



FAI

FONDO
AMBIENTE
ITALIANO

Bylaws of the Foundation

BYLAWS

Article 1 A Foundation is created, with the name, “**FAI – FONDO AMBIENTE ITALIANO**”, based in Milan. Representative Offices, Delegations and other offices may be established in Italy and abroad.

The Foundation may also use the name “FAI - Fondo per l’Ambiente Italiano” or the abbreviated form “FAI”.

Article 2 FAI has as its sole purpose the community’s education for the defence of the Italian environment as well as the artistic and monumental heritage.

Such purpose is pursued through the following activities:

- the protection, promotion and enhancement of assets of artistic, historical, or landscape interest;
- the protection and enhancement of nature and environment;
- the promotion of culture and art.

In relation to the above, FAI may also promote studies, scientific research and documentary research.

More particularly, FAI may:

- undertake and promote any action aimed at safeguarding, preserving and restoring the assets of the kinds referred to above along with the relevant surroundings; including by agreements with other entities having similar objectives;
- carry out research and promotion activities and implement intervention measures, both directly and by organising or encouraging meetings, congresses and seminars, as well as by granting financial support, prizes and scholarships;
- purchase, whether for valuable consideration or on a free of charge basis, lease, usufruct, operate under concession or on a free loan basis, rent and however manage assets of historical, artistic, landscape or environmental interest.

FAI may pursue its purposes also through any agreements deemed advisable with other entities or institutions and may receive assets from other foundations with similar purposes in accordance with article 31 of the Italian Civil Code.

FAI is a non-profit foundation.

Article 3 Solely in order to achieve the purposes indicated in article 2, FAI may:

- enter into any agreements and execute any other documents deemed advisable, including, without limitation, for obtaining short-, medium- or long-term loans in the exclusive interest of the Foundation, the execution of documents certifying undertakings and commitments (*atti di obbligo o di sottomissione*) for the lease of public assets and execution of special

arrangements of any kind, including those that can be registered with Public Registers, with public or private entities;

- administer and manage the assets of which it is the owner or that are otherwise in its availability on any account whatsoever, including under any administrative licence, so as to preserve - and where appropriate restore - their artistic and historical characteristics;

- contribute to projects for the protection and enhancement of assets belonging to third parties, also promoting specific arrangements;

- promote, including through subsidies, the development of institutions, associations and entities having analogous or similar purposes as the Foundation;

- carry out all activities as may be necessary or useful to the purposes set out herein, including, management of agricultural land, consultancy, planning, organisation of travels for the purposes of education, study and culture, organisation of shows or exhibitions, promotion of tourism, management of commercial businesses that serve the Foundation's activities of hospitality and restoration, as well as the performance or entrustment of additional services to third parties.

Article 4

FAI's assets comprise the following:

(a) the amounts originally paid in, as indicated by its Deed of Institution;

(b) the donations made by entities or individuals, expressly allocated to increase the Foundation's patrimony;

(c) funds obtained by public subscriptions, duly authorised under the law, to carry out interventions in connection with assets included in the Foundation's patrimony;

(d) real and personal property allocated to its patrimony;

(e) the amounts collected from the income that, based on a Board of Directors' resolution, are allocated to increase the Foundation's patrimony.

Article 5

For the fulfilment of its duties, FAI may use:

(a) the income from the assets referred to in article 4;

(b) the amounts that FAI receives from entities or individuals who are interested in its institutional purpose, whether they are allocated to the increase of its assets or not;

(c) contributions from Members and Supporters;

(d) any residual assets and other income related to management activities, cultural promotion and any other activity carried out by FAI;

(e) the amounts that derive from the alienation of assets forming part of the Foundation's patrimony as allocated to a use other than the increase of the Foundation's assets, as per justified resolution of the Board of Directors; in the event of sale or assignment of assets originating from

bequests or donations, the intentions of the person who bequeathed or donated the asset shall at any time be fully conformed to;

(f) public or private contributions made to the Foundation for the achievement of any of its purposes.

