

BYLAWS

REGGIO CHILDREN FOUNDATION – LORIS MALAGUZZI CENTRE

Art. 1 Establishment

A foundation named “Fondazione Reggio Children - Centro Loris Malaguzzi – ETS” is hereby established.

The name of the Foundation for the activities abroad can be also be translated in the languages of the countries where the Foundation acts.

It embraces the principles and the legal framework of a Solidarity Foundation focused on scientific research, as part of a wider category of foundations regulated by Article 14 et seq. of the Italian Civil Code and by the Law governing the Third-Sector Bodies (ETS).

The Foundation is a non-profit organization.

Art. 2 Registered office

The Foundation’s registered office the Municipality of Reggio Emilia at the address recorded in the registration filed at the relevant Register of Legal Entities. The Representatives state that the current address of the Foundation is in Via Bligny 1/a. Any changes will be decided by the Board of Directors.

Delegations and Offices

Within the applicable laws and regulations, it will be possible to set up additional delegations and offices, both in Italy and abroad, with the aim of carrying out a whole range of activities to promote the aims and purposes of the Foundation as well of developing and widening the required network of national and international relations in support of the Foundation itself and its activities.

Art. 3 Aims and Purposes

Origins

The Foundation:

- originates from the educational project developed and practised in the infant toddler centres and preschools of the Municipality of Reggio Emilia;
- inspires its principles and aims according to the content and values of this experience, internationally known also as Reggio Emilia Approach®;
- takes as its primary reference childhood, intended as quality of human identity, educational continuity, contamination of knowledge, cross-cultural approach and research internationalization.

Aims

The Foundation promotes research in all its forms, starting from that carried out in the Infant Toddler Centres and Preschools, as a fundamental attitude and activity to improve the lives of children, families and communities; it supports policies and projects of educational, cultural, social and scientific interest both at a national and international level in order to promote civil rights, revolving around the central role and the right of the human being since birth to education, participation, schooling, knowledge and well-being.

In particular, the Foundation aims to:

1. build and spread quality education that can improve people's lives both in Reggio Emilia and all around the world;
2. act as a national and international research centre of particular social interest in: (I) educational, cultural and social fields; (II) improvement of the social, health and social, and healthcare services and measures; (III) prevention, diagnosis and treatment of social pathologies and forms of social exclusion; (IV) methods and systems to increase safety in the agrifood sector and in the environment to safeguard public health; (V) reduction of energy consumption;
3. act to promote, develop and support social, socio-educational and cultural integration projects at national and international level, also through the management and development of solidarity and international cooperation initiatives, including the creation of collaboration networks and the establishment of twinning relationships;
4. act as a national and international research centre taking part in those situations generating new knowledge and innovation;
5. spread internationally, also in developing countries and in areas of political or social instability, the core values and the educational experiences promoted by Reggio Emilia and the "Reggio Emilia Approach®";
6. contribute to the development and promotion of the International Centre Malaguzzi, as a place able to produce valuable research, innovation and experimentation on educational content and processes within the different scopes of knowledge, also through investee and/or subsidiary companies and the management of the spaces at the Malaguzzi International Centre;
7. valorise and develop the know-how – originated from the collaboration and discussion with the various countries that acknowledged the Reggio Emilia Approach® as a reference in education – through research, professional development, discussion and the spreading of educational experiences that are acknowledged to be an excellence internationally; such are the activities of the Loris Malaguzzi International Centre;
8. contribute through its research activities to maintain and develop quality educational contexts, to enhance and promote the theoretical and practical heritage of the experience and to meet the ever growing demand in requests

- for knowledge, exchanges, cultural and scientific collaboration projects coming from all over the world;
9. operate in the education, professional development and research areas within the different fields of knowledge (science, economy, culture, society, history, arts, healthcare, etc.), with particular reference to the promotion and development of international relations aimed at establishing cooperation and exchanges of experiences and knowledge, also through the proposal of projects in order to receive funding from national and international bodies;
 10. promote Reggio Emilia as a whole with its cultural, social and economic aspects, also relying on the complex system of institutional relations and twinning initiatives promoted by the Municipality of Reggio Emilia and by the international networks of which the municipality is a part, also through its investee companies;
 11. implement and promote the research and innovation activities in the field of food culture, nutrition, health, well-being, eco-sustainability and environment in educational and communication terms, also in the area of experimental projects of its own investee companies;
 12. The Foundation is inspired by the principles and values of the “Charter of Values” referred to in the following Article 30;

Activities

The Foundation undertakes to mainly carry out multiple non-profit activities of general interest to pursue civic, solidarity and social benefit aims also within its research activities.

