned limits.

**30.2.** The "Cooperative" attributes the assignments of administration and management to entities equipped with proven experience and professional expertise for which there are no situations of conflict of interest or causes of ineligibility provided by Art. 2382 of the Italian Civil Code as well as the absence of definitive convictions for crimes against the public administration, public faith, property, public order and public economy, for intentional crimes for which the law imposes a penalty of imprisonment of not less than three years, for crimes or contraventions provided by laws aimed at preventing workplace accidents or, in any case, provided by laws in relation to employment or social security, for crimes provided in Book V - Title XI of the Italian Civil Code and in Royal Decree 16 March 1942, no. 267 as amended, for crimes provided by the rules that regulate banking, financial and insurance activity and by the rules in relation to financial markets and instruments, in relation to tax and payment instruments, as well as the absence of subjection to measures of prevention as provided in accordance with Italian Legislative Decree 6 September 2011, no. 159 as amended.

**30.3.** The directors of the "Cooperative" must fulfil the duties imposed on them by the law and the "Articles of Association", with the diligence required by the nature of the assignment and their specific skills. They manage activities in accordance with the principles of sound and prudent administration, in compliance with the administrative and accounting procedures, as well as with the internal control mechanisms provided for by the "Articles of Association".

**30.4.** The directors of the "Cooperative" can not assume the status of unlimited shareholders in competing subjects, nor exercise a concurrent activity on their own or by third parties, nor be directors or general managers in competing subjects, unless authorized by the shareholders' General Assembly.

In case of non-observance of the prohibition referred to in the preceding paragraph, the directors may be revoked ex officio by the General Assembly of the shareholders.

**30.5.** The liability of the directors is governed pursuant to Article 2392 of the Italian Civil Code.

**30.6.** Each director must inform the other directors and the Supervisory Board of any interest he or she has on his / her own behalf or of third parties in a given operation of the "Cooperative", specifying its nature, terms, origin and scope; if it is a managing director, it must also refrain from carrying out the operation, investing the same with the oversight body, which provides for the transaction and reports to the first shareholders' General Assembly.

In the cases envisaged above, the resolutions of the administrative body or the supervisory body must adequately justify the reasons and the convenience for the "Cooperative" of the transaction.

**30.7.** The directors answer for damages caused to the "Cooperative" by their actions or omissions. They also respond to damages caused to the organism by the use of data, news or business opportunities learned in the exercise of their duties for their own benefit or that of third parties.

**30.8.** The directors are appointed for three years.

**30.9.** Each director may be re-elected.

**30.10.** The Board, where the Shareholders' General Assembly or the shareholders have not dealt with it in the deed of incorporation, elects from its members the chairman and a vice chairman who replaces the chairman in cases of his absence or impediment.

**30.11.** The directors are entitled to the reimbursement of costs incurred based upon their office; the deed of incorporation or a decision by the shareholders, for each financial year, may also assign a fee to the directors and the same may also be attributed an indemnity for termination of office which may even be constituted by periodic provisioning and also with pension insurance systems.

**30.12.** The directors annually transmit an individual declaration to the Shareholders' General Assembly containing the following information:

a) any conflict of interest profiles with reference to the "Cooperative", as a collective management body;



- b) any remuneration received in the previous year by the "Cooperative", including those in the form of pension schemes, benefits in kind and other types of benefits;
- c) amounts received in the previous year by the "Cooperative" as "right holder";
- d) a declaration on any actual or potential conflict between the personal interests and those of the "Cooperative" or between the obligations towards the latter and the duties towards any other natural or legal person.

**ARTICLE 31)**  
**RESPONSIBILITIES**

**31.1.** The administrative body is invested with the widest powers for the management of the company.

**31.2.** The Board of Directors is responsible, merely by way of example and without limitation, for the following:

- resolving upon and entering into all acts and contracts of any nature, necessary or useful for achieving the corporate objective, excluding those expressly reserved to the shareholders' meeting by the articles of association and by law;
- establishing the directors for the corporate activity;
- formulating annual and/or long-term programmes to be submitted for approval by the shareholders' meeting;
- resolving upon the admission, determining the category of members, and exclusion of shareholders;
- appointing the director of the company;
- establishing the fees of collaborators, technicians and consultants;
- preparing the financial statements;
- compiling the regulations, referred to in Article 2521 of the Italian Civil Code, to be submitted for approval by the shareholders' meeting, and approving those not included therein;
- entering into and implementing conventions with Credit Institutions and other Bodies;
- accepting contributions of the State or other Public Bodies, donations, association contributions and private donations;
- accepting works and assigning them;
- agreeing prices and demanding them;
- completing financial transactions, both active and passive, of any nature and amount; contracting loans; opening and closing deposit accounts, requesting and using credit facilities, requesting bank loans, issuing cheques to the order of the company or third parties to be taken from cash availability or credit lines;