FAI shall not directly or indirectly distribute profits or operating surpluses, funds, reserves or capital during the course of its existence, except where allocation or distribution are required by law.

FAI shall prepare and approve, annually, the financial and cash-flow statement (*Rendiconto Economico e Finanziario*) in accordance with the provisions of its bylaws, and to allocate any profits or operating surpluses to the execution of its institutional activities.

Article 6

Entities or individuals, whether Italian or foreign, contributing to the objectives of FAI by making significant donations, provision of funds or performing activities of particular significance will be appointed as “Supporters”.

In the event that a Supporter’s contribution is of exceptional importance, he/she will be described as a “Meritorious Supporter”.

The Board of Directors shall determine from time to time the various categories of “Supporters” and the criteria for the acquisition and loss of the qualification as Supporter and Meritorious Supporter.

Article 7

Individuals and entities that share the Foundation’s objectives and contribute to the fulfilment of its purposes through cash contributions on an annual or multi-year basis, in such amounts as the Board of Directors determines, shall be qualified as “Members”.

The qualification of Member covers the whole period for which the membership fee has been paid.

Article 8

The Foundation’s bodies are:

- (a) the Chair;
- (b) one to three Deputy Chairs;
- (c) the Board of Directors;
- (d) the Executive Committee;
- (e) the College of Auditors; and
- (f) the Committee of Trustees.

In addition to the statutory bodies, a Honorary Chair can be appointed by the Board of Directors, and does not have to be a member of the Board of Directors; except as provided in Article 29, the Honorary Chair is not entitled to vote.

All offices that don’t involve particular assignments are gratuitous.

The Board of Directors exercises its powers to appoint management posts in accordance with the principle of gender balance, reserving a reasonable

number of such posts to female members.

Article 9 The Chair and the Deputy Chairs are appointed by the Board of Directors among its members, on the occasion of the Board's first meeting.

The candidate for the Chair must have gathered significant institutional, professional or managerial experiences, also in the fields referred to under Article 2 of the by-laws.

The existence of such expertise is ascertained by the Board of Directors upon appointment.

Article 10 The Chair shall act as the Foundation's legal representative, he/she calls and chairs the Board of Directors' meetings, implements the Board of Directors' resolutions and exercises the powers provided by the bylaws or devolved by the Board of Directors generally or from time to time.

In urgent circumstances, the Chair may pass measures falling within the Board of Directors' competence, subject to ratification by the latter at its first meeting thereafter, which must in any case be called by the Chair within 60 days from the date when the measures were adopted.

Article 11 The Deputy Chair, or the eldest in office of the Deputy Chairs if there is more than one, or lacking any, the eldest of the Directors in office, shall substitute the Chair when this latter is absent or unable to act.

Article 12 The Board of Directors is made up of a minimum of 15 members and a maximum of 25 members and – more specifically:

(a) a Director appointed by the General Meeting of the Supporters;

(b) a Director appointed by the General Meeting of the Members;

(c) a Director elected by the Board of Directors among the persons heading the Delegations; and

(d) up to four Directors chosen from the Board of Directors among the Meritorious Supporters.

The other Directors are appointed under the Charter, and subsequently by co-optation by the Directors in office by a two-thirds majority vote.

The Board shall also include members who gained significant institutional, professional or managerial experiences during their lifetime in the fields referred to under Article 2 of the by-laws.

It is the responsibility of the Board of Directors to check that this requirement is constantly met over the time.

The appointment of the Board of Directors' members, the Chair and the Deputy Chairs is subject to prior acquisition of the favourable opinion of the Committee of Trustees referred to under Article 22 below. If Directors were elected by Members and Supporters, the Committee of Trustees' opinion must be expressed after voting of the relevant Meetings.

Article 13 Directors shall stay in office for five years and the term of their office shall expire upon approval of the financial and cash-flow statement (*Rendiconto*

Economico e Finanziario) relating to the fifth financial year from the year when they were appointed.

