

Moleskine Foundation By-Laws

Article 1 – Name and Registered Offices

By virtue of this instrument of incorporation, a Foundation named “**Moleskine Foundation Onlus**”, or non-profit organization of social utility also defined, in English, “**Moleskine Non Profit Foundation**” is instituted, with its registered offices in Milan, via Valtellina no. 65. Moleskine Foundation is the new name of Fondazione lettera27, the projects and idealistic inspiration of which are carried on.

The name of the Foundation includes the qualification of non-profit organization of social utility (*breviter* Onlus) that constitutes a fundamental characteristic of the Foundation itself and, therefore, it will be included into in each communication or external activity of it.

Article 2 – Purposes and social and institutional activities/Independence

The Foundation pursues exclusively purposes of social solidarity, of promotion and development of the right to education, to formation and to access to information.

In particular, the Foundation plans, implements and promotes programs for Quality Education, which is fair and inclusive, aimed to encourage critical thinking, experience and creative action, continuing education.

Such social aims are realized through social solidarity activities, in favor of people that are in a condition of economic and social disadvantage, with particular regard to young generations.

Support to innovative and quality Education, implementation of instruments to access information, use of art and culture as social transformation elements, work of communication and awareness of topics related to education and access to information, are the main intervention areas of the Foundation.

To this end, the Foundation shall carry out the following actions:

- Implement funding programs and programs to provide support materials to disadvantaged people and communities, in the access to education and information;
- Finance activities planned, promoted and directed directly by the Foundation itself as well managed by other bodies, institutions, associations or foundations, to the extent they are non-profit and that they have equivalent or similar social purposes and that they also are qualified as Onlus, Ong, social enterprises or other wording;
- Implement funds' donations that support the instrumental and technological innovation and enable the people mentioned above in this article to facilitate the right to education and the access to information, also through the promotion of the cultures, the languages and the local expressive forms.

The Foundation does not have any lucrative purpose and is not allowed to distribute profits, even indirectly.

The Foundation extends its aims internationally. To this end, the Foundation will have the faculty - also in Countries other than Italy – to establish branches or offices, which may also be secondary, as well as institute or take part to other foundations, associations or organizations, in any form constituted, to the extent they have purposes compatible with those provided for by these By-Laws, taking any initiative, whether regulatory, administrative or managerial – compliant with the local applicable law – deemed necessary to acquire and maintain the status of non-profit organization or any other equivalent *status* also in the third Country.

In pursuing its purposes and performing its activities, the Foundation warrants to keep its independence from the Founders' own interests, of the Participants and of anyone that takes part to the Foundation's activities for any purpose and in any form. The President of the Foundation has the role of guarantor of the independence of the Foundation.

Article 3 – Activities directly connected

In order to achieve its purposes, by committing to intervene against situations of disadvantage and marginalization as described in article 2, and by building its activity on solidarity founded on values of equality

between the people, without any discrimination, that can generate a comparison and a dialogue mutually useful, between different communities, the Foundation can:

