

AMICI DI ADWA STATUTE

Adapted in response to Legislative Decree 117/2017 - Third Sector Code and Ministry of Employment and Social Policy Memorandum no. 20 of 27 December 2018

STATUTE

NAME - HEADQUARTERS - PURPOSE - TERM

ART. 1) A non-profit humanitarian association is established under the name “AMICI DI ADWA organizzazione non lucrativa di utilità sociale”, referred to for brevity’s sake as “AMICI DI ADWA ONLUS”, regulated by sections 14 through 35 of the Italian Civil Code (hereinafter referred to simply as the Association).

Subject to the condition of suspension of period limitation under article 104, paragraph II of Legislative Decree no. 117 of 3 July 2017 (referred to as the “Third Sector Code”, hereinafter TSC) and registration of the association in the single national register of non-profit entities, the Association will take the name “AMICI DI ADWA ENTE DEL TERZO SETTORE”, which may also be expressed as “AMICI DI ADWA ETS”, and will be regulated by Legislative Decree 117/2017 as amended and by the provisions implementing it, as well as by sections 14 through 35 of the Italian Civil Code and regulations governing cooperation in development.

ART. 2) - The Association's headquarters are located in Cento (FE).

ART. 3) - The Association does not operate for profit, but exclusively to achieve civic goals, solidarity and social utility.

In order to achieve these goals, the Association will exclusively or primarily perform the following activities in the public interest:

- cooperation in development under Law no. 125 of 11 August 2014, as amended (letter no. of art. 5 of the Third Sector Code);
- charity, child sponsorship, free transfer of food or products under Law no. 166 of 19 August 2016, as amended, or donation of money, goods or services in support of disadvantaged persons, or activities in the public interest under art. 5 of Legislative Decree 117/2017 (letter u of art. 5 of the Third Sector Code);
- social actions and social services under article 1, paragraphs 1 and 2 of Law no. 328 of 8 November 2000, as amended, and actions and services identified in Law no. 104 of 5 February 1992 and Law no. 112 of 22 June 2016, as amended (letter a of art. 5 of the Third Sector Code);
- healthcare actions and services (letter b of art. 5 of the Third Sector Code);
- education, instruction and vocational training under Law no. 53 of 28 March 2003, as amended, and cultural activities of social interest with educational purposes (letter d of art. 5 of the Third Sector Code);
- promotion and protection of human, civil, social and political rights and of the rights of consumers and users of the activities in the public interest identified in art. 5 of Legislative Decree 117/2017, promotion of equal opportunities and mutual aid initiatives, including time banks of the type described in article 27 of Law no. 53 of 8 March 2000, and fair trade purchasing groups as described in article 1, paragraph 266 of Law no. 244 of 24 December 2007 (letter w of art. 5 of the Third Sector Code);
- organization and management of cultural, artistic or recreational activities of social interest, including activities such as publication, promotion and dissemination of culture, of the practice of volunteer work and of the activities in the public interest described in art. 5 of

Legislative Decree 117/2017 (letter i of art. 5 of the Third Sector Code);

- organization and management of tourism activities of social, cultural or religious interest (letter k of art. 5 of the Third Sector Code).

These activities are primarily aimed at cooperation in development and international solidarity in favor of struggling or economically disadvantaged persons and populations, and particularly, though not exclusively, the community of Adwa in Ethiopia.

The Association's purpose is to promote relations between Italy and the people of Adwa, and with the populations of any other countries that may be considered on a case-by-case basis by the Board of Directors, promoting programs and projects for cooperation in development on the basis of the principle of subsidiarity, charity initiatives and community aid for communities abroad, as well as cultural exchange, knowledge and promotion of handcrafted items made in the missionary centers appropriate for the promotion of human and social progress while maintaining local traditions, and implementation of social and development projects, including those identified by missionary organizations already operating in the area, as well as all other initiatives falling within the scope of the Association's statute.