After expiry of their term of office, all Directors may be re-elected to or re-appointed for no more than two additional terms.

Directors shall cease to hold office if they were absent without leave for three consecutive Board's meetings.

Save as provided in Article 29, directors who turned seventy-five at the time of the appointment or renewal cannot be appointed or renewed.

Article 14

An Appointments and Attendance Committee is established within the Board of Directors consisting of three members, appointed by the Board of Directors with a majority of two-thirds of the members, who are in office throughout their term, subject to revocation or resignation.

The Chair, the Deputy Chair/Chairs and the General Manager (if he/she is a Director) are not part of the Appointments and Attendance Committee.

The Appointments and Attendance Committee will provide the Board of Directors with the names of the candidates for the appointment of its members falling within its competence pursuant to Article 12 above and for the appointment of the Chair and Deputy Chair/Chairs of the Board of Directors, subject to obtainment of the Committee of Trustees' opinion referred to under Article 22 below. To the purposes of the aforementioned appointments, the Appointments and Attendance Committee will collect any candidate proposals from the Directors and confer with the Chair, who is entitled to participate in the Committee's meetings.

Moreover, the Appointments and Attendance Committee shall check the Director's attendance at the Board of Directors' meetings and shall propose to the Board to resolve that those Directors that were found absent without leave in more than three consecutive meetings of the Board shall cease from office according to the provisions of Art. 13 above.

Article 15

The appointment of the representatives of Supporters and Members will be performed by a majority vote of those attending each category's general meetings. Such meetings will be called and chaired by the Chair, who shall have no right to vote in this respect.

In the event that Supporters or Members are entities or legal persons, they shall be represented in the relevant category's meeting by an individual adequately appointed by the same.

Calling of and voting at the meetings of the Members and Supporters shall, in the absence of specific rules approved by the Board of Directors, be regulated by the statutory rules governing associations (articles 20 *et seq.* of the Italian Civil Code) and written proxy over voting rights can be issued in favour of other members of the same category's Meeting. Each member of the meeting cannot hold more than ten voting proxies.

The Board of Directors may authorise the Chair to convene the aforementioned Meetings through vote-by-mail, specifying the relevant procedures.

Article 16

The Board of Directors is responsible for the Foundation's ordinary and extraordinary administration and may delegate its responsibilities to the Executive Committee provided under Article 18 below to one or more of its members. The following tasks cannot be delegated:

- (a) resolutions over the financial and cash-flow statement, annual budget and the moral and financial report;
- (b) approval, on a proposal from the Executive Committee, of strategic guidelines;
- (c) appointment and revocation of members of Boards and Committees;
- (d) resolutions, by a majority of two-thirds of its members in office, over the amendments to the by-laws and any dissolution of the Foundation, to be submitted to the supervisory Authorities for any approval provided by law;
- (e) resolutions on the Supporters and Meritorious Supporters, grounding any refusal in connection with their requests;
- (f) appointment of members of the Executive Committee.

The following tasks can be devolved on the Executive Committee:

- (a) resolutions over the acceptance of relevant donations, testamentary dispositions and bequests, as well as over any deed of purchase and sale concerning real estate properties or other assets belonging to the patrimony of the Foundation;
- (b) approval of work and action plans;
- (c) resolutions over the guidelines governing the relations with the Delegations.

Article 17

The Board of Directors validly resolves where at least half of its members in office are present, by the favourable vote of the absolute majority of those present. An exception is made for those cases in which these by-laws provide for a greater majority, whether in order for the meeting to be quorate or for the validity of the resolution's approval.

Where votes are equally split, the Foundation's Chair shall have a casting vote.

The Board of Directors meets at least twice a year for the examination and approval of the financial and cash-flow statement (*Rendiconto Economico e Finanziario*) and of the budget. The Board of Directors can meet whenever deemed advisable by the Chair and shall meet whenever requested by at least three Directors.

The notice calling the meeting shall contain the relevant agenda and shall

be sent by registered mail or in a way ensuring adequate proof of receipt.