The Foundation, in particular, aims to carry out activities focused on:

- a) education, schooling and professional development, and cultural activities of social interest with educational objectives;
- b) organisation and management of cultural, artistic or creative activities of social interest, including also publishing activities, of promotion and diffusion of the culture and practice of volunteering;
- c) non-formal training aimed to prevent school early leaving and to foster schooling and formative success, to prevent bullying and to contrast educational poverty;
- d) international cooperation for the development;
- e) measures and services aimed at safeguarding and improving the environmental conditions and at using wisely and rationally natural resources, with the exclusion of the activity, regularly carried out, of collection and recycling of municipal, special and hazardous waste;
- f) humanitarian welcome and social integration of migrants;
- g) activities related to marketing, production, education and information, promotion, representation, certification trademark licensing; carried out within or in favour of the fair trade supply chain to be intended as a commercial relationship with a producer working in a disadvantaged economic area,

usually located in a developing country, according to a long-term agreement aimed to promote the access of the producer to the market and to ensure the payment of fair price; development measures in favour of the producer and the producer's duty to grant safe working conditions in accordance with national and international legislation in order to allow workers to live in dignity and freely and to respect the trade union rights and to contrast child labour.

Art. 4 Instrumental, ancillary and connected activities

In the fulfilment of its purposes the Foundation may, among other things:

- a) enter into any required deed or contract also to fund the activities and projects resolved, including, but not limited to, getting either short or long-term loans or mortgages, the acquisition of shareholdings, the rent, grant, loan for use or purchase, as full ownership or as rights of superficies, of properties and the signing of agreements, also recordable in public registers, with public or private entities;
- b) manage and administer the assets owned or acquired during its existence, be it as leaseholder, bailee or held and/or possessed in any capacity;
- c) enter into contracts or agreements to assign to third parties or on behalf of third parties parts of its activities or specific studies and consultancies;
- d) take part in associations, bodies and institutions, be they public or private, whose main activity is focused, either directly or indirectly, on the fulfilment of goals and purposes similar to those pursued by the Foundation itself; the Foundation may, if deemed appropriate, contribute to the establishment of such entities;
- e) promote and organise events, conferences and meetings, publishing any relevant deeds or documents, and any other initiatives and events suitable to foster a constructive relationship among the Foundation, the operators working in the areas of activity the Foundation is involved in and the public;
- f) award prizes and provide scholarships;
- g) carry out formative activities, courses and seminars pertaining, either directly or indirectly, to the Foundation's sectors of interest;
- h) carry out, on a secondary and instrumental basis in relation to the institutional purposes, a range of marketing activities, also referred to the publishing field and the audiovisuals in general, and the dissemination through the world wide web;

- i) promote and enhance volunteering as a valuable supporting tool in the creation and implementation of initiatives and activities aimed at achieving the statutory purposes;
- l) carry out any other activities deemed necessary to fulfil the institutional aims.
- m) carry out marketing activities on a secondary and instrumental basis in relation to the activities of general interest as referred to in the Article 3, also related to the scientific research activities.

The Foundation is forbidden to carry out activities other than the institutional ones or those directly related to the institutional ones, such as, by way of example, those referred to in this article.

Art. 5 Assets

The Foundation's assets include:

- the Endowment Fund consisting of the contributions - in ownership, use or possession, in any capacity, of money or movable and immovable property or other utilities to be used for the fulfilment of the purposes - given by the Promoting Founders upon the establishment of the Foundation or, subsequently, by the other members of the Foundation and of any increases that the Founders may decide to instruct;
- any movable and immovable property provided or that will be provided to the Foundation, in whichever capacity, including those purchased by the latter in accordance with the provisions of these Bylaws;
- any other income aimed to increase the existing assets;
- any unused surplus and revenues from own activities that, by resolution of the Board of Directors, may be allocated to increase the Foundation's assets;
- any reserve funds created using any surplus income available;
- any contributions or donations from bodies, institutions, organizations, public or private entities both at a national and international level, expressly intended to increase the current assets.