To achieve the purposes listed above, the Association may, by way of example and not exhaustively, in the context of its activities in the public interest:

- a) continuously oversee, promote and support the child sponsorship program for children in Adwa as part of the child sponsorship program conducted in partnership with the local Salesian mission, Kidane Mehret, or other child sponsorship programs proposed by the Board of Directors;
- b) promote, implement and support the Adwa community, or other persons or communities proposed by the Board of Directors, through healthcare, food and educational activities and projects, or other projects in support of disadvantaged people or populations;
- c) promote and support local businesses, also with development projects to help them;
- d) provide information, training and selection for volunteers who work free of charge in support of the Association's projects and initiatives in the areas where aid is provided;
- e) implement and finalize projects proposed by the Association, particularly those regarding cooperation in development;
- f) establish contacts with organizations and entities with the same purposes;
- g) organize public conventions, exhibitions and debates promoting knowledge of Adwa and meetings of the board.

The Association may perform activities other than those identified in art. 5 of Legislative Decree 117/2017 on the condition that they are secondary and instrumental to the activities in the public interest and fund-raising on the basis of the criteria and limits established in the above-mentioned Legislative Decree and the provisions implementing it.

ART.4) - The Association's term is unlimited.

ASSETS AND FINANCIAL YEAR

ART.5) – The Association is a legal entity with assets worth a minimum of 15,000,00 (fifteen thousand) euro.

The Association's assets include:

- a) movable and immovable property which is or will become the property of the Association;
- b) any reserve funds that may be set up with the surplus identified in the Financial Statement;
- c) any endowments, donations and legacies left by individuals and organizations of any kind, either public or private.

The Association's income consists of:

- a) membership fees, if any;
- b) contributions made by individuals, public or private organizations, and other income, also generated through specific fund-raising activities, for the implementation of the Association's official purposes;
- c) income from activities directly connected with the Association's official purposes, within the limits and by the methods specified in current legislation governing non-profit organizations;
- d) income from events or participation therein;

e) all other income contributing to the Association's assets.

ART. 6) The Association obtains economic resources for its operation and for the performance of its activities from:

- a) members' contributions;
- b) individuals' contributions;
- c) contributions from the nation and from public organizations and institutions concerned exclusively with support of specific documented activities or projects;
- d) contributions from international bodies;
- e) donations and legacies;
- f) refunds or contributions under agreements;
- g) proceeds from activities other than those identified in art. 5 of Legislative Decree 117/2017, on the condition that they are secondary and instrumental to the activities in the public interest, and fund-raising on the basis of the criteria and limits established in the above-mentioned Legislative Decree and the provisions implementing it.

The Association can purchase registered movable and immovable property required to perform its activities. It can also accept donations and legacies with the benefit of inventory, allocating the assets received and its income exclusively to achievement of its purposes under this Statute.

The property identified in the previous point is held in the name of the Association. Sections 2659 and 2660 of the Italian Civil Code shall apply to transcription of the purchases.

ART.7) - The Association's financial year ends on December 31 (thirty-first) of each year.

The Final Financial Statement, the Draft Financial Statement, if prepared, and the Social Report (if introduction of this tool is considered appropriate by the Board of Directors or required under the law) must be prepared annually by the Board of Directors and submitted to the Ordinary Members' Meeting for approval by April 30 or, when necessary due to particular circumstances, by June 30.

The Annual Financial Statement must provide sufficient evidence of the secondary and instrumental nature of any other activities performed, if permitted under the Association's statute.

The Association may not distribute any profits or surpluses, even indirectly, or any funds or reserves under any name, to members, workers or partners, directors and other members of Association bodies, even in the event of withdrawal or other individual termination of their relationship with the Association.

Profits and surpluses, and all the Association's capital, including any revenues, proceeds or other income in any form, in pursuit of the activities identified in the Association's statute, exclusively in pursuit of civic goals, solidarity and social utility.

MEMBERS

ART. 8) - All those who work toward achievement of the Association's goals and pay their membership fees are members of the Association. Association membership is permanent. Membership fees are determined by the Members' Meeting in response to a proposal put forward by the Board of Directors.