The notice shall be sent out at least eight days prior to the date established for the meeting and at least 3 days prior to the same date in case of particular urgency.

The Board of Directors' meetings may also be held by audio- or videoconference, subject to the following conditions, which shall be acknowledged in the relevant minutes:

(a) the Chair of the meeting is in a position to ascertain the identity of those participating in the meeting, regulate the meeting and establish and announce the outcome of the vote;

(b) the person taking the minutes is able to adequately perceive the interventions that are being recorded;

(c) that those participating in the meeting are able to take part in the discussion and simultaneously vote upon the items on the agenda, and, where necessary, to examine, receive or transmit documents.

The Board of Directors may in any case be validly held also where the above conditions are not satisfied, provided that the whole Board of Directors is present, and no-one objects to discussing the matters on the agenda.

Article 18

The Executive Committee exercises the powers attributed to it by these by-laws and the Board of Directors.

The Executive Committee examines the annual and multi-year plans, including those prepared in relation to individual sectors, to be submitted to the Board of Directors for its approval; it transmits to the Board of Directors recommendations for the adoption of resolutions concerning the assignments and remuneration of Directors vested with specific ongoing and/or professional duties.

The Executive Committee comprises the Chair and up to eight Directors, appointed by the Board of Directors.

The members of the Executive Committee hold office for three years, and their term of office shall expire upon approval of the financial and cash-flow statement (*Rendiconto Economico e Finanziario*) relating to the third financial year from the one when they were appointed and may be re-elected.

The Executive Committee is chaired, and called to meet, by the Chair, and decides by majority vote.

The notice calling the meeting shall include the relevant agenda and shall be sent by registered mail or in a way ensuring adequate proof of receipt.

The notice shall be sent out at least three days prior to the date established for the meeting.

The Executive Committee's meetings may also be held by audio- or videoconference, upon the same conditions as are provided for the Board

of Directors under Article 17, above.

The Executive Committee may in any case be quorate also where the above conditions are not satisfied, provided that the whole Board is present and no-one objects to discussing the matters on the agenda.

Article 19

The Committee of Trustees is established, with a minimum of five members and a maximum of seven members.

The members of the Committee of Trustees hold office for periods of five years and their term of office shall expire upon approval of the financial and cash-flow statement (*Rendiconto Economico e Finanziario*) relating to the fifth financial year from the one in which they were appointed. The Trustees may be reappointed for up to two further terms of office.

Prior to the expiry of each term of office, the Committee of Trustees shall appoint new members to hold office for the subsequent term, by absolute majority, and may replace members who are no longer available at any time by way of co-option.

The term of office of the co-opted member expires upon expiration of the term of office of the Committee of Trustees to which he becomes a party.

Individuals who turned eighty-five at the time of appointment or renewal cannot be appointed or renewed as a member of the Committee of Trustees.

For exceptional reasons, this rule on the age limit can be derogated for only one member per term of office, and in such case the decision to appoint or renew must be justified.

The provisions of Article 29 below remain unprejudiced.

Article 20

The Chair of the Committee of Trustees is appointed by the same Committee among its members, by an absolute majority vote.

The Chair of the Committee of Trustees remains in office until the expiry of his/her term of office as Trustee, and may be reappointed for up to two terms.

Article 21

The Trustees are chosen from among persons who:

(a) have distinguished themselves in their expertise and experience in the field of, and their activity in, the safeguarding, promotion and enhancement of assets of artistic, historical and scenic interest and the protection and enhancement of nature and the environment; and the promotion of culture and the arts, generally; or

(b) have distinguished themselves in their expertise and experience in the field of, and their activity in, medicine, health, scientific research, or studies of history, literature or humanistic studies in general; or

(c) generally, have distinguished themselves in their expertise and experience in academic and professional fields;

(d) are individuals who have benefited the Foundation by their service.

A Trustee may also be a person who, while not falling within any of the specific categories referred to in (a) to (d) above, has been put forward as candidate by the Chair and obtains a unanimous vote in favour by the Committee's members.