- Promote directly and/or indirectly activities of fundraising and/or collection of material aids intended for initiatives in favor of the right to education, access to information, in particular toward people unprivileged in economic, physical and social way;
- Finance activities aimed to obtain and expand the right to education and access to knowledge, either promoted and organized directly by the Foundation or organized by other entities, institutions, associations and other foundations, provided that they are non-profit and that they have equivalent or similar social purposes and that they also are qualified as Onlus, Ong, social enterprises or other mentions;
- Promote and/or finance and/or conduct studies and researches related to its aim;
- Realize and distribute publications both on its own or in collaboration with third parties, in order to promote and enhance the Foundation's activities. The editorial products and the publications may be realized on every type of media support. Distribution may also be carried through telematic networks, directly or indirectly;
- Design, manufacture and distribute objects related to the Foundation's purposes and aimed both to communication and fundraising;
- Promote and organize manifestations of every kind, such as conferences, debates, expositions, round tables, conferences, meetings as well as financing comparable manifestations organized by public and private entities, within the framework of the institutional activity;
- Promote and produce communications also of commercial type related to the aim of the Foundation, through all the various existing media;
- Promote and manage initiatives dedicated to facilitate the education in situ of the citizens of developing countries, in the field of education, literacy and access to information;
- Promote and organize initiatives dedicated to facilitate the intervention of volunteers and collaborators to enhance the efficiency of the action of the Foundation and the achievement of its social aims;
- Maintain relationships and cultural exchanges with universities and research centers, provided that they are helpful to social aims, also with Italian and international associations and foundations that pursue similar aims;
- Organize activities of information, communications and debate in order to attract the interest of the public opinion on the right to education and access to knowledge as provided for by the UN Universal Declaration on Human Rights (article 26) and, later, by the International Covenant on Economic, Social and Cultural Rights (article 13), by the Convention on the Rights of the Child (articles 28 and 29), by the Convention on the Elimination of All Forms of Discrimination against Women (article 10) and, later, by the Sustainable Development Goals as specified in paragraph 54 of the United Nations's resolution A/RES/70/1 of 25 September 2015.

The Foundation will have the faculty to participate to associations, foundations, bodies and institutions, both private and public, the activity of which is aimed – directly or indirectly – to purposes similar to the ones of the Foundation as well as to take part to the establishment of such organizations, if deemed appropriate; the Foundation will also have the faculty to sign conventions with third parties to assign them a part of the activities.

In any case, the Foundation will have the faculty to perform any activity that might be connected or instrumental to the above-mentioned activities, to the extent permitted by article 10 paragraph 5 of legislative decree no. 460 of 4 December 1997.

Article 4 – Assets / endowment fund

The assets/endowment of the Foundation is made up of:

- the Foundation's endowment comprising contribution in property, usage or possession money, goods or real estate, or other benefits as may be used for achieving the aims of the Foundation, provided by the Founders, by the other participants or by third parties;

- goods and real estate that is received or shall be received by the Foundation for any reason, including such as is bought by it in accordance with the rules of these By-Laws;
- donations by Bodies and by individuals made expressly for the purpose of increasing the assets of the Foundation, save for the provision under article 5 below;
- that part of unused profit which can be used to increase the assets;
- contributions to the Foundation endowment from the central government, local government authorities, or from other public bodies, save for the provisions under article 5 below;
- any type of contributions from the Founders, the Participants, and other third parties, to the extent that the General Council states their destination to the operating fund in accordance with article 10.

The Executive Board can invest the assets in the way it deems best, favoring its safeguard.

Article 5 – Operating fund

The operating fund of the Foundation is made up of (except for what the General Council will decide to destine to the endowment fund in accordance with article 10):

- income and profit sourced from the assets and the activities of the Foundation, save for the provisions under article 4;
- any donations or testamentary disposition or any other donations from bodies or individuals, to the extent they are not expressly assigned to the endowment fund;
- any potential contribution from the central government, local government authorities, or from other public bodies to the extent they are not expressly assigned to the endowment fund;
- contributions in any form by Founders, Participants and third parties;
- profits from institutional, accessory, instrumental, and connected activities.

The income and the resources of the Foundation shall be used for the functioning of the Foundation and for achieving its purposes.

Article 6 – Charter of values

The Foundation, in pursuing its purposes and performing its activities in any office and any form, shall comply with the following Charter of Values:

