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**Version dated 15 November 2019**

**BYLAWS OF THE  
INTERNATIONAL FOUNDATION  
BIG DATA AND ARTIFICIAL INTELLIGENCE  
FOR HUMAN DEVELOPMENT**

**1. Establishment and incorporation of the Foundation**

- 1.1. The “International Foundation Big Data and Artificial Intelligence for Human Development” (the “Foundation”) is established and incorporated pursuant to Section 14 and subsequent of the Italian Civil Code as a “*fondazione di partecipazione*”.
- 1.2. The Foundation complies with the principles and with the legal framework set out for the “*fondazione di partecipazione*” by the Italian Civil Code and related laws. The Foundation shall be a non-profit making organization and shall not distribute profits to its members.
- 1.3. The Foundation may also use in its trademarks the name “Big Data Foundation” or acronyms such as “IFAB”.

**2. Foundation’s goals and activities**

- 2.1. The Foundation, which is committed to the common good, shall pursue the objectives of consolidating, enhancing and promoting scientific research and its related interdisciplinary fields, such as social sciences and humanities, with particular reference to big data and artificial intelligence. The Foundation shall also contribute to the transformation of the economic and social system, to the definition of public policies, with particular focus on the issues of climate change and human development.
- 2.2. The Foundation aims to be an independent and authoritative international point of reference, which may be able to set emerging and future perspectives of scientific and technological development, the connected productive transformations and the necessary public policies, rooted in the Emilia Romagna region, Italy. The Foundation shall also promote scientific and productive initiatives of high value.
- 2.3. In order to achieve its goals, the Foundation aims to promote, manage and conduct interdisciplinary and applied research, research training and scientific dissemination activities in the fields described at Section 2.4 below in line with its vocation.
- 2.4. In particular, the goals of the Foundation are:
  - a) developing knowledge of supercomputing and artificial intelligence;

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b) creating intersections between supercomputing and artificial intelligence technologies and other scientific and social fields with particular attention to their impact on the economic and social system;

c) developing medium- and long-term scenarios in the evolution of scientific knowledge and technological innovation in relation to the millennium development goals defined by the United Nations:

d) developing multidisciplinary research activities on the transformation of common goods based on scientific research; developing a relationship between scientific and productive systems and educational systems, which is essential for sustainable human development; developing digital transformation of the public administration and for the application of artificial intelligence and big data to the public sector, as well as the development of policies aimed at promoting open, inclusive and sustainable human development.

2.5. Universities, research centres, national and international agencies and companies, both public and private, which share the aims of the Foundation and operate within the framework of the Foundation's activities at national and/or international level, may take part to the Foundation.

### **3. Instrumental, ancillary and related activities**

3.1. The Foundation, in compliance with its non-profit nature, may participate, if authorized to do so by its members, to international, European, national and regional projects, in competitions of ideas and European Groups of Economic Interest. Such projects should have a high scientific profile and should aim at ensuring a high and additional impact on the corporate activities of the Foundation's members. In assessing its projects, the Foundation shall take into account, in particular:

- the suitability of the project in relation to the strategic guidelines of the Foundation;
- the economic sustainability and feasibility, including financial feasibility, of the project;
- costs in relation to the expected benefits, based on principles of impartiality, balance and transparency;
- the innovative profiles of the project;
- the characteristics of the subject suggesting a project in terms of experience gained in a given field or in the implementation of similar initiatives.

3.2 The Foundation may also organize, manage or contribute to organize and manage high-level educational activities within the framework of its own

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objectives, on the basis of the criteria of transparency, impartiality and disclosure of information.

- 3.3 The Foundation shall welcome and benefit from the expertise of visiting professors, researchers and technicians made available by its members or by other bodies and companies or by means of grants offered by national and international donors or institutions. The Foundation shall also host young scholars to carry out internships or research periods and emeriti professors who, having reached retirement in their own institutions, wish to continue their research in fields of interest for the Foundation and its members.
- 3.4 In light of the Foundation's founding principles, the Foundation shall cooperate with the Emilia-Romagna Region in carrying out its activities pursuant to the applicable regulatory framework.
- 3.5 The activities of the Foundation may be carried out in partnership with public and private bodies which are not in conflict with the Foundation's goals.
- 3.6 The Foundation, within the scope of its purposes, can however carry out activities which contribute, directly or indirectly, to the social, economic and scientific development of the Emilia-Romagna region, Italy. Any economic return to the members of the Foundation is excluded.
- 3.7 In order to achieve its objectives, the Foundation may, inter alia, (within the scope of Section 7 below):
  - a) ask for public and private funds and financing;
  - b) participate to procedures of public evidence aimed at the allocation of public resources and funding for the statutory purposes, in compliance with applicable laws;
  - c) work with third parties to implement its initiatives and projects;
  - d) execute contracts for the acquisition of rights, freehold or lease, over real estate;
  - e) manage the assets which the Foundation is the owner of, lessee, or otherwise owned or held, as well as manage funds of third parties also for the purposes indicated in the previous Section 2, yet not being that the main purpose of the Foundation's activities.
  - f) carry out, but only for the achievement of the Foundation's goals, marketing activities, also by means of the media, within the limits of the applicable laws;
  - g) carry out any other activity deemed useful or appropriate for the achievement of the purposes referred to in Section 2 above.
- 3.8 Within the framework of its activities, in light of the principles which inspired its creation and for the achievement of its goals, the Foundation shall operate both in Italy and abroad.