The appointment as a Trustee is incompatible with membership of any of FAI's other internal bodies.

Article 22

The Committee of Trustees has the duty of overseeing the consistency of FAI's activities with the values set by its founders and reflected in the Foundation's by-laws.

The Committee of Trustees does not exercise management or operational responsibilities, but it:

(i) articulates binding preventive opinions upon:

- proposals for the amendment of the by-laws, and for the Foundation's winding-up;
- proposals for the alienation of assets that form part of the Foundation's institutional patrimony, and the use to which the sums obtained thereby are put;

(ii) expresses a binding preventive opinion on the appointment of new members of the Board of Directors;

(iii) issues a preventive binding permit for the appointment of the Chair and of the Deputy Chairs of the Board of Directors. Such permit can be denied only if candidates do not meet the requirements of these by-laws or contradicted in their personal or professional conduct the statutory values constituting the purpose of FAI; this being the circumstance, the Committee of Trustees will in any case inform the Appointments and Attendance Committee of the grounds for its decision on a confidential basis;

(iv) expresses non-binding opinions on matters and issues submitted to it by the Board of Directors;

(v) meets with the Board of Directors once a year, to discuss priorities, strategic guidelines and goals of FAI, receiving updates as to the Foundation's general performance and results; and

(vi) at the meetings referred to in (v) above, the Trustees who participate shall have no voting right, but they shall be entitled to intervene in relation to those items that concern their role;

The Committee of Trustees:

(a) establishes a set of rules according to which it shall function, and that sets the frequency of its meetings;

(b) appoints a Chair for the Committee of Trustees, and its members, in accordance with the provisions of Articles 19 and 20 of these by-laws; and

(c) ensures that the members of FAI's internal bodies satisfy fit-and-proper-person tests, as required by Article 23 below. If the Committee finds that the tests are not satisfied, they shall raise the issue of the relevant person's removal with the internal body in question.

The Committee of Trustees resolves by absolute majority of its members.

Article 23

Individuals may not be appointed as Trustees or Directors if they fall under article 15, first paragraph, of Law No. 55 of 19 March 1990, parts (a), (b), (c), (d) and (f), as subsequently amended and supplemented, or article 2382 of the Italian Civil Code.

Trustees and Directors must certify in writing, by means of a declaration of honour upon acceptance of the appointment, that they share the values set out in the by-laws that constitute the purpose of FAI; and their commitment not to contradict those values, in their personal and professional behaviours.

Article 24

The Board of Directors may appoint a Group of Experts made up of professionally-qualified persons, also designating the person/s in charge whenever it is deemed advisable to divide the Group into Sub-groups or different working groups for each thematic area.

The Group of Experts' meetings shall be attended by Members of the Board of Directors appointed to do so.

The Group of Experts:

(a) articulates opinions of a scientific nature, on FAI's activities and projects;

(b) proposes work programmes to achieve the objectives that the Board of Directors has approved, follows their execution, and reviews their outcome.

Members of the Group of Experts hold office for three years and are eligible for re-election.

Article 25

The Board of Directors may appoint no more than two General Manager/s who, having proven managerial and cultural skills, shall ensure its competent, effective and transparent management; the Board of Directors shall set the term of the agreement and the relevant remuneration. The General Manager/s is/are not member/s of the Board of Directors.

Article 26

In order to achieve its purposes, FAI shall set up local Delegations and Regional Offices operating through the creation of a committee for administrative and accounting operations.

Regional Boards may also be set up.

The Delegations', Regional Offices' and Regional Boards' relations with the Foundation, their duties, as well as their terms of operation shall be governed by guidelines issued by the Board of Directors.

Article 27

In relation to each cultural asset of particular importance, the Board of Directors may - if it so chooses - adopt specific rules, and/or appoint a

Management Committee with advisory duties.