- issuing bills of exchange, accepting, transferring, endorsing, discounting credit and bills of exchange and bonds in general;

- investing cash availability in securities;

- resolving upon the cancellation, reduction of mortgages, waiver or liens and legal mortgages, pledges and other guarantees;

- resolving upon investments and membership of Consortia and other economic integration bodies and determining the amount of shares of investment and interest;

- appointing representatives of the "Cooperative" within the organisations to which it belongs, choosing them preferably from within its own sphere;

- entrusting assignments for the performance of studies and research on issues affecting the corporate activity;

- promoting and bringing arguments before any judicial and administrative authority at any level of jurisdiction, withdrawing them, settling amicably or by way of arbitrators including arbitrators acting by way of an amicable settlement;

- making elections of domicile;

- recruiting, suspending and dismissing employees of the "Cooperative", establishing their qualification, duties and remuneration;

- resolving and implementing all other initiatives, operations and acts, even if not specifically attributed in the previous points to its responsibility.

**31.3.** The administrative body may in any case perform all activities and initiatives that the law or the articles of association do not attribute to the responsibility of the shareholders' meeting.

**31.4.** The directors may purchase or reimburse shares of the "Cooperative".

**31.5.** The Board of Directors may delegate its powers, even regarding acts of extraordinary administration, to an executive committee consisting of one or more of its members. The board of directors determines the content, limits and any methods of exercise of the delegation; it may always impart directives to the delegated bodies and retain for itself operations falling within the delegation. The powers indicated by the law as being under the exclusive responsibility of the Board of Directors may not be delegated.

**31.6.** The directors, on the occasion of approval of the financial statements, must, in the management report, specifically indicate the criteria followed in the company management for achieving the mutual purposes.

31.7. If, during the financial year, one or more directors come to be missing, the others proceed to replace them in the methods provided by Art. 2386 of Italian Civil Code.

#### **ARTICLE 32)**

##### **REGULATION**

32.1. The Board meets in the location indicated in the notice of convocation every time the chairman deems it necessary or, in his absence, the vice chairman (if appointed), or when a written request is made by the majority of its members or by the Board of Auditors with a resolution made by majority.

32.2. The convocation is usually made at least 8 (eight) days prior to that fixed for the meeting, by notice sent by any means appropriate to ensure proof of receipt. In cases of urgency, the term may be shorter. Resolutions of the Board are in any case valid when all directors are present.

32.3. Meetings of the Board are chaired by the chairman and, in his absence, by the vice chairman, if appointed. In the absence of the latter, they will be chaired by the eldest director. In order for the resolutions of the Board of Directors to be valid, the presence of the majority of directors in office is required. Decisions may also be adopted by way of written consultation or based on consent expressed in writing in accordance with Article 2475, 4th Paragraph of the Italian Civil Code. The meetings of the Board of Directors may also be held by way of teleconference and video conference, provided that all participants can be identified by each of them and they are able to follow the discussion and intervene promptly in the discussion of the issues addressed; once those presuppositions are in place, the meeting is deemed to be held in the location in which the Chairman and the Secretary are present.

32.4. Resolutions of the Board of Directors are taken by absolute majority of the attendees. The vote may not be given by representation.

32.5. Votes are normally open; they are, on the other hand, secret, when this is requested by even just one director, or when they relate to issues in which auditors or administrators or the director are involved, or their relatives up to the third degree.

32.6. Where there is a tie in open votes, the vote of the chairman prevails.

**32.7.** Resolutions of the Board of Directors are recorded in minutes which, transcribed in the appropriate book kept in accordance with the law, are signed by the chairman of the meeting and by the secretary.

#### **ARTICLE 33)**

##### **POWERS OF REPRESENTATION**

**33.1.** The power of representation attributed to the directors is general.

**33.2.** The legal representation of the company before any judicial or administrative authority and before third parties, as well as the company signature, is attributed to the chairman of the Board of Directors, to the Vice Chairman (if appointed, in the case of absence or impediment of the former) or to members of the executive committee and/or to the managing director(s) with reference to the powers delegated.