Art. 6 Management Fund

The Foundation's Management Fund consists of:

- any income and revenues resulting from the assets of the Foundation itself, except as provided in Article 5;

- any donations or bequests that have not been expressly allocated to the Endowment Fund;
- any other contributions or donations by bodies, institutions, organizations, public or private entities, both at a national and international level, which are not expressly intended for the assets;
- any contributions made by the Foundation's members;
- any revenues resulting from institutional, secondary, instrumental and connected activities;
- any revenues from the provision of ancillary services as specified in Article 4.

The income and resources generated by the Foundation will be used for its operation and for the fulfilment of its purposes.

Art. 7 Foundation's members

The Foundation's members are subdivided as follows:

- Promoting Founders.
- Honorary Founders.
- Participating Founders.
- Supporting Members.

Natural persons as well as legal entities along with Public or Private bodies as well as other Institutions, based both in Italy and abroad, are eligible to become members of the Foundation.

Art. 8 Promoting Founders

Promoting Founders are those partners who join the Foundation in the moment of its establishment by contributing to the endowment of its initial assets portfolio and/or to its initial Management Fund, and who will continue to do so every year in the forms and to the extent defined by the Board of Directors.

The non-payment of the contribution for the period of 1 year shall result in the loss of the role of Promoting Founder and in the acquisition of the role of Honorary Founder, without prejudice to the right of the Board of Directors to decide in accordance with Article 13.

Given the importance of the know-how and expertise provided for the fulfilment of the Foundation business purposes, the Municipality of Reggio Emilia shall be considered as rightful Promoting Founder with no obligation to contribute.

Art. 9 Honorary Founders

The Board of Directors may assign the qualification of Honorary founder to natural persons, legal entities, public or private bodies that have engaged in a remarkably significant relationship with the Foundation or that have stood out for particular merits in connection with it.

Art. 10 Participating Founders

Any natural person or legal entity, public, private and collective body, even without legal status that helps to increase the Foundation's initial Endowment Fund and/or the Management Fund with annual contributions, in the forms and to the extent defined by the Board of Directors, will be eligible to become Participating Founders. Any refusal must always be justified.

A fundamental prerequisite to become Founder is to share the aims of the Foundation and of the Charter of Values referred to in Article 30 below.

The non-payment of the contribution for the period of 1 year shall result in the exclusion of the Participating Founder from the Foundation for the purposes of Article 13.

Art. 11 Supporting Members

- Eligible Supporting Members can be any natural person or legal entity, single or associate, public or private and bodies, even without legal status that, sharing the goals of the Foundation and of the Charter of Values, contribute to the existence of the Foundation and the attainment of its objectives through allocations on an annual or multiannual basis in accordance to how and when the Board of Directors decides, with money contributions, provision of, also professional, activities, volunteering, donations of tangible and intangible assets, free provision of services, free allocation of use of assets in the forms and to the minimal extent defined by the Board of Directors.
- The Board of Directors may set regulations, where appropriate, for subdividing the Supporting Members into categories according to the type of activity and level of participation in the Foundation.
- The qualification of Supporting Members shall last for the entire period covered by the contribution.
- The decision of the Board of Directors concerning the Supporting Members' application of acceptance is final and taken with an absolute majority of votes of its members in favour. The Supporting Members shall expressly respect these Bylaws, the implementing rules and the Charter of Values.