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#### **4. Location**

- 4.1 Foundation's headquarters are in Bologna.
- 4.2 Secondary offices, delegations and other branches may be established both in Italy and abroad to carry out both primary activities and activities of promotion and development of its official purpose.

#### **5. Endowment fund**

- 5.1. The Foundation's assets (the "Assets") shall be:
  - a) the financial endowment created by the founding members (the "Founders");
  - b) contributions made by the Founders and expressly assigned to the Assets, be they monetary or in kind (goods or real estate), or any other contribution which may help achieve the Foundation's purposes;
  - c) contributions granted by the Emilia-Romagna region, Italy, pursuant to Emilia-Romagna Regional Statute No. 7 of 17 June 2019;
  - d) contributions given to the endowment fund by the Italian Republic, the European Union, local Governmental Authorities, other Public Bodies and private natural or legal entities;
  - e) goods and real estate expressly assigned as included in the Assets, which is or shall be transferred to the Foundation for any reason, including those acquired by the Foundation as provided for under these Bylaws;
  - f) donations made by public or private bodies specifically assigned to the Assets;
  - g) the net profits which, by virtue of the Foundation's Bylaws, must be allocated as Assets.
- 5.2 In case of withdrawal of a Founder or co-founder, their share of the endowment fund shall not be returned to them but shall be kept in the endowment fund of the Foundation.
- 5.3 The shares resulting from the payments made to the endowment fund shall be indivisible and non transferable.

#### **6. Management fund**

- 6.1. The Foundation's management fund shall include:
  - a) contributions made by the Founders, co-founders and Participants, be they defined as ordinary or extraordinary as per the Italian applicable Laws, be they monetary, movable goods and real estate or other kind of contributions;
  - b) profits and income received from the Foundation's Assets and activities;

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- c) royalties stemming from the exploitation of patents or the transfer of any intellectual property rights resulting from targeted research;
- d) contributions granted by the Emilia-Romagna region, Italy, pursuant to the Emilia-Romagna Regional Statute of 17 June 2019, n. 7, which are not expressly assigned to the Assets;
- e) any donations, testamentary dispositions, which are not expressly assigned to the Assets;
- f) any other contributions made by the Italian State, the European Union, local and regional authorities, other public bodies and natural or legal persons, which are not expressly assigned to the Assets;
- g) profits from any institutional and/or secondary activities, and their related activities.

The Foundation's management fund shall be used for the operativity of the Foundation and for the achievement of its objectives.

- 6.2 In light of the Foundation's goals, the Board of Directors, in relation to the general management costs incurred into each financial year by the Foundation, may require the Founders and Participants in the common interest to provide for the payment of ordinary and/or extraordinary contributions, even with different rates. The payment of contributions and their amount is decided unanimously by the Founders' Assembly, upon the proposal of the Board of Directors.
- 6.3 Ordinary or annual contributions are those contributions due for the ordinary management of the Foundation, which shall cover general, structural and organizational costs. These contributions shall be determined annually in advance by the Board of Directors and approved by the Founders' Assembly.
- 6.4 Extraordinary contributions are those contributions due for the fulfilment of specific projects. Such contributions shall be made by the Founders and the Participants which are concerned and involved in the fulfilment of a given project. The amount of said contributions shall be determined by the Board of Directors by taking into account the share, in percentage, of the activities carried out for a given project by each contributing Founder or Participant.
- 6.5 The obligation of the Founders and the Participants to pay contributions to the Foundation does not involve an extension of the Foundation's civil liability. Therefore, the Founders and the Participants shall never be liable with their assets vis-à-vis any creditors of the Foundation in lieu of the Foundation itself, unless otherwise provided under the Italian applicable laws.
- 6.6 Contributions made pursuant to this Section 6, any contributions made by the State or by any other body and assets resulting from the Foundation's activities shall be regarded as free and fully available assets of the Foundation unless expressly provided otherwise.

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## **7. Criteria for managing the Assets**

- 7.1 The Foundation's Assets shall only be used for the achievement of the purposes laid out in the bylaws as per Section 2. The Foundation shall adequately plan in advance investment strategies and policies and comply with such plans.
- 7.2 The Foundation's investment policies shall pursue the following objectives:
- protection of the Assets' value by means of appropriate criteria for prudential risk diversification;
  - achieve a return that allows a flow of financial resources consistent with the long-term objectives established by the Foundation to be allocated to the institutional activities of the Foundation;
  - steady, over time, the level of resources allocated for corporate purposes, through adequate policies of appropriation of funds;
  - consistency with the Foundation's purposes.
- 7.3 In its investment choices, the Foundation:
- adopts criteria which take into account the accountability of investments and periodically checks compliance with such criteria. In particular, investments that are connected with a situation of violation of human rights and protection of the environment and historical, artistic and cultural heritage are excluded; to that extent, the Foundation shall be inspired by principles developed by national and supranational bodies;
  - operates following principles of adequate investment diversification, in light of its strategic investment decisions;
  - may use risk averse strategies that shall protect the Asset's value.
- 7.4 In the choice of investments, in the implementation of the multiannual planning defined by the International Scientific Board based on the strategic guidelines, the Board of Directors shall particularly focus on the following elements:
- consistency with the purposes of the Foundation;
  - risks;
  - expected profitability, net of related expenses (of organizational and tax nature);
  - periodic cash-flow;
  - degree of clarity and accessibility of the nature of the investment;
  - degree of liquidity of the investment.