- Access to information, to knowledge and to Quality Education is a human right which the Foundation intends to foster and support, in particular with regard to young generations and communities that are disadvantaged both on a social and cultural level;
- Education is a fundamental key for positive transformation of the society; Quality Education based on building critical thinking, on permanent Education and on creative work represents the guiding element for the common future of humanity;
- Art and culture are a preferred driving force of transformation, they foster freedom of expression, promote peace and sustainable development. Art and culture work both on knowledge and emotions, strengthening social cohesion, freedom of expression and good governance;
- Scientific research and technological innovations build the premises for a worldwide sustainable development, analyzing and providing new knowledge and solutions to problems related to development and the future;
- The Foundation carries out its tasks in accordance with some undeniable criteria:
 - a) Searching and enhancing individual and collective talents;
 - b) Creating direct experiences and participation of any interested person as an important element of education and transformation;
 - c) Sharing experiences and making them available to the community;
 - d) Pursuing efficacy and quality as goals;
- The Foundation is independent from any external influence and is self-determined in order to best achieve its social purpose.
Such autonomy results in full responsibility on every purpose of public interest and for all the activities carried out: transparency and publicity of its work, authority and integrity of its directors, a fair relationship between administrative and managerial costs and activities;
- The Foundation act in an international context, which is essential for:

- a) Gather and research for richness and diversity of experiences and needs, connecting and exchanging knowledge and societies;
 - b) Carrying out its mission where it is most needed, pursuing the general interest of humanity;
- The Foundation seeks for partnerships and collaborations with people, companies and Bodies which share and carry out their own activities in accordance with the values expressed in these By-laws. Partnership and collaboration activities are useful and important for the achievement of its social purposes and for creation of catalyst moments which can generate systematic changes in society.

The Charter of Values binds anyone that participates to the Foundation for any reasons, including the Foundation bodies.

Article 7 – The Participants to the Foundation

The members of the Foundation are divided into:

- Founders;
- Participants.

a) Founders

Firstly, are qualified as Founders those that have signed the instrument of incorporation.

The role of Founder may also be held, if appointed with non-appealable unanimous resolution by the General Council, by natural or legal persons - be they private or public - as well as bodies that, endorsing the purposes of the Foundation, contribute to the its life and to the achievement of its aims through cash contributions, or through a particularly relevant activity - even a professional one – or through the contribution of material or immaterial goods, according to the terms and at least to the amount established by the General Council. The decisions by the General Council regarding the modalities for contributing are by themselves source of obligations for the Founders and may also be included in agreements concluded between the Foundation and the interested Founders, by which the Founders may also undertake further obligations in favor of the Foundation and/or of the other Founders.

The status of Founder may cease to exist as a consequence of renounce, death, or exclusion. The Founder who loses his status shall not appoint his/her successor, not even by means of testamentary dispositions. In case, after one or more Founders who are natural persons cease to hold office, the majority of the remaining Founders is made of legal persons, entities or associations, either public or private, the General Council shall in a timely manner appoint the other natural person Founders, who shall be independent from the Founders who are legal persons, entities or associations, so that the majority of natural persons among Founders will be re-established as soon as possible.

b) Participants

If appointed by the Executive Board, the role of Participants may be held by natural or legal persons - be they private or public - as well as bodies that, endorsing the purposes of the Foundation, contribute to the life of the latter and to the achievement of its aims through annual or multi-annual cash contributions, according to the terms and at least to the amount established, also annually, by the Executive Board or through an activity - including a professional one – of certain importance or by providing tangible or intangible assets.

The Executive Board may state, through specific regulations, any subdivision or grouping of the Participants by categories of activity and participation in the Foundation.

The Participants may destine their contribution to specific projects that fall within the scope of activity of the Foundation.

The status of Participant shall last for the entire period for which the contribution has been regularly paid or the benefits regularly provided.

Natural and legal persons, public or private bodies or other institutions that have their offices abroad might be appointed as Participants as well.

Article 8 – Participants and Founders withdrawal and exclusion

In case of withdrawal and exclusion, the quality of Participant to the Foundation ceases to exist.

The exclusion of the Founders and the Participants is decided by the General Council for serious grounds that make the participation incompatible with the purposes of the Foundation, including – by way of example – the circumstance a Founder, which is a legal person, should be subject to insolvency or winding-up procedures, ceases its professional activity, or breaches the provisions under these By-Laws or under the internal regulations of the Foundation or the ways of contribution to the life of the Foundation as set forth by the General Council.