**33.3.** The Chairman as well as the Managing Directors, the latter within the limits of the delegation, may, subject to resolution of the Board of Directors, issue proxies to shareholders or to specific professionals and technicians, for the conduct of individual activities, with attribution of the related power of representation.

**33.4.** It is also the responsibility of the chairman:

**a)** to convene the Board of Directors, to establish the agenda and to coordinate the works;

**b)** to implement the resolutions of the collegial bodies of the "Cooperative";

**c)** to supervise the entire activity of the "Cooperative".

In the case of absence or impediment of the Chairman, all powers and functions attributed to him shall be held by the Vice Chairman and, in the absence of both, by the Director appointed by the Board. Before third parties, the signature of the Vice Chairman constitutes legal proof of the absence or impediment of the Chairman or of a vacant post.

**33.5.** Unless otherwise provided by the delegation resolution, the legal representation and company signature are also held by the Managing Director, where provided.

#### **ARTICLE 34)**

##### **SHAREHOLDERS' CONTROL**

**34.1.** Shareholders who do not participate in administration are entitled to have from the directors information on the conduct of corporate matters and to consult, also by way of professionals trusted by them, the corporate books and documents relating to administration. For liability actions against the directors, the provisions provided by Article 2476 of the Italian Civil Code shall apply.

#### **CHAPTER III**

**BOARD OF AUDITORS - STATUTORY ACCOUNTS AUDIT -  
SUPERVISORY BOARD**

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**ARTICLE 35)  
BOARD OF AUDITORS**

**35.1.** In line with the requirements established by law, the "Cooperative" must be audited by a Board of Auditors in accordance with Book V - Title V - Chapter V - Section VI-bis - Paragraph 3 of the Italian Civil Code, consisting of three statutory auditors and two alternate auditors appointed by the shareholders' meeting, which will determine the fee for the whole duration of the assignment and will also appoint its chairman.

**35.2.** The auditors remain in office for three financial years and they expire at the date of the shareholders' meeting convened for approval of the financial statements relating to the third financial year of the role. The termination of the auditors due to expiry of the term shall have effect from the time the board has been reconstituted. The auditors may be re-elected.

**ARTICLE 36)  
DUTIES OF THE BOARD OF AUDITORS**

**36.1.** The Board of Auditors oversees compliance with the law and the articles of association, compliance with the principles of correct administration and in particular the adequacy of the organisational, administrative and accounting structure adopted by the company and its concrete functioning.

**36.2.** The auditors, on the occasion of approval of the financial statements must, in their report, specifically indicate the criteria followed in the company management to achieve the mutual purpose and to highlight the condition of prevalence also with reference to the special laws.

**ARTICLE 37)  
STATUTORY ACCOUNTS AUDIT**

**37.1.** Pursuant to Article 13, paragraph 1, of the "Decree", the audit of statutory accounts of the Cooperative audit is granted by the shareholders' General Assembly, having liaised with the Board of Auditors, which also determines the fee due for the entire duration of the assignment, to an auditing company registered on the special register set out in Italian Legislative Decree 27 January 2010 no. 39.

**37.2.** The assignment lasts for three financial years, with expiry at the shareholders' meeting convened to approve the financial statements relating to the third financial year of the assignment.

**37.3.** For the first time, the independent auditing company is appointed in the deed of incorporation by the shareholders.

**ARTICLE 38)  
SUPERVISORY BOARD**

**38.1.** Without prejudice to the provisions of the legislative decree OF June 8, 2001, n. 231, to which article 39 of the present "Articles of Association" refers to, the "Cooperative" includes among its bodies the Supervisory Board.

**38.2.** This body is composed in such a way as to ensure a fair and balanced representation of the different categories of members of the "Cooperative", as indicated in the preceding article 7.5., so that it is constituted in a collegial form from three to five members, including the President, to which, as compatible, Article 12, paragraphs 1 to 9 of the "Decree" applies.

**38.3.** The members of the Supervisory Board are chosen in a fair and balanced way within the names indicated in as many lists as there are categories of members; these lists can be composed both by members themselves and by persons skilled in the field of competence of the "Cooperative", chosen by them and are elected by the General Assembly for a period of three years.

**38.4.** The Supervisory Body referred to in paragraph 1 ensures the constant control and monitoring of the exercise of the functions and related enforcement and instrumental activities carried out by the persons in charge of the management bodies.