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- 7.5 In managing its Assets, the Foundation shall, as a general principle, balance the funds invested for carrying out institutional activities with investments for secondary activities.
- 7.6 The Foundation may invest a share not exceeding 15% (fifteen percent) of the Assets in real estate which are different from those to be considered as essential assets, as long as it has an adequate profitability. The Foundation can also invest part of its Assets in real estate that does not produce adequate profitability provided that it is used as the headquarters of the Foundation or for the performance of its institutional activities.
- 7.7 In order to preserve the Assets' value, the Foundation shall ensure that the annual total expenditure is consistent with the income generated by the Assets, pursuant to the strategic investment choices made by the Board of Directors.
- 7.8 In the management of risks, the Foundation operates protecting the Assets' values and generating adequate profitability for the achievement of the institutional objectives referred to in Section 2 over the medium / long-run, primarily pursuing an adequate level of investment diversification.
- 7.9 The activities of the Foundation are based on maximum transparency vis-à-vis all the subjects who contribute to its activities and, in general, third parties.
- 7.10 The Foundation cannot carry out activities, even in relation to its core activities, from which unlimited liability may derive.
- 7.11 The Foundation shall not use its Assets, either directly or indirectly, in economic relationships towards a single subject for a total amount greater than 1/3 (one third) of the total net assets of the Foundation as registered in the balance sheet. For the purposes of calculating this limit, the value of the most significant economic relationship towards a single subject is calculated as an average of values over a period of 6 (six) months. The overall exposure to a single body includes all financial instruments, including equity investments and other shareholdings, and any other asset - represented or not by financial instruments. The concept of single body shall include a company and all the companies of a group which it may be part of.
- 7.12 The contracts and financial instruments commodity derivatives are used by the Foundation for hedging financial risks or in transactions where there is no risk of loss of equity.
- 7.13 Pursuant to the principle of conservation of the Foundation's Assets, the Foundation shall not incur into new debts in any form, except in case of temporary and limited liquidity issues due to time lags between cash outflows and revenues. In any event, the overall Foundation's debt exposure cannot exceed 10% (ten percent) of equity.
- 7.14 The decisions regarding the definition of the Asset's investment policies are under the responsibility of the Board of Directors and shall be taken pursuant to

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strategic guidelines defined by the International Scientific Board. The Board of Directors periodically reports to the International Scientific Board on the performance of Asset management, including strategic investments, with regard to compliance with the defined investment policies, the returns achieved and the risks taken. The International Scientific Board periodically checks, at least every six months, on the basis of reports by the Board of Directors, whether the results of the investments are consistent with the general principles of the Bylaws and with the developed strategies.

## **8. Financial year and budget**

- 8.1. The financial year begins on January 1st and ends on December 31st of each year.
- 8.2. The Board of Directors approves within the month of December the planning documents for the following year.
- 8.3. By the end of April of each year, the Assembly of Founders approves the draft financial statements of the previous year prepared by the Board of Directors, which shall be accompanied by the report of the Board of Statutory Auditors. The drafting of the financial statements – consisting of the balance sheet, the profit and loss account, the notes to the annual account and the report on operations, as indicated in the statutory laws in force from time to time – shall comply with the principles established by the Italian Civil Code for “*società di capitali*” (business corporations).
- 8.4. The bodies of the Foundation, within their competence, may undertake obligations for the implementation of the approved Foundation’s objectives and programs within the limits of the available resources.
- 8.5. Such obligations shall be contracted only if they are covered by the Foundation’s economic-financial planning, also to protect the integrity of the Foundation’s endowment fund.
- 8.6. Any operating surplus from annual management shall be primarily allocated for the reorganization of the Assets if they were affected by previous losses.
- 8.7. The distribution of the Foundation’s profits or any undivided profits as well as funds and reserve capitals is prohibited, unless such destination or distribution is required by the law.
- 8.8. All operations concerning asset management shall be indicated in the Foundation’s books and annual financial statements, in compliance with the applicable accounting principles. In particular, the Foundation’s books and annual statements shall highlight the tax impact of the investments made. The criteria for the preparation and evaluation of the financial statements shall be consistent with the Foundation’s strategic plan or with the investments made. In the notes to the financial statements, the Foundation shall provide an adequate,

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complete and transparent information on the investments made and on the results achieved by the Foundation itself.