Anyone who wishes to become a member of the Association must submit a written request to the Board of Directors. It is up to the Board of Directors to approve membership requests. If a membership request is rejected, the Board of Directors must notify the applicant of the reason for rejection within sixty days; the applicant will have sixty days from receiving this notice to ask the Members to express an opinion at their next Members' Meeting.

The Association avails itself primarily of volunteer work by its Members.

Every Member entered in the Book of Members is entitled to vote on approval and amendment of changes to the Association's Statute and any Regulations and elect members of Association bodies; Members who are of majority age may stand for election to Association bodies.

Every Member is entitled to inspect the Book of Members; to do so, he or she must present a written request to the Board of Directors at least fifteen days in advance; the examination will take place in the offices of the Association, during office hours, in the constant presence of at least one member of the administrative body and of the supervisory body. The Member may be assisted by

a professional acting in his or her trust, who may be asked to sign a confidentiality agreement. Members who disclose information appearing in the Book of Members after view it may be excluded from the Association. Members may not copy the Book of Members.

ART. 9) - Members may lose their membership due to:

- a) voluntary resignation, notifying the Board of Directors in writing;
- b) death;
- c) exclusion resolved by the Board of Directors, if the Member has behaved in a way which is in conflict with the Association's purposes or damaged or endangered its assets, image or reputation;
- d) forfeiture ascertained by the Board of Directors in the event that the Member should fail to pay membership fees for at least two years in a row, and, when asked in a written reminder to pay fees within 60 days on pain of losing the status of member, fails to do so or to reply to the notice.

Exclusion is announced to the Member concerned within sixty days of the decision, providing a reason; the Member then has sixty days to ask the next Members' Meeting to pronounce an opinion on the matter. Appeals must be made in writing, and the Members' Meeting will pronounce its final decision at its next meeting. The Board of Directors will notify the next Members' Meeting of outgoing members. In all cases of termination of membership, Members shall not be entitled to make any claims regarding the Association's assets or to demand refund of membership fees.

Association membership is non-transferable and cannot be revalued.

ASSOCIATION BODIES

ART. 10) - Association bodies include:

- a) the Members' Meeting;
- b) the Board of Directors;
- c) the Chairman;
- d) the Supervisory Body.

ART. 11) The Members' Meeting is the Association's decision-making body, and consists of all Members who are duly entered in the Book of Members as of the date of summons of the meeting. Every Member of majority age has a single vote; Members may delegate another Member to represent them at the Meeting in writing; no Member may represent more than two other Members.

A Members' Meeting must be summoned at least once a year to approve the Final Financial Statement (by April 30, or by June 30 if particular circumstances require), the Social Report (if introduction of this tool is considered appropriate by the Board of Directors or required under the law) and the Draft Financial Statement, when required under this Statute, and whenever a motivated request is presented by at least ten Members with voting rights. In the latter case, the Chairman must summon the meeting, which must be held within thirty days.

A Members' Meeting may also be summoned whenever the Board of Directors or the Chairman considers it appropriate for the Association's work. The summons must be issued ten days before the meeting and sent to each Member in writing. The summons must also be posted in the Association's Headquarters. The summons must contain the agenda of the meeting and the date of the meeting, specifying the date and time of the first and possible second summons. There must be an interval of at least twenty-four hours between the first and second summons.

Members' Meetings may also be held by audio or audio-video connection in different locations, close or far apart, on the condition that the collegial method is applied and the principles of good faith and equal treatment of participants are observed.

In this case, it is necessary to ensure that:

- the person chairing the meeting can confirm the participants' identity and right to participate in the meeting without any doubt, control the proceedings, and note and proclaim the results of voting;
- the person writing the minutes can properly perceive the proceedings to be recorded;
- participants can exchange documents, participate in the discussion in real time and vote

simultaneously on the topics on the agenda.