Such a decision can be appealed before the General Council that will decide in a definitive manner.

For the decisions regarding the Founders only, the General Council shall act unanimously, with the exclusion of the vote of the Founder (or its representative) to which the decision is referred to.

Article 9 – Governing structure of the Foundation

The governing structure of the Foundation is made up of:

- the General Council;
- the Council of Wise Men;
- the Executive Board;
- the President and, if appointed, the Vice President of the Foundation;
- the Advisory Board, if appointed;
- the Board of Auditors.

Article 10 – General Council

The General Council is made up of a variable number of members,

Its composition shall be as follows:

- a) the Founders-natural persons or, on behalf of Founders-bodies and/or legal persons, a representative for each Founder

Members of the General Council shall remain in force without time limitations. The withdrawal or the exclusion of a Founder under article 8 shall entail an automatic extinction of the related role of member of the General Council.

The General Council shall approve the goals and the programs of the Foundation proposed by the Executive Board, and examine the overall results of the Foundation's performance.

Save for any other prerogative provided for by these By-Laws with regard also to other corporate bodies, the General Council shall:

- lay down each year the general lines of activity of the Foundation within the aims and the activities as stated in articles 2 and 3 of these By-Laws as well as the measure of any destination to the operating fund and/or to the endowment fund of contributes in any form given by the Founders, the Participants and third parties, or arising from incomes and revenues deriving by the assets of the Foundation itself, deriving from revenues of institutional, accessory, instrumental, and connected activities, as well as – to the extent they were not expressly destined to the endowment fund – of any donations or testamentary dispositions and/or of any contributions from the State, local bodies or any other public entities.
- approve the estimated budget sheet and the financial statements drafted by the Executive Board;
- appoint the President of the Foundation and, if necessary, the Vice President, in accordance with the prevision under article 11 below;
- appoint and dismiss the members of the Executive Board;
- appoint the members of the Board of Auditors;
- decide any amendments to the By-Laws;
- adopt resolutions regarding the proposal to dissolve the Foundation and the transfer of its assets;

Meetings of the General Council are called by the President on his/her own initiative or, on his/her behalf, from the Vice President, if appointed, or by the eldest Founder. Moreover, meetings of the General Council may be

called at the request of at least one third of its members; in this event – and in case of *inertia* of the President, the call shall be made by the Chairman of the Board of Auditors. Convocations have no particular requirement as regards form, to the extent that they are made using means suitable to the purpose of informing all the members and the reception of which by the members can be proved. The convocations are forwarded at least ten days prior to that set for the meeting; where need or urgency so dictates, notification can be given three days before the set date.

The notice calling the meeting must state: the agenda, the place and the time of the meeting. It may, at the same time, state the day and time of the second call to the meeting, and may lay down that this is set for the same day as the first call, but not less than one hour after the latter.

The Council is validly convened at the first call if two thirds of its members attend; at the second call, the meeting is valid regardless of the number attending.

Save for the case that the By-Laws provides a different voting quorum, resolutions are adopted with the supporting vote of the majority attending; where there is a tied vote, that of the President shall be the casting vote.

Resolutions concerning the approval of amendments to the By-Laws, the dismissal of the members of the Executive Board and the winding-up of the Entity are validly adopted with the supporting vote of two thirds of the General Council.

Meetings are chaired by the President or, where he/she is absent or suffers impediment, by the Vice President, if appointed, or by the eldest of the Founders.

Minutes shall be drawn up of the Council meetings and shall be signed by whoever chairs the Council and by the secretary.

It is admissible for the Council meetings to be held using telecommunication means to the extent that all the participants can be identified and they are able to follow the discussion and take part in real time in dealing with the business of the meeting. Where these requirements are met, the General Council meeting shall be deemed as held in the place where the President is and where, likewise, the Secretary to the meeting is.