## **9. Founders and Participants**

- 9.1. The Foundation is open to the participation of new public or private entities, residing or established in Italy or abroad, which in the opinion of the Board of Directors and the Assembly may contribute to the achievement of the Foundation's purposes according to the terms set forth below and pursuant to the purposes set out by the bylaws. The members of the Foundation are divided into Founders and Participants.
- 9.2. The Founders are the natural or legal persons who are indicated in the articles of incorporation of the Foundation.
- 9.3. The Founders can contribute to the Foundation's management fund through contributions, in kind or monetary, on a voluntary basis, for a value that shall be proposed by the Foundation's Board of Directors to the Assembly of Founders.
- 9.4. The Assembly of Founders, with the favorable vote of at least 2/3 (two-thirds) of the votes, may attribute the status of co-Founder to natural or legal persons, be they public or private who, despite not having participated in the articles of incorporation, decide to join to the Foundation in this capacity and to continuously contribute to the Assets and the management fund, by means of significant contributions, be they monetary or in kind, according to the proposal made by the applicant, approved by the Board of Directors and subsequently by the Assembly of the Foundation. The Board of Directors shall also decide whether or not the contributions proposed by the applicant shall be regarded as including or substituting the contributions referred to in the previous paragraph, as already approved by the Board of Directors and ratified by the Assembly of Founders. The co-Founders, once admitted to the Foundation, have the same position, rights and duties as the Founders.
- 9.5. The title of Participant is conferred by the Assembly of Founders, with the favorable vote of at least 2/3 (two-thirds) of votes, on a proposal from the Board of Directors of the Foundation. The title of Participant shall be conferred to public or private bodies which, sharing the Foundation's purposes, contribute to the Foundation's management fund on a multiannual basis, through adequate contributions, monetary or in kind, to the extent and pursuant to the Board of Directors' guidelines. The title of Participant shall be kept for the period of time specifically established by the Assembly of the Foundation at the time of acceptance of the proposal, which shall not in any case be less than three years. The Assembly of Founders, on a proposal from the Board of Directors, may determine by special regulation a possible more articulated division of the Participants according to their personal contribution and purpose, as well as the criteria to determine the duration of the title.

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- 9.6. The Participants, which shall meet upon the initiative of the President of the Foundation, appoint their representatives, who shall be 1 (one) or 2 (two) depending on what is established by the Assembly of Founders at the time of the Participant's admission. The representatives of the Participants remain in office for 3 (three) years, which may be renewed, and have the right to vote in the Assembly of Founders. If the Participants' representatives are not appointed, the Assembly of Founders is in any case complete and functioning and shall be integrated with the Participants' representatives only if and when such appointment is made.

## **10. Participation to the Foundation**

- 10.1. The persons having the requirements referred to under Section 9 above which intend to participate to the Foundation must submit an application addressed to the President of the Board of Directors.
- 10.2. The application shall contain: a) the name, company or trade name and address or registered office of the applicant; b) documents concerning the activity carried out by the applicant and its development plans; c) the signature of the applicant; d) a declaration of acknowledgement and acceptance of the Foundation's Bylaws and its already adopted resolutions; e) the indication of the programs / activities which the applicant is potentially interested in participating; f) the title which the applicant would like to be admitted with and the amount of contributions / donations for the Foundation; g) any other element useful for the assessment of the application.
- 10.3. The application for the admission as co-Founder and / or Participant is submitted to the opinion of the Board of Directors and to the approval of the Assembly of Founders, which decides on the relevant admission and the related procedures with the favorable vote of at least 2/3 (two-thirds) of the votes attributed to the members of the Assembly itself.

## **11. Exclusion and withdrawal**

- 11.1. The Board of Directors, in a specific session and with the majorities required under these Bylaws, decides on the exclusion of Founders and Participants for serious and repeated breach of the obligations and duties deriving from these Bylaws, including, by way of example and not necessarily:
  - a. breach of the obligation to provide for the contributions provided for under these Bylaws;
  - b. breach of the obligation to perform financial obligations;
  - c. have a conduct in breach of the duty of collaboration with the other Foundation's members.

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- 11.2. Where Founders and Participants are legal entities, their exclusion also takes place for the following reasons:
  - a. dissolution for any reason;
  - b. winding up;
  - c. bankruptcy and related procedures, be they contentious or non-contentious, with the exception of procedures of composition with creditors without suspension of business;
  - d. the issuing of regulatory provisions which do not allow for the continuation of the relationship with the Foundation.
- 11.3. The exclusion can also be decided with reference to the most serious violations of the rules set out by the Foundaton's "Ethic Code" possibly adopted pursuant to Section 22 of these Bylaws. In the event that the Foundation has adopted the Ethic Code, the Founders cannot be excluded from the Foundation unless they breach the most serious rules set out by such Ethic Code.
- 11.4. The Founders and the Participants may withdraw from the Foundation at any time, without prejudice to the duty to fulfill their obligations vis-à-vis the Foundation. The withdrawal shall be communicated to the Board of Directors by registered letter.
- 11.5. The loss of the Foundation's membership automatically involves the loss of the rights of representation within the bodies of the Foundation itself.
- 11.6. In the event of termination and dissolution of a Founder or a Participant, following winding up or bankruptcy for any reason, the Assembly of the Foundation may decide on the transmission of administrative and representation rights (within the Foundation) to other bodies of such terminated / dissolved legal person or transfer / assign the same rights to third parties; the latter shall occur only if the legal nature of the terminated / dissolved body or of the new body allows the identification of members which shall be recipients of a final distribution of assets of such wound up company.

## **12. Bodies of the Foundation**

- 12.1. The bodies of the Foundation are:
  - a. the President;
  - b. the Founders' Assembly;
  - c. the International Scientific Board;
  - d. the Board of Directors;
  - e. the Board of Statutory Auditors.
- 12.2. The remuneration of such offices shall be made pursuant to the Italian law, also with reference to the Founders.

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### **13. President of the Foundation**

- 13.1. The President of the Foundation is appointed by the Founders' Assembly among the members of the Board of Directors, designated by the Founders.
- 13.2. The President can legally represent the Foundation before third parties and in case of judicial dispute. The President shall sign all those documents that may have effects vis-à-vis third parties, unless the Bylaws or other organizational provisions of the Foundation provide otherwise.
- 13.3. The President of the Foundation summons and chairs the Board of Directors and the Founders' Assembly and approves the agenda of such bodies.
- 13.4. The President of the Foundation, in case of their absence or inability to attend, is replaced by the Vice President if appointed, or by a Director delegated by them or by the most senior Director.