The Management Committee shall include the very same donor of the asset or his/her heirs, at his/her/their request, for a period not exceeding five years from the date of the donation or the date of opening of the succession.

Article 28

FAI's operations shall be supervised by a College of Auditors, comprising three statutory and three alternate auditors performing their activities for free.

The majority of the Board members shall be registered with the Register of Accountants and Auditors and included in the Register of Statutory Auditors; they remain in office for a period of five years and their term expires upon approval of the financial and cash-flow statement (*Rendiconto Economico e Finanziario*) relating to the fifth financial year from the one when they were appointed and may be re-elected or reappointed after expiration for no more than two terms.

The members of the College of Auditors are appointed as follows:

- one statutory member and one alternate member by the Chair of the National Council of Chartered Accountants and Accounting Experts;
- one statutory member and one alternate member by the Chair of the Register of Chartered Accountants and Accounting Experts of Milan;
- one statutory member and one alternate member by FAI's Board of Directors, who will also appoint the Chair among the statutory members.

In the event that any statutory member is no longer in office for any reason whatsoever, his or her office will be assigned to the alternate member appointed by the same body that had appointed the statutory member who is no longer in office.

The College of Auditors exercises its duties in accordance with Article 2403 and following of the Italian Civil Code as applicable. The College shall also provide a written opinion on the budget and FAI's financial and cash-flow statement (*Rendiconto Economico e Finanziario*).

The provisions of Articles 2399, 2400, 2401, 2402, 2403, first paragraph, 2403-bis and 2404 of the Italian Civil Code shall apply to the College insofar as consistent.

FAI's Board of Directors shall appoint, on a proposal from the College of Auditors, an auditing company or one or more auditors registered with the register of Statutory Auditors for a three-year term, which can be renewed no more than twice.

The auditing company or statutory auditors so appointed will perform the statutory audit of FAI's accounts and annual reporting in accordance with the provisions, when applicable, of the fourth title of Legislative Decree No. 39 of 27 January 2010.

Article 29

The provisions of these by-laws regarding the limitations to the number of terms being however not in line with the provisions of this paragraph shall not apply to the Founder and current Honorary Chair of FAI Giulia Maria Crespi, who shall maintain such title as well as her office as Chair of the Committee of Trustees, as well as the right to attend the Board of Directors' meetings as Honorary Chair with voting rights on a lifetime basis.

The provisions of these by-laws on age limits shall not apply:

- to the current Chair of the Board of Directors Andrea Carandini, whose term may be renewed upon expiration for further five years;
- to the members of the Board of Directors and of the Committee of Trustees in office as at the date of approval of the amendments hereto by the supervisory Authority, who will remain in office until the end of the term.

The provisions included in these by-laws on the limits to the number of terms referred to in Articles 13 and 19 shall apply to appointments or renewals that have taken place after the date of approval of the amendments hereof by the supervisory Authority.

Article 30

The Foundation's financial year begins on 1 January and ends on 31 December of each year.

Article 31

FAI is established without limits as to its duration. If the Foundation's purpose becomes impossible or of little use, or if the assets become insufficient, or generally if the grounds for its dissolution under article 27, or for its winding-up under article 28 (first and second paragraphs), of the Italian Civil Code, arise, then the Foundation shall be dissolved.

In the event of its dissolution, irrespective of the cause, the Foundation's assets shall be donated, as the Board of Directors shall resolve, to another entity or entities with similar objectives or with objectives of public interest, following consultation with the relevant supervisory bodies, and except as the law may require.

If the donation is made to recognised associations, the individual members of such associations shall have no right over such assets, also in the event of dissolution or winding-up of such associations.

In the event of the Foundation's liquidation for any reason, the Board of Directors shall appoint three liquidators, who may also be chosen among their members.

Foundation recognised as an Entity with Legal Personality, under Presidential Decree No. 941 of 3 December 1975, published in the *Gazzetta Ufficiale*, No. 89 of 5 April 1976, and registered in the Legal Entities Register of Prefecture of Milan, No. 86, p. 212, vol. I.

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