**38.5.** The members of the Supervisory Body must submit annually to the General Assembly an individual declaration on any conflicts of interest, containing the information referred to in Article 12, paragraph 9, of the "Decree".

**38.6.** The Supervisory Board meets regularly at the registered office or elsewhere, provided that in Italy, at least for the purpose of:

a) exercise the powers delegated to it by the General Assembly of the shareholders, including those referred to in article 10, paragraphs 2 and 5, of the "Decree";

b) monitor the activities of the directors referred to in Article 12 of the aforementioned "Decree", including the correct implementation of the resolutions of the General Assembly, with particular reference to those on the implementation of the general policies referred to in Article 10, paragraph 4, letters a), b), c) and d) of the same "Decree".

**38.7.** The Supervisory Board reports on the exercise of its powers to the General Assembly at least once a year.

**38.8.** The Supervisory Board elects a Chairman from among its members, if the preceding General Meeting did not proceed with the appointment.

**CHAPTER IV**

**REQUIREMENTS SET OUT IN ITALIAN LEGISLATIVE DECREE 8 JUNE 2001  
NO. 231**

**ARTICLE 39)**

**ORGANISATIONAL, MANAGEMENT AND CONTROL MEASURES ("MODEL") AND  
THE COMPANY SUPERVISORY BODY**

**39.1.** In compliance with the provisions set out in Italian Legislative Decree 8 June 2001 no. 231 as amended and supplemented, the "Cooperative", with a view to planning and managing the company activity based upon efficiency, correctness, transparency and quality, adopts, by way of Regulation approved by resolution of the Board of Directors, organisational, management and control measures (so-called "Model") and constitutes a Body in charge of overseeing the functioning and compliance with that "Model".

**TITLE VII**

**MANDATORY BOOKS - ACCOUNTING RECORDS - CORPORATE BOOKS**

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**ARTICLE 40)**

**MANDATORY BOOKS - ACCOUNTING RECORDS - CORPORATE BOOKS**

**40.1.** The "Cooperative" keeps the mandatory books and other accounting records in accordance with Book V - Title II - Chapter III - Section III - Paragraph 2 of the Italian Civil Code.

**40.2.** The "Cooperative" also keeps the mandatory corporate books set out in Article 2421 of the Italian Civil Code.

**TITLE VIII**

**DISSOLUTION - METHODS OF LIQUIDATION - INSOLVENCY -  
AMENDMENTS OF DEED OF INCORPORATION**

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**ARTICLE 41)**

**DISSOLUTION**

**41.1.** The "Cooperative", as well as in the cases provided by law, may be dissolved by resolution of the shareholders' General Assembly.

**ARTICLE 42)**

**METHODS OF LIQUIDATION**

**42.1.** In the event of dissolution of the "Cooperative", the shareholders' General Assembly will appoint one or more liquidators, preferably from the shareholders, determining their powers. The entire company equity, having deducted only the share capital and dividends that may have accrued, shall be devolved according to the law.

**ARTICLE 43)**

**INSOLVENCY**

**43.1.** In the event of insolvency, where the "Cooperative" performs commercial activity, it must be deemed to be subject to compulsory liquidation.

**ARTICLE 44)**  
**AMENDMENTS TO DEED OF INCORPORATION**

**44.1.** Article 2436 of the Italian Civil Code applies to resolutions that involve amendments to the deed of incorporation. The merger and demerger of cooperative companies are regulated by Title V, Chapter X, Section II and III of the Italian Civil Code.

**TITLE IX**  
**GENERAL PROVISIONS**

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**ARTICLE 45)**  
**REGULATION FOR INTERNAL FUNCTIONING**

**45.1.** In order to better regulate the internal functioning of the company, the Administrative Body may prepare a special regulation subjecting it to approval by the shareholders' General Assembly, citing in that regard the provision of Article 2521, Final Paragraph of the Italian Civil Code.

**ARTICLE 46)**  
**REFERENCE**

**46.1.** For anything not provided by these Articles of Association, the rules of TITLE VI "Cooperative Companies" of the existing Italian Civil Code shall apply, along with those relating to the regulation of limited liability companies and the special laws on Cooperation and respective amendments and additions, as well as the provisions established by Legislative Decree of 15 March 2017 n. 35, including, in particular, those pertaining to the Supervision by the Authority for guarantees in communications and sanctions.