### **14. The Founders' Assembly**

- 14.1. The Founders' Assembly is made up of the Founders (represented by their respective legal representative or by anyone who has power of attorney) and, in the event the Foundation has appointed Participants, by anyone who has the power to represent the latter.
- 14.2. Each Founder and each representative of the Participants can be represented in the Founders' Assembly respectively by another Founder or by another representative of the Participants (where there are two representatives of the Participants), by means of a written authorization to act as proxy which shall be kept by the Foundation. Such written authorization shall indicate the name of the proxy with an indication of their powers and limits. Each member of the Founders' Assembly shall receive written authorisation from not more than one member to act as their proxy. Non-members cannot be given written authorization to act as proxy.
- 14.3. The Founders' Assembly shall decide on matters within its competence as stated by this Bylaws, as well as on matters that one or more Directors or Founders representing at least one third of them may submit for their approval. In particular, the Founders' Assembly:
  - a. decides on amendments to the Bylaws (in the presence of a notary public), with the exceptions indicated below;
  - b. appoints the members of the Foundation's Board of Statutory Auditors, also indicating their chairman, and defines their remuneration;
  - c. approves the annual financial statements drafted by the Board of Directors;
  - d. decides on any payments to be made by the Founders on the proposal of the Board of Directors;

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- e. decides on the ordinary and extraordinary contributions pursuant to Section 6 of these Bylaws upon proposal of the Board of Directors (which shall be taken unanimously);
- f. appoints the members of the Board of Directors and defines their remuneration;
- g. appoints the President of the Foundation and decides on his / her remuneration;
- h. appoints the members of the International Scientific Board and decides on their remuneration, on the proposal of the Board of Directors;
- i. decides on the admission of co-Founders and Participants;
- j. may propose non-binding guidelines to the Board of Directors on the Foundation's programs;
- k. may suggest specific initiatives to the Board of Directors for the achievement of the Foundation's goals;
- l. decides on the dissolution or transformation of the Foundation;
- m. decides on the request to public authorities for the dissolution of the Foundation under Italian law, and in particular pursuant to the Presidential Decree of 10 February 2000, No. 361 and to the Italian Civil Code.

## **15. The Founders' Assembly – Organization**

- 15.1. The Founders' Assembly is called by the President of the Foundation by sending a notice to all those entitled to attend, to the address resulting from the book of the Founders and the representatives of the Participants, by PEC, e-mail with acknowledgment of receipt, registered letter with return receipt or by any technological means involving confirmation of receipt, to be received at least 8 (eight) days prior to the date of the Meeting. The directors and the auditors (who, however, do not participate to the determination of the quorum) are also invited to the Founders' Assembly with a prior notice of 8 (eight) days by PEC, e-mail with acknowledgment of receipt, registered letter with return receipt or by any technological means involving confirmation of receipt. The meeting notice must indicate the day, time and place of the meeting, as well as the list of matters to be discussed.
- 15.2. In the event the formalities of the previous paragraph are not complied with, the Founders' Assembly is duly constituted upon attendance of all of the Founders (in or through a representative), the representatives of the Participants, the Directors and the Auditors, provided that no one opposes to discuss the matters on which the Founders' Assembly is called to deliberate. In all other cases, the rules set out by the Italian Civil Code on shareholders' meetings of "*società per azioni*" (joint stock companies) shall be applicable.

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- 15.3. The Founders' Assembly can be held remotely, by audio-conference or video-conference, provided that the principles of the plenary meeting and the principles of good faith and equal treatment of its members are respected. To that extent, therefore:
  - a. the President is allowed, also by its own function, to: (i) ascertain the identity and legitimacy of the attendees, sending to them via fax or e-mail, if ready, the documentation prepared for the meeting; (ii) regulate the course of the meeting; and (iii) confirm and announce the voting results;
  - b. the person taking the minutes is allowed to adequately understand the meeting events being recorded;
  - c. the attendees are allowed to participate to the discussion and simultaneous voting on the matters of the agenda;
  - d. the meeting notice (except in the case of a plenary meeting) must indicate the audio/video links provided by the Foundation, in which the attendees will be able to connect with, as the meeting is considered to be held in the place where the President and the person taking the minutes are located.
- 15.4. Each Founder has one vote in the Founders' Assembly. The representatives of the Participants have the total votes assigned to them by the Founders' Assembly when approving the participation of the Participants.
- 15.5. The Founders' Assembly is validly constituted with the presence of the majority of those entitled to attend. The resolutions are adopted by the majority of the members present, except in the cases when the Founders' Assembly is called to change the Bylaws and in the other cases provided for under these Bylaws, in which the Founders' Assembly deliberates with the favourable vote of at least 2/3 of the votes attributed to its members (unless different majorities are arranged for specific resolutions provided for under these Bylaws).
- 15.6. The quorum for the valid constitution and the resolutions of the Founders' Assembly are determined based on the sum between the total number of Founders and the votes attributed to the representatives of the Participants, if appointed. In the event the representatives of the Participants are not appointed, the quorum is determined based on the total number of Founders.
- 15.7. The Founders' Assembly duly convened and constituted, decides in accordance with the law and these Bylaws, and obligates all Founders and Participants, even if they have not attended or dissented, notwithstanding the right of withdrawal to be exercised in accordance with the law and the Bylaws.
- 15.8. The Founders' Assembly is held at least once a year, for the approval of the final balance sheet, within 120 (one hundred and twenty) days from the end of the financial year, or within 180 (one hundred and eighty) days if required by special needs related to the structure and purpose of the Foundation.