Appeals to the General Council set forth by the By-Laws shall state the relevant grounds and shall be filed, under penalty of expiration, within 15 (fifteen) calendar days from the occurrence of the relevant event. Appeal must be sent to the attention of the President at the headquarter of the Foundation.

Article 11 – The President

The President of the Foundation and the Vice-president, if any, are appointed by the General Council from among its own members; however, the President shall not be appointed from among those members of the General Council acting as Founders' representatives carrying business activities, directly or through a subsidiary company. The President and the Vice-president shall be appointed for 5 (five) years and may be re-elected.

In case the President ceased, for any reason, to hold office, the Vice-president shall in a timely manner convene the meeting of the General Council so that it may promptly appoint a new President. If, at the time of the appointment of the President, there are no eligible members in the General Council, the President shall be appointed by the General Council from among people outside the Foundation, deemed morally and ethically adequate, that can guarantee independence and full participation in the spirit of the Foundation.

The President will act as the legal representative of the Foundation.

Article 12 – The Executive Board

The Foundation is administered by the Executive Board, which is made up of an odd but variable number of members, starting from a minimum of three members up to a maximum of nine members.

Its composition shall be as follows:

- a) The President of the Foundation;
- b) Up to eight members appointed by the General Council from among people that may also be from outside the Foundation.

Each member of the Executive Board shall remain in office until the approval of the financial statement of the third fiscal year following his/her appointment and may be re-elected, unless such appointment is revoked by the General Council before the end of the mandate. In the event the majority of the members ceases to hold office following resignations or revocation of the appointment, the whole Board shall be considered dismissed. The President or, in his/her absence, the Vice-president or, in his/her absence, the eldest of the members, shall convene the meeting of the competent bodies for the appointment of a new Board.

The Founders or the representatives appointed by Founders which are entities/legal persons may be appointed as members of the Board. Each member of the Executive Board shall act in the sole interest of pursuing the Foundation's purposes. Participation as a member of the Executive Board is intended to be not remunerated.

The Executive Board shall be in charge of the ordinary and extraordinary administration, exception being made for the prerogatives of the General Council, and of the management of the Foundation, in accordance with the criteria of efficiency, cost effectiveness and efficacy, and in pursuance of the plans, the projects and the budget guidelines approved by the General Council. In particular, the Executive Board shall:

- approve the planning of the activities, which may also be multi-annual;
- draft and approve regulations and the organizational structure of the Foundation in relation with the development of its activities;
- institute departments, as well as technical and advisory committees for each project and/or area of activity, appointing the Person in Charge, determining their functions, nature and the duration of the relationship;
- institute an Advisory Board, appointing or revoking the appointment of its members, in pursuance of article 14 of these By-Laws;
- establish the criteria to be qualified as Participant and proceed with the related appointment;
- approve the revocation of the appointment of the Participants, in pursuance of article 8 of these By-Laws;
- decide on the acceptance of inheritances, bequests and contributions;
- draft the proposal for the estimated budget sheet and the financial statements for the General Council to approve.

For the purpose of a more efficient management, the Executive Board may delegate, by its own decision adopted in pursuance of the law and properly registered, some of its powers to certain of its own members.

The Executive Board is convened by the President, by his/her own initiative or upon request from at least one third of the members of the Board itself, without any requirements as regards form, provided that it is done through appropriate means which can be proven where received by the recipient. The notices calling the meeting shall be forwarded at least seven days prior to the date set for the meeting; in case of need or urgency, notification may be given three days before the set date.

The notice calling the meeting shall include: the agenda, place and time of the meeting. The notice may also include the date and the time of the second call to the meeting, and may lay down that this is set for the same day as the first call, but not less than one hour after the latter.

The Executive Board is validly constituted if the meeting is attended by at least the majority of the current members and shall decide by majority of the votes of the members attending the meeting. In case of a tied vote, that of the chairman shall be the casting vote.