The meeting shall be considered held in the place where the chairman of the meeting and the person writing the minutes are located.

ART. 12) - Members' Meetings vote on:

- 1) approval of the Final Financial Statement, the Social Report (if introduction of this tool is considered appropriate by the Board of Directors or required under the law) and the Draft Financial Statement, if one is prepared;
- 2) determination of the number or election or revocation of members of the Board of Directors;
- 3) appointment and revocation, when required, of the person entrusted with legal auditing of the accounts;
- 4) establishing the annual membership fee in response to the proposal made by the Board of Directors, unless it tacitly confirms the membership fee resolved on previously;
- 5) discussion and approval of any Internal Regulations that may be proposed by the Board of Directors, and changes to them;
- 6) the final decision to deny membership or to exclude or forfeit membership, and decisions regarding appeals filed by Members who are not admitted or excluded;
- 7) changes to the Association's Statute, and dissolution, transformation, merger or demerger of the Association;
- 8) resolutions regarding all other matters submitted to it in accordance with the law or the Association's Statute or submitted to its examination by the Board of Directors.

ART. 13) - Members' Meetings pass resolutions by majority vote with the presence of at least half of the Association's Members in the first summons. In the second summons, the Members' Meeting will be considered duly constituted with any number of Members, and may pass resolutions by majority vote among the Members present.

Members of the Board of Directors are not entitled to vote on resolutions regarding approval of the Financial Statement or those regarding their responsibilities.

Resolutions to amend the Association's Statute or resolve on transformation, merger or demerger require the presence of an absolute majority of the members and the favorable vote of at least 2/3 of those present. At least three quarters of all members must vote in favor of a motion to dissolve the Association and devolve its assets under article 19 below.

ART. 14) - The Board of Directors of the Association is elected by the Members' Meeting and composed of a number of members to be determined by the Members' Meeting, between a minimum of three and a maximum of fifteen; the number of members must be uneven.

The Board of Directors shall remain in office for three years. Members of the Board of Directors may be re-elected with no limit on the number of mandates. In the event of resignation of one or more members of the Board of Directors, the other directors in office will appoint the first unelected members, in order according to the number of votes received in the voting session that appointed the current Board of Directors.

Under section 2386, paragraph two of the Civil Code, if the majority of directors appointed by the Members' Meeting is no longer in office, those remaining in office shall summon a Members' Meeting to replace the missing directors.

ART. 15) - The Board of Directors of the Association performs the following tasks:

- a) appointment of a Chairman, a Vice Chairman, and possibly a Secretary and a Treasurer from among its members;
- b) preparation of the Association's plan of action;
- c) discussion and preparation of the Final Financial Statement, Social Report (if introduction of this tool is considered appropriate by the Board of Directors or required under the law) and possibly a Draft Financial Statement to submit to the Members' Meeting for approval;
- d) emanating and amending the Regulations regarding the planning of work and aid programs for the population of Adwa;
- e) summoning Members' Meetings;

- f) supervising the proceedings and resolutions of the Members' Meeting;
- g) providing donors in the child sponsorship program with information in the way considered most appropriate;
- h) resolving on the admission, exclusion or forfeiture of Members and on the adoption of disciplinary measures to be subjected to the Members' Meeting for ratification;
- i) supervising the ordinary and extraordinary management of the Association;
- l) proposing child sponsorship programs or activities and projects to be supported in the areas of healthcare, food and education, and in any case of aid to people or populations in need and, primarily but not exclusively, benefiting the community of Adwa;
- m) proposing determination of membership fees to be submitted to the Members' Meeting for approval.

No payment is due to members of the Board of Directors.

ART. 16) - The Board of Directors meets whenever the Chairman considers it necessary or whenever at least one third of its members in office request a meeting, and in all cases at least once every quarter, to check up on the progress of the association's activities, and once a year to resolve on the Final and Draft Financial Statement and the Social Report, if prepared, to be submitted to the Members' Meeting for approval. To ensure the validity of the resolutions, the majority of members of the Board of Directors must be present, and the majority of those present must vote in favor. The Board of Directors is chaired by its Chairman, or, in the absence thereof, by its Vice Chairman; in the absence of both, it will be chaired by the most senior member present. Minutes of Board of Directors' Meetings are written in a book kept for the purpose and signed by the Chairman and the Secretary.