Art. 12 Joining the Foundation

- The Board of Directors of the Foundation will be responsible for accepting or refusing new Participating Founders, providing relevant explanation in the event of a refusal. The decision concerning the admission or the refusal of a new Participating Founder shall be communicated to the person concerned and recorded in the Foundation's Members register for which the Board of Directors shall also be responsible.
- Under no circumstances will the applications - not expressly declaring adherence to the aims and purposes of the Foundation and the Charter of Values referred to in Article 310 and to the commitment of contributing, via pre-defined means per each category, to the Foundation's assets, operation and to the funding of its activities - be taken into consideration.
- The annual participation fee of the Supporting Members shall be defined by the Board of Directors.
- The loss of the title of member of the Foundation shall not result in the right to recover any economic contributions given or any services provided to the Foundation.

Art. 13 Exclusion and withdrawal

1) Exclusion

The Board of Directors may decide, with a resolution approved by absolute majority of the votes, to exclude members from the Foundation, except for the Municipality of Reggio Emilia, due to serious and repeated non-fulfilment of their duties and obligations under these Bylaws including, by way of example:

- Disregarding the obligation to make the contributions and payments as specified in these Bylaws;
- Behaving in a way that is incompatible with the duty of collaboration with the other components of the Foundation;
- Behaving in a way that disregards the duty of providing non-economic contributions;
- Behaving in a way that disregards the Charter of Values;
- Behaving in a way that disregards the Regulations.

Specifically, in the case of Bodies and/or legal entities, the exclusion can be applied for the following reasons:

- Termination, for whichever reason;
- Opening of liquidation procedures;

- Bankruptcy and/or being subject to insolvency proceedings, even on an extrajudicial basis.

The exclusion is decided by the Board of Directors also for the specific cases referred to in other articles of these bylaws.

No contributions, assets or anything else donated to the Foundation will be returned to excluded members.

2) Termination clause

All members may, at any time, decide to withdraw from the Foundation, provided that they have fulfilled their duties as stipulated and agreed upon, even if such duties are on a multiannual basis.

No contributions, assets or anything else donated to the Foundation shall be returned to members who withdraw.

The Municipality of Reggio Emilia shall retain the right to recover ownership of any of its leased assets, in whichever capacity.

Art. 14 Allocation of profits, funds, provisions and capital

Any profit generated by the Foundation shall be used to carry out any required institutional activities and any other related tasks.

It is strictly forbidden to allocate, even through indirect channels, any profit, income surplus, funds, provisions or capital during the existence of the organization.

Art. 15 Bodies

The bodies of the Foundation are:

- the Board of Directors;
- the President of the Foundation;
- the Managing Director (if appointed);
- the Scientific Committee;
- the Supervisory Body;
- the Founders' Assembly;
- Supporting Members' Assembly.

Art. 16 Board of Directors

The Board of Directors consists of 6 members:

- 2 appointed by the Mayor of the Municipality of Reggio Emilia;
- 3 appointed by the Participating Founders and the Promoting Founders during the Founders' Assembly;
- 1 appointed by the Supporting Members' Assembly.

Honorary Founders cannot appoint the members of the Board of Directors.

Every member of the Board of Directors must meet the criteria of good repute and of proven professionalism, independence and competence and shall work if no reason of non-transferability and incompatibility is to be found; members shall remain in office for three years, except in the case of withdrawal by the person or the body that initially appointed them before the expiry of the current mandate, and they can be re-elected.

A member of the Board of Directors who, without a justified reason, fails to attend three meetings in a row of the Board of Directors, may be declared removed from the office by the Board. In such a case, as in any other situation with a vacancy of a director's position, the Board of Directors will proceed, in compliance with the appointments specified in paragraph 1, to co-opt another director(s) who shall remain in office for the unexpired term.

The Board of Directors shall be assigned all the powers of ordinary and extraordinary management of the Foundation.

Specifically, it will:

- resolve on the approval of the yearly final balance sheet, the yearly preliminary balance sheet and the financial statements with the report;
- resolve on the acceptance of contributions, donations, endowments, bequests and legacies as well as on the purchase or sale of properties, and on the allocation thereof or of any resulting revenues, within the limits of these Bylaws;
- determine the criteria – including the membership fees – based on which Founders and Supporting Members can join the Foundation;
- approve the annual plan of activities based on the triennial guidelines – referred to in subsequent Article 30 – defined by the Founders' Assembly;
- resolve on the shareholding in corporations;
- elect the President of the Foundation amongst the members appointed by the Municipality of Reggio Emilia;
- resolve on the Regulations;

- entrust with special tasks the individual Directors, also with the right to delegate, by defining any functions.
- carry out any additional task as specified by these Bylaws;
- appoint the Board of Statutory Auditors or, if so required by the law, the Sole Auditor and/or, if provided for, the Statutory Auditor.