It is admissible for Board meetings to be held using telecommunication means on condition that all the participants can be identified and they are able to follow the discussion and take part in real time in dealing with the business of the meeting. Where these requirements are met, the Board meeting shall be deemed as held in the place where the President is and where, likewise, the secretary to the meeting shall be.

Article 13 – The Council of Wise Men

The Council of Wise Men is made up of a fixed number of 3 (three) members, to be chosen from among people with an adequate moral and ethical profile, of recognized independence, and with an adequate professional and working experience.

Exception made for the first composition of the Council of Wise Men which is made in accordance with this article, members of the Council of Wise Men shall be appointed by the General Council, with preference for natural persons from amongst those who participated, on any basis, to the Foundation. In no event the office of member of the Council of Wise Men shall be held by representatives appointed by Founders which are legal persons, entities or associations. The General Council shall always grant the *plenum* of the Council of Wise Men. In case of prolonged inactivity of the General Council, members of the Council of Wise Men may be appointed, upon request by one of the Founders, by the President of the Court of Milan, who shall decide upon consultation with all Founders.

Members of the Council of Wise Men shall remain in office for life, except in case of resignations, disqualification or revocation of the appointment, which may be ordered only in case of serious and proven motives exclusively by unanimous decision of the General Council, without prejudice to the right of the revoked member to rely on the arbitration procedure set forth in article 18.

The first composition of the Council of Wise Men is made by Mrs. Maria Sebregondi, Mr. Roberto di Puma and Mr. Fabio Rosciglione.

The Council of Wise Men is guardian of the Foundation's compliance with the Charter of Values. At this end:

- gives prior examination to the planning of the activities of the Foundation proposed by the Executive Board, expressing its opinion in a timely manner so to permit the relevant decision by the competent bodies;
- is preliminary consulted by the General Council on the general lines of activity of the Foundation to be set annually in pursuance of article 10;
- gives its preliminary opinion on proposals of exclusion of Founders;
- may be consulted by the General Council and/or by the Executive Board, or by their single members, in order to obtain a preliminary opinion regarding any other matter concerning the Foundation itself and/or the relationships between those who, on any basis, participate to the Foundation;
- may, even upon its own initiative, give recommendations, warnings, opinions and invitations to the bodies of the Foundation.

Opinions, warnings, recommendations, invitations and any other act by the Council of Wise Men are not binding for the Foundation and its bodies. Nonetheless, in such case decisions or initiatives by bodies of the Foundation which are in contrast with the opinion of the Council of Wise Men shall be properly reasoned. This is without prejudice to the faculty of any interested party to rely on the arbitration procedure set forth in article 18.

The Council of Wise Men is constituted and acts by majority without any requirements as regards form, granting in any event the proper verbalization of any dissenting opinion possibly expressed by one of its members.

Unless a resolution by the General Council states the opposite, participation to the Council of Wise Man is not remunerated.

Article 14 – Advisory Board

The Advisory Board, if instituted, is the consultative body of the Foundation and is made up of a variable number of members, chosen and appointed by the Executive Board, from among the natural and legal persons, entities and institution both Italian and foreign that are specially qualified, of well-known authority and professionalism in the matters of interest of the Foundation.

Each member of the Advisory Board may be declared disqualified from his/her office with a decision by the Executive Board upon resultant lack of the conditions that justified the appointment.

The Advisory Board, in cooperation with the Executive Board, formulates proposals and qualified opinions regarding the Foundation's program of activities and any other matter submitted to it by other bodies of the Foundation.

Carries out research and documentation activities in the field of access to knowledge and its dissemination.

Designs and implements events of communication and divulgation.

The members of the Advisory Board remain in office for the term set forth in the act of their appointment, except in case of revocation or resignations.

The Advisory Board is constituted and acts without any requirements as regards form.

Article 15 – Board of Auditors

The Board of Auditors is made up of three members appointed by the General Council one of whom acts as Chairman, which is chosen from among persons entered in the professional register of Auditors.