Board of Directors' Meetings may also be held with participants connected by audio or audio-video connection, in different locations nearby or far apart, on the condition that the collegial method may be applied and the principles of good faith and equal treatment of participants are applied.

In this case, it is necessary to ensure that:

- the person chairing the meeting can confirm the participants' identity and right to participate in the meeting without any doubt, control the proceedings, and note and proclaim the results of voting;
- the person writing the minutes can properly perceive the proceedings to be recorded;
- participants can exchange documents, participate in the discussion in real time and vote simultaneously on the topics on the agenda.

The meeting shall be considered held in the place where the chairman of the meeting and the person writing the minutes are located.

ART. 17) - The Chairman or, in the absence thereof, the Vice Chairman, legally represents the Association before third parties and in court, and supervises the implementation of the resolutions of the Members' Meetings and the Board of Directors' Meetings. In urgent cases, the Chairman may exercise the powers of the Board of Directors, pending ratification on its part at its next meeting.

ART. 18) Where required by law or by free decision, the Members' Meeting will appoint a Supervisory Body composed of three people, at least one of whom will be chosen among the categories described in section 2397, paragraph two of the Civil Code. Alternatively, a single-person Supervisory Body may be appointed, from among the categories described in section 2397, paragraph two of the Civil Code. Members of the Supervisory Body are subject to section 2399 of the Civil Code. They remain in office for three years and may be re-elected.

The Supervisory Body is in charge of overseeing the management of the Association, and must prepare a report on the Final Financial Statement each year.

The Supervisory Body:

- ensures compliance with the law, the Statute and the principles of correct administration;
- ensures the adequacy of the Association's organizational, administrative and accounting set-up and its concrete functioning;
- monitors compliance with the Association's civic, solidarity and social utility purposes;

- ensures that the Social Report, if it is obligatory or considered advisable to publish one, is prepared in compliance with the guidelines contained in art. 14 of Legislative Decree 117/2017.

The Supervisory Body may proceed to perform inspections and audits at any time, and may ask the Directors for information on the course the Association's operations or certain programs in this regard.

If required by law or freely decided, the Members' meeting may appoint a Statutory Auditor of the accounts or an Independent Auditor registered in the appropriate Register.

If the members or single member of the Supervisory Body are or is registered in the Register of Auditors, they may also act as Statutory Auditor of the accounts if no-one else is appointed to do so.

VOLUNTEERS

ART. 19 - The Association may avail itself of volunteers in its work in accordance with Legislative Decree 117/2017 and the provisions implementing it.

DISSOLUTION

ART. 20 - The Members' Meeting shall vote to dissolve the Association, appointing one or more Liquidators and resolving on the destination of the assets remaining following liquidation, within the limits set forth below.

In the event of dissolution, termination or extinction, the remaining assets following liquidation shall obligatorily be devolved, with the approval of the competent body under Legislative Decree 117/2017, and unless otherwise required by the law, to one or more non-profit organizations or, if this is not possible, to Fondazione Italia Sociale.

DISPUTES

ART. 21 - Any disputes that may arise among Members, or between Members and the Association or bodies thereof, shall be submitted, in compliance with the law and within the limitations set forth by the law, excluding all other jurisdiction, to the arbitration of three arbitrators appointed by the Members' Meeting; they shall judge fairly, without any procedural formalities.

REFERRAL

All matters not covered by this Statute shall be subject to the regulations applicable to non-profit organizations (and specifically Law no. 106 of 6 June 2016 and Legislative Decree no. 117 of 3 July 2017, as amended) and, for all matters not regulated thereby and to the extent compatible, the provisions of the Italian Civil Code.