The members of the Board of Directors will not be entitled to any attendance fees or any remuneration for their office as directors.

Art. 17 Convening notice and quorum

The Board of Directors is convened by the President of the Foundation at least three times a year, out of his/her own initiative or at the request of at least half of its members. Such request shall be in writing (including registered letter with acknowledgment of receipt, fax or e-mail) and issued with a prior notice of at least three days or, in the event of urgent meetings, of at least 24 hours.

The convening notice shall include the agenda, time and location of the meeting.

The Board shall be valid only if the majority of the members in office are present. It is chaired by the President of the Foundation or in his/her absence or impediment, by the eldest director.

The meetings of the Board of Directors can also be held by teleconference or video conference as long as all the attendees can be identified and are able to follow the conversation and take part, in real time, in the discussion of the items on the agenda. If all these requirements are met, the meeting is considered held in the place where the President of the Foundation and the Secretary are located, the latter in order to allow for the drafting and signature of the minutes in the relevant register.

All resolutions shall be approved with the favourable vote of the majority of the directors present, unless otherwise specified in these Bylaws. In the event of a tie, the chairman shall have the casting vote.

The minutes of the Board of Directors' meeting shall be taken and recorded on the relevant register, after being signed by the President of the Foundation and the Secretary. The minutes will be approved during the next board meeting. However, at the request of a Director, the minutes may need to be approved and written out at the end of the same meeting. The Board of Directors' meetings can also be attended by others, without voting rights, invited by the President of the Foundation.

Art. 18 President of the Foundation

The President of the Foundation is also the President of the Board of Directors and is appointed amongst the members appointed by the Municipality of Reggio Emilia by the Board of Directors. He/She shall legally represent the Foundation before third parties. He/She shall act on its behalf before any administrative or judicial authority, appointing any lawyers or attorneys required to settle the disputes.

The President shall exercise all such powers necessary to ensure the good administrative and managing functioning of the Foundation. Specifically, the President shall handle all the relations with Bodies, Institutions, Public and Private Enterprises and other organizations, also in order to establish valuable cooperation and support ties with the initiatives of the Foundation.

In the case of his/her absence or impediment, the President shall be replaced by the eldest director or, if appointed, by the Board of Directors, by a Vice-President with legal representation.

Art. 19 Managing Director

The Managing Director is appointed by the President of the Foundation who will also define the function, description and duration of the assignment.

The Managing Director will be the operating manager of the Foundation.

Specifically, he/she shall:

- manage the Foundation from an organizational and administrative point of view, promoting individual initiatives and arranging for any means and equipment required for their full implementation;
- set up the preliminary balance sheet and the final financial statements to submit to the Board of Directors for approval;
- manage the staff;
- enforce, under his/her scope of competence, the resolutions taken by the Board of Directors as well as the deeds of the President.

Within the limits of powers conferred, the Managing Director holds the representation of the Foundation.

The Managing Director takes part, without voting rights, in the meetings of the Board of Directors.

If a Managing Director is not appointed, his/her duties will be taken over by the President, who may also decide to delegate them, partly or fully, to other members of the Board of Directors, defining any relevant proxy limitations in pursuance of the applicable law.

Art. 20 Scientific Committee

The Scientific Committee is appointed by the Founder's Assembly within 6 months of the establishment of the Foundation as its main reference body from a cultural and scientific point of view. It consists of a variable number of members, selected amongst particularly qualified individuals, legal entities and qualified Italian or foreign bodies or institutions recognised for their remarkable know-how and expertise in a number of disciplines in which the Foundation is involved.