The Board of Auditors ascertains the proper keeping of the accounts, examines the proposal for the estimated budget sheet and the financial statements, and in doing so draws up proper reports, and it makes cash inspections.

Members of the Board of Auditors may take part without voting rights in the meetings of the General Council and of the Executive Board.

Members of the Board of Auditors remain in office until the approval of the financial statement of the third fiscal year following their appointment and they can be re-elected.

Article 16 – Financial Year and Financial Statement

The financial year shall begin on January 1st and end on December 31st of each year.

Within the month of April, the General Council shall approve the proposal for the estimated budget sheet for the subsequent year and the financial statement for the previous year, drafted by the Executive Board and examined by the Board of Auditors.

Within the month of March, the Executive Board shall draft a balance sheet of all the incomes and expenses, together with a related explanatory memorandum, for each of the occasional public fundraisings carried throughout the financial year. The estimated budget sheet and the annual balance sheet of incomes and expenses, with the relevant explanatory memoranda of the President of the Foundation and of the Board of Auditors, shall remain deposited at the headquarter of the Foundation for the eight days prior to the meeting of the General Council called for their approval.

The annual balance sheet of incomes and expenses is structured in a way that provides a clear representation of the economic, financial and patrimonial situation of the Foundation. The annual balance sheet of incomes and expenses shall represent the results of accounting, kept in pursuance of article 20 *bis* of the Presidential Decree of 29 September 1973, no. 600.

The explanatory memoranda accompanying financial statements shall, *inter alia*, illustrate reserves and investments with particular regard to the safeguard of the substantial financial integrity of the assets of the Foundation.

The Foundation shall publish annually, also on the internet, the social report of its activities, highlighting the resources deployed for each activity implemented in the year of reference. Any potential profit or operating surplus shall be deployed exclusively for the implementation of the institutional activities set forth in article 2 and those directly related to them.

The distribution, directly or indirectly, of profits or operating surpluses as well as of funds, reserves or capital is prohibited during the lifetime of the foundation, except in case the destination or the distribution is compulsory in law or are carried in favour of other non-profit organisations which are, by virtue of law, By-Laws or regulation part of the same and unified structure.

Article 17 – Duration, extinction and liquidation of the Foundation and/or merger with third parties

The Foundation has unlimited duration.

In the event of extinction of the Foundation, regardless of the cause, or anyway in the event of ascertained impossibility to pursue its social and institutional purposes set forth in article 2, the General Council shall decide on the devolution of residual assets after the liquidation to non-profit Organizations and Entities with similar purposes, or for purposes of public utility.

The General Council shall appoint two liquidators of which at least one shall be registered in the professional register of Auditors.

Any asset remaining after the liquidation shall be devolved to other non-profit organizations, acting for the achievement of similar purposes to the institutional purposes or for purposes of public utility, taken into account the binding opinion of the President and of the control body set forth in article 3, paragraph 190 of the Law no. 662 of 23 December 1996. If compulsory by law, other destinations for the residual assets are allowed.

The Foundation, in order to avoid dissolution or for other reasons, after favourable opinion of the President and of the control body set forth in article 3, paragraph 190 of the Law no. 662 of 23 December 1996, upon decision of the General Council, may merger or anyhow be incorporated, also after prior dissolution, with or in other non-profit organizations pursuing similar purposes, so that institutional purposes may be more efficiently achieved.

Article 18 – Arbitration Clause

All disputes arising out of these By-Laws or in relation with them shall be settled by arbitration under the Rules of the Chamber of Arbitration of Milan, by three arbitrators appointed in accordance with such Rules. The seat of the arbitration shall be Milan and the language of the arbitration shall be Italian.

Article 19 – Other rules applicable

For matters not dealt with in these By-Laws, the Law and, in particular, all dispositions set forth by the Legislative Decree no. 460 of 4 December 1997, shall apply.