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- 15.9. The Founders' Assembly is chaired, without voting power, by the chairman of the Board of Directors or, in case of impediment or absence, by the deputy chairman, if appointed, or by the most senior Director; failing which, the Founders' Assembly is chaired by another person designated by those present. In order to confirm the regular constitution of the Founders' Assembly, the chairman of the Founders' Assembly is required to ascertain the identity and legitimacy of those present, and the validity of any proxies; the chairman is responsible for directing and regulating the conduct of the Board as well as ascertaining and proclaiming the outcome of the resolutions.
- 15.10. The chairman of the Founders' Assembly is assisted by a secretary, who is not a member of the Founders' Assembly, appointed by those present, unless, by law or by the will of the chairman, the minutes must not be drawn up by a notary.
- 15.11. The resolutions of the Founders' Assembly must be recorded in minutes signed by the chairman and the secretary (or by the notary, if present). In particular, the minutes must show: (i) the date of the meeting; (ii) the identity of the persons attending the meeting (also as an attachment); (iii) the results of the assessments made by the chairman; (iv) the methods and the results of the votes, with specific indication of the Founders or Participants in favour, abstained or dissenting; and (v) at the request of the Founders and Participants, a summary of their statements relevant to the agenda. The minutes, even if made by public deed, must be transcribed without delay in the meeting book of the Founders' Assembly.
- 15.12. The procedure for any written consultation or the acquisition of consent expressed in writing is regulated as follows: the chairman of the Board of Directors communicates the text of the decision to all the members of the Founders' Assembly, the Board of Statutory Auditors and all the Directors to be adopted, setting a deadline of no less than 8 (eight) days within which each member must send any consent to the Foundation to the headquarters of the Foundation; in case of failure to reply within the established term, the consent is considered denied. Communications can take place by any means, including electronic ones, which allow to verify the origin and to have confirmation of the receipt (also by means of a declaration of receipt sent by the same means), including e-mail, and must be kept by the Foundation. The decisions of the Founders' Assembly adopted in this way must result from a special report drawn up by the President and inserted in the book of the minutes of the Founders' Assembly. The President will take care to verify that all those entitled to it have received the communication.

## **16. The Board of Directors**

- 16.1 The Administration of the Foundation is entrusted to a Board of Directors made up of a minimum of 3 (three) and a maximum of 11 (eleven) Directors appointed by the Founders' Assembly.

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- 16.2 The person who is declared bankrupt or legally incapacitated or who is sentenced to a penalty involving the disqualification, even temporary, from holding public offices or the inability to perform executive offices cannot be appointed as a Director and, if appointed, it shall lose office.
- 16.3 The Directors must comply with the provisions of Section 2391 of the Italian Civil Code regarding the conflict of interest, therefore such conflict is governed by the content of said provision.
- 16.4 The Directors remain in office for the period determined, from time to time, by the Founders' Assembly at the time of the appointment and in any case for a period not exceeding 3 (three) financial years. The period expires with the approval of the financial statements relating to the last financial year for which they are appointed. The members of the Board of Directors can be re-elected. The first Directors are appointed in the Deed of Incorporation which will also establish their duration term.
- 16.5 The Director who renounces to its office must notify the Board of Directors and the President of the Board of Statutory Auditors in writing.
- 16.6 The termination of the office of the Directors due to the expiry of the term takes effect from the moment in which the new administrative body has been reconstituted, meaning the day on which the new body meets for the first time. If in the following 30 (thirty) days from the expiry of the term the Board of Directors has not called the Founders' Assembly for the appointment of the new administrative body, the Board of Statutory Auditors must do so without further delay.
- 16.7 If during the financial year one or more Directors are missing, the others shall replace them, by means of a resolution approved by the Board of Statutory Auditors, provided that the majority of the Directors is always made up of members appointed by the Founders' Assembly. The Directors will be replaced in accordance with the provisions of these Articles of Association for the appointment of the same. The Directors thus appointed remain in office until the next Meeting of the Founders. If the majority of the Directors appointed by the Founders' Assembly ceases, the entire Board of Directors ceases as well; in his case, the Directors who remain in office must urgently convene the Founders' Assembly for the appointment of a new Board of Directors and until the date of the appointment of the new Board of Directors must be limited to the administration of current assets.
- 16.8 The Board of Directors can elect one or more Vice Presidents, who remain in office for the duration of the mandate of Directors.

## **17. Board of Directors - Organization**

- 17.1 The President or whoever is in office calls the Board of Directors, at the registered office or elsewhere, whenever deemed appropriate or upon receiving a written request from the majority of the Directors. The President sets the agenda, coordinates the

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work of the Board and ensures that all Directors are informed on the matters to be discussed.