The Scientific Committee carries out, along with the Founders' Assembly, the Board of Directors and the Managing Director of the Foundation, a consultancy, update and monitoring function with regard to the three-year Guidelines for the Foundation's activities, the yearly initiatives schedule and any other matter for which the Board of Directors requests the Committee's view in order to define the cultural aspects of any given events of a certain importance. As regards the three-year Guidelines, the Scientific Committee's opinion is compulsory.

The Scientific Committee also carries out a control and supervisory function to ensure full compliance with the statutory purposes, the Charter of Values and the Guidelines, notifying the Board of Directors of any critical issues detected and taking every necessary step to fulfil such purpose.

The members of the Scientific Committee stay in office for a period of 5 years and can be re-elected. The members of the Scientific Committee shall receive no compensation for their activity. The Scientific Committee defines the regulations to regulate its own activity.

Art. 21 Financial year and duration of the Business year

The financial year will close on 31st December each year.

The financial year starts each year on the 1st January and ends on 31st December.

Within such term, the Board of Directors will approve the preliminary balance sheet for the following year and, by 30th April, the financial statements for the previous one. If deemed necessary, the approval of the financial statements may be postponed up until 30th June. A copy of the annual financial statements, along with the minutes of the Board meeting during which they were approved, shall be filed according to the law.

The preliminary balance sheet and the annual report are intended to provide a clear representation of the economic, financial and balance sheet situation of the Foundation. The Annual report provides an accurate indication of the organization's accounts, kept in pursuance of Article 20(ii) of Pres. Decree no. 600 of 29th September 1973.

The reports submitted along with the balance sheets must also show any provisions and investments, particularly in relation to the safeguard of the economic integrity of the Foundation's assets.

The Foundation bodies, within their own areas of competence, may enter into agreements and undertake obligations but only within the provisions allocated by the approved balance sheet.

Any commitment of expenditure or obligation, directly undertaken by the legal representative of the Foundation or by members of the Board of Directors, duly provided with a proxy, which exceed the approved allocation limits, shall be ratified by the Board of Directors.

Any surplus income from the year shall be used first to offset any losses from previous periods and, subsequently, to enhance the Foundation's activities or to purchase capital goods in order to improve and strengthen its activity.

It is strictly forbidden to allocate, either directly or indirectly, any profit or surplus income, of the Endowment Fund or of other funds and provisions throughout the existence of the Foundation.

Art. 22 Supervisory Body

The Board of Statutory Auditors acts as Supervisory Body or, if provided for by the law, a Sole Auditor.

If a Board of Statutory Auditors is appointed, it consists of five members, three permanent and two substitute, appointed by the Board of Directors amongst those enrolled in the Register of Chartered Accountants and Auditors. Permanent auditors shall elect who, among them, will be the President of the Board of Statutory Auditors. Auditors take part in the Board of Directors' meetings but without voting right.

They stay in office for three years and are always re-electable.

A statutory auditor or an auditing entity shall be appointed, when required by the law, enrolled in the Register of Chartered Accountants and Auditors. The Board of Directors, according to the statutory requirements regarding the obligation to appoint an auditor, shall decide if the accounts shall be audited by a Board of Statutory Auditors or by a Statutory Auditor.

Art. 23 Founders' Assembly

The Founders' Assembly consists of all the Promoting Founders, the Honorary Founders and the Participating Founders.

The Founders' Assembly is chaired by the President of the Foundation, who convenes it at least once a year, or anytime he/she deems it necessary or at the request of at least half of the Founder members via written notice to be sent to each member at least 8 days prior to the date set for the meeting. Such notice shall be sent using any mean that can give a clear proof of receipt such as registered letter with acknowledgement of receipt, fax or e-mail. The convening notice shall include the agenda, time and location of the meeting.

The Founders' Assembly can also be held by teleconference or videoconference as long as all attendees can be identified and are able to follow the conversation and take part, in real time, in the discussion of the items on the agenda. If all these requirements are met, the Assembly will be considered held in the place where the President and the Secretary are located, the latter in order to allow for the drafting and signature of the minutes in the relevant register.