- 17.2 The call for the Board of Directors' meeting is made by registered letter with return receipt, or by any other means that allows confirmation of the receipt, sent to the domicile of each Director and of the Statutory Auditors at least 7 (seven) days before the meeting. In case of necessity and urgency, the call can be made by any other means that allows for the acknowledgment of the receipt, within 3 (three) days before the date of the meeting. Even in the absence of the call, the Board of Directors may validly deliberate on any matter falling within its competence, when all the Directors are gathered in any place and all the Statutory Auditors are present; in this case, it shall remain unchanged, the right of each of the speakers to object to the discussion of the subjects on which they do not consider that they are sufficiently informed.
- 17.3 If provided for in the notice of meeting, the Board of Directors may meet by video or tele-conference, provided that all participants can be identified and are allowed to follow the discussion and intervene in real time in the discussion of the topics addressed. The meeting is considered to be held in the place where the President is located.
- 17.4 The decisions of the Board of Directors can also be adopted by means of a written consultation or on the basis of the consent expressed in writing by each of the directors; in this case, the chairman of the Board of Directors or at least 3 (three) directors communicate the text of the proposed decision to all the others, setting a deadline of up to 8 (eight) days within which everyone must send the possible consent to the same; in case of failure to reply within the established term, the consent is considered denied; communications can take place by any means that allows to verify the origin and to have confirmation of the receipt (also by means of a declaration of receipt sent by the same means), including e-mail, and must be kept by the Foundation. The documents must clearly show the subject matter of the decision and its consent. The decisions of the Directors adopted in this way must result from a specific report drawn up by the administrative body and inserted in the Minutes book of the Board of Directors, after checking that all those entitled have received the relative communication.
- 17.5 The Board of Directors is chaired by its chairman, or, in the event of his absence or impediment, by the deputy chairman, if appointed. In case of impediment of the deputy chairman, the Board of Directors is chaired by the most senior Director in age. On the proposal of the chairman of the Board of Directors or whoever takes his place, the Board of Directors may appoint a secretary from time to time, also choosing him/her from among people outside the Foundation.
- 17.6 For the resolutions of the Board of Directors to be valid, the presence of the majority of the Directors in office is required; resolutions are taken by an absolute majority of the votes of those present. In the event of a tie, the decision to which the vote of the chairman has access prevails.
- 17.7 The Board of Directors is invested with the widest powers for the ordinary and extraordinary management of the Foundation. The Board of Directors has the right to carry out all the acts it deems appropriate for the implementation and achievement

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of the Foundation's purposes, excluding only those reserved to the Founders' Assembly by this Bylaws. In particular, the Board of Directors:

- a. prepares the draft balance sheet for each financial year to be submitted for approval by the Founders' Assembly;
- b. approves the multi-year plan of activities based on the strategic guidelines defined by the International Scientific Board;
- c. establishes the requirements for assuming the status of co-founder and participant and proposes the related admission requests to the Founders' Assembly pursuant to art. 9.4 and 9.5, with the favorable vote of the majority of its members;
- d. defines the investment policies of the Foundation's assets, based on the strategic guidelines defined by the International Scientific Board;
- e. resolves on the acceptance of inheritances, legacies and donations;
- f. resolves on the allocation of profits and operating surpluses for the pursuit of the Foundation's institutional purposes;
- g. approves, with the favorable vote of the majority of its members, the proposals of the Founders and Participants on the part of the revenues, income and contributions or contributions to be allocated to increase the assets;
- h. determines the part of income, income and contributions or contributions other than the previous ones to be allocated to cover any annual or multi-year needs;
- i. it can authorize that the contributions of the Founders not destined to the assets and the contributions of the Participants are used for specific initiatives of social interest;
- j. may propose amendments to the Foundation Bylaws to be submitted to the Founders' Assembly;
- k. resolves on the opening and closing of local units and secondary offices
- l. resolves on the constitution or participation in joint stock companies, organizations, foundations or associations;
- m. appoints the representatives in the collegial bodies of the companies and organizations in which the Foundation is invested;
- n. proposes to the Founders' Assembly the appointment of the members of the International Scientific Board, chosen from among authoritative members of the national and international scientific community.
- o. deliberates on the adoption of the Code of Ethics and approves it, subject to the opinion of the International Scientific Board;

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- p. performs any other task assigned to it by this Bylaws and approves all further acts of ordinary and extraordinary administration not included in the previous letters.
- 17.8 The Board of Directors, on the proposal of its President, may also appoint a Scientific Director and / or an Executive Director, defining the relative functions and remuneration.
- 17.9 The delegated bodies report to the Board of Directors and the Board of Statutory Auditors, at least every 90 (ninety) days, on the general management trend and its foreseeable evolution, as well as on the most important operations of the Foundation.
- 17.10 The members of the Board of Directors are entitled, in addition to the reimbursement of expenses incurred by reason of their office, the compensation determined from time to time by the Founders' Assembly.  
The remuneration of the Scientific Director and / or the Executive Director is established by the Board of Directors at the time of appointment.
- 17.11 The directors who do not participate to 3 (three) meetings of the Board of Directors or the Executive Committee during a calendar year, if appointed, without adequate justification, forfeit their office and must be replaced.