The Founders' Assembly, by an absolute majority, shall:

- appoint its own members within the Board of Directors;
- execute changes to the Bylaws, except for those reserved for the Governmental Authority;
- execute changes to the “Charter of Values”;
- approve the three-year guidelines for the activities of the Foundation and any regulation for the assembly meetings;
- appoint the Technical-Scientific Committee;
- define, on a yearly basis, the ceiling for the compensations to the directors;
- resolve, within the limits of the law and with the favourable vote of the majority of the members (two-thirds), on the proposal to the Governmental Authority to terminate the Foundation and to assign its assets pursuant to these bylaws; the resolution to terminate the Foundation, where not mandatory by law, may be taken only with the favourable vote of the representative of the Municipality of Reggio Emilia.
- resolve on the responsibility of the members of the Foundation bodies and bring proceedings against them for the purposes of responsibility;
- resolve on the termination, the transformation, the merger or the demerger of the Foundation.

The Founders' Assembly may also provide advisory opinions or proposals with regard to the activities, programs and objectives of the Foundation, be they already defined or to be defined.

Art. 24 Supporting Members' Assembly

It includes all Supporting Members.

The voting right in the Supporting Members' Assembly is recognised to the participants who have joined the Foundation for at least 3 months and in good standing with the payment of the fee.

The Supporting Members' Assembly is chaired by the President of the Foundation who convenes it at least once a year, or anytime he/she deems it necessary or at the

request of at least one third of the Supporting Members, via written communication to be sent to each member at least 8 days prior to the date set for the meeting or through the publication of the communication on the Foundation website.

The convening notice shall include the agenda, time and location of the meeting.

The Supporting Members' Assembly appoints its own member within the Board of Directors. It shall be regularly convened when: at first call with a quorum consisting of half of the Supporting Members, either in person or by proxy, and at second call just with anybody present at the time, either in person or by proxy. In both cases, resolutions are approved by the absolute majority of those present.

The Assembly may formulate advisory opinions and proposals with regard to the activities, programs and objectives of the Foundation, either already defined or to be defined.

Art. 25 Dissolution

In the event of dissolution of the Foundation for whichever reason, all relevant assets will be transferred, subject to resolution made by the Founders' Assembly, to other non-profit organizations pursuing purposes similar to those pursued by the Foundation or operating for public interest purposes, without prejudice to the right of the Municipality of Reggio Emilia of repossession of any of its leased assets, in whichever capacity. In any case, different allocations of any residual assets will be allowed, if prescribed by the law.

The Foundation, after hearing the Founders' opinion and subject to the approval by the competent Authority (Prefettura) for the recognition, may decide to merge, also through dissolution, into other organizations sharing its same aims and purposes in order to fulfil its institutional purposes more effectively.

The Foundation will dissolve when one of the following events occurs:

- if decided by the Founders' Assembly;
- the statutory purpose of the Foundation has been fulfilled;
- the foundation's ultimate aims cannot be achieved.

Art. 26 Liquidation

In the event of dissolution of the Foundation, the Board of Directors, by a majority of two thirds, will appoint one or more liquidators while defining their powers.

Art. 27 Supervision

The competent Authority shall supervise the activities of the Foundation pursuant to Article 25 of the Italian Civil Code.

Art. 28 Arbitration Clause

Any disputes between the members of the Foundation or between the members and the Foundation itself, any of its bodies or any members thereof, in connection with the participation in the Foundation, the Foundation itself or these Bylaws, including those relating to its interpretation, execution and validity, shall be forwarded to an arbitration panel composed of three arbitrators, all appointed by the President of the Court of Reggio Emilia. The arbitrators shall act according to standard procedures and principles of fairness and impartiality, producing their award within 240 days from the acceptance of the assignment.

The place of the arbitration shall be in Reggio Emilia.

The language of the arbitration will be Italian.

Art. 29 Referral clause

For anything else not expressly stated in these Bylaws, reference shall be made to the provisions of the Italian Civil Code and the applicable legislation on the subject of foundations and Third-Sector Bodies.

Art. 30 Charter of Values, Regulations, Guidelines

The Charter of Values represents the reference framework - from an ethical and intent point of view - to define the Foundation's Plans of action and development.

The three-year Guidelines represent the reference document to draw up the institutional activities, while identifying primary objectives, strategies and action tools for the period.