## **18. Board of Statutory Auditors**

- 18.1 The Founders' Assembly of the Founding Members appoints the Board of Statutory Auditors and its chairman and determines their compensation. The first appointment, if the Founders choose to, will take place within the deed of incorporation.
- 18.2 The Board of Statutory Auditors, when appointed, is formed by 3 (three) acting members and 2 (two) substitute members. Of the three acting members, at least two, including the President, must be auditors registered in the Register established at the Ministry of Economy and Finance. The Statutory Auditors remain in office for 3 (three) years and expire on the date of the Founders' Assembly of the Founding Members called to approve the financial statements relating to the third year of their office. The former, if the College remains in place, remain in office until the actual deadline. The rules established under the law for the Board of Statutory Auditors of limited liability companies apply to the Board of Statutory Auditors of the Foundation, to the extent to which they are compatible.
- 18.3 When appointed, the Board of Statutory Auditors is responsible for accounting control and the statutory audit of the accounts. In any case, the Founders' Assembly of the Founding Members is empowered to attribute the statutory audit to an auditor, or to an auditing company, registered in the Register of auditors; in this case it is not necessary for the Statutory Auditors to be auditors registered in the Register established at the Ministry of Economy and Finance.
- 18.4 The Statutory Auditor who does not attend 2 (two) Board meetings during a calendar year without adequate justification, shall be removed from office; in this case, the most senior substitute takes over until the next meeting of the Founders' Assembly which will make the new appointment.

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- 18.5 The members of the Board of Statutory Auditors are invited to participate to the meetings of the Founders' Assembly and the Board of Directors.
- 18.6 The Board of Statutory Auditors expresses an opinion on the final Balance Sheet and, only if there are any findings, on the Three-Year Program of activities.

## **19. International Scientific Board (ISB)**

- 19.1 Pursuant to art. 6 of the Regional Statute of June 17 2019, a scientific steering body of the Foundation called the International Scientific Board (ISB) is being established.
- 19.2 The ISB is made up of 9 (nine) members appointed by the Founders' Assembly of the Founding Members, upon the proposal of the Board of Directors. Each of the members remains in office for 3 (three) years from the date of their appointment and can be reelected. The first appointment, if the Founders so intend, will take place in the deed of incorporation.
- 19.3 The position of member of the ISB is incompatible with any other office in the Foundation.
- 19.4 The loss of the majority of its members determines the expiry of the entire body.
- 19.5 The ISB shall:
- a) define the strategic guidelines, which shall be submitted to the approval of the Board of Directors;
  - b) express an opinion on the annual program of activities proposed by the Board of Directors;
  - c) elaborate medium and long-term scenarios on the developments of sciences and technologies as per Regional Statute of June 17, 2019, n. 7, in response to the development goals of the millennium defined by the United Nations;
  - d) express an opinion on the Ethical Code that the Board of Directors deems necessary to adopt;
  - e) periodically check, at least every six months, based on the reports of the Board of Directors, whether the results of the investments are consistent with the general principles of the By-laws and with the developed strategies;
  - f) propose to the Board of Directors specific activities and individual programs which it deems appropriate or useful and which the Board of Directors will give way to if compatible with the resources available;
  - g) propose to the Board of Directors national and international partnerships.

The opinions mentioned in letters b) and d) of this paragraph are considered favorable if not expressed within 30 (thirty) calendar days of their request.

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- 19.6 The President of the ISB is elected from among the body by its members through a majority vote. The President regulates the functioning of the body, prepares its agenda and governs its work.
- 19.7 The ISB meets at least 3 (three) times a year. It may also meet, also, whenever the President deems it necessary or if requested by a third of its members. The methods of participation of the members are governed by a resolution of the body taken in the first session.
- 19.8 The ISB is validly constituted with the presence of the majority of its members and deliberates by an absolute majority of those present. In the event of a tie, the vote of the President prevails.

## **20. Accounting records and financial statements**

- 20.1 The Foundation must keep the books and other accounting records prescribed by art. 2214 of the Italian Civil Code and by the current regulatory provisions.
- 20.2 The financial statements are prepared in accordance with the provisions of articles 2423 and following. of the Italian Civil Code, to the extent that they are compatible, and approved by the Founders' Assembly of Founding Members within the terms provided for joint-stock companies.
- 20.3 Within 30 (thirty) days of their approval, a copy of the financial statements, accompanied by a Report indicating the management results of operations and the Report of the audit board must be sent by the President of the Foundation to the members.

## **21. Employees of the Foundation**

- 21.1 The Foundation may have its own employees whose employment relationships are governed by the provisions of the Italian Civil Code and employment laws. Individual employment relationships are regulated contractually with the application of the Italian National Collective Labor Agreement for the commercial sector.

## **22. Ethic Code**

- 22.1 The Foundation may adopt its own regulation containing ethical standards and rules of conduct.
- 22.2 The Ethic Code is adopted by the Board of Directors, with the opinion of the International Scientific Board.

## **23. Dissolution and Liquidation**

- 23.1 The Foundation shall be dissolved and wound upon occurrence of the events established by the Italian Civil Code concerning foundations. For the execution of

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the winding up procedure, the Founders' Assembly shall appoint one or more liquidators.

- 23.2 In the event of dissolution of the Foundation, for any reason whatsoever, the assets shall be given to legal bodies whose purposes are compatible or correspond with those of the Foundation.

#### **24. Transitional clause**

- 24.1 The Bylaws may be modified without the prior opinion of the Emilia-Romagna region, Italy, starting from the year following that in which the Foundation received the payment of the last contribution pursuant to Emilia-Romagna Regional Statute No. 7/0219 and provided that in said year the Foundation did not request such contribution or it has waived it.

#### **25. Supplementary clause**

- 25.1 For matters not covered by these Bylaws, the provisions of the Italian Civil Code and the existing provisions on foundations shall apply.