

# **"FONDAZIONE DI PARTECIPAZIONE MATERA-BASILICATA 2019"**

## **ARTICLES OF ASSOCIATION**

### **Art.1**

#### **Incorporation - offices - name**

A Foundation called "Fondazione di partecipazione Matera - Basilicata 2019", hereinafter referred to as "Foundation" was incorporated.

The Foundation can use the name "Matera-Basilicata 2019" in abbreviated form.

It meets the criteria and legal format of a Participatory Foundation, within the broader type of Foundations regulated by the Italian civil code and associated laws.

The Foundation has registered offices in Matera c/o the Palazzotto del Casale - Via Madonna delle virtù. With Board of Directors' resolution, the Foundation can change its offices and also establish administrative offices and agencies elsewhere.

### **Art.2**

#### **Missions**

The mission of the Foundation is to implement the lines of intervention indicated in the Matera candidacy for 2019 European Capital of Culture dossier (hereinafter referred to as "dossier"), in order to consolidate the position acquired by Matera and Basilicata on the European level in the creativity sector and become a cultural platform for Southern Europe.

Specifically, the Foundation pursues the goals defined in the candidacy dossier:

- attract and enhance creativity through new talents and investments,
- implement a new model of European cultural citizenship based on co-creation, co-production and the sharing of artistic practices,
- promote social inclusion through art and culture,
- promote social, technological and cultural innovation.

In order to implement the strategies indicated in the Matera candidacy for 2019 European Capital of Culture dossier, the Foundation:

- 1) is assisted by regional organisations, agencies, foundations, in-house personnel and public organisations that operate in the Foundation's sectors of interest and that share the missions and goals, in respect of reciprocal autonomy and functions;
- 2) agrees and develops synergies and associations with other private organisations that operate in the Foundation's sectors of interest or that share the spirit and missions.

Specifically, the Foundation implements the following activities functional to the lines of intervention included in the dossier:

- a) manage intrinsic projects and consequent activities;
  - b) promote and organise events associated with and functional to the dossier activities;
  - c) promote the pursuit of partnerships with public and private organisations, both domestic and international, to raise and collect funds and sponsorships for the actions included in the dossier;
  - d) conduct studies, research and feasibility analyses functional to the dossier;
  - e) hold local entertainment initiatives to inform and educate the public on the promoted and completed actions;
  - f) provide support and communications on completed activities;
  - g) stipulate and manage any type of contract or agreement with public and/or private organisations considered helpful in the furtherance of the Foundation's mission;
- 3) The Foundation, by nature:
    - a) is non-profit and may not distribute profits;

- b) can incorporate and participate in associations, companies, organisations and institutions, public and private, whose activity directly or indirectly pursues missions similar to that of the Foundation;
- c) conducts, accessory and instrumental to the furtherance of institutional missions, sales activities, provided not in contrast with the missions and values recognised in the Founders' articles of association;
- d) administers and manages assets it owns, leases, loans or in any case holds.

### **Art.3**

#### **Supervision**

The pertinent authorities monitor the Foundation's activities as per the Italian civil code and special pertinent laws.

### **Art.4**

#### **Equity**

The Foundation's equity is made up of:

- the endowment fund made up of cash or tangible and intangible asset endowments, or other assets that can be used in furtherance of the mission, by Founders, Participants and Supporters;
- tangible and intangible assets received or to be received for any reason by the Foundation, including those the same acquired according to the rules in these articles of association;
- donations from organisations or private citizens with the express intention of increasing equity;
- returns not used which, through a Board of Directors' resolution, can be allocated to increase equity;
- equity contributions by the European Union, Government, local organisations or other public organisations which, with Board of Directors' resolution, can be allocated to increase equity.

### **Art.5**

#### **Management fund**

The Foundation Management Fund is made up of:

- contributions in any form granted by Founders, Participants and Supporters;
- contributions and loans granted by the Government, the European Union, local organisations or other public or private organisations;
- returns and income from the Foundation's equity and activities;
- any donations or bequests that are not expressly intended for the endowment fund;
- income from institutional, accessory, instrumental and associated activities.

Foundation returns and resources will be used for Foundation operations and to further its mission.

### **Art.6**

#### **Financial year**

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

Within the month of December, the Board of Directors shall approve the budget for the following financial year and the financial statements for the year closed shall be approved by or before June 30th. When preparing the financial statements, made up of the statement of assets and liabilities, the income statement and the explanatory notes, according to regulations in effect, the criteria set by the Italian civil code on joint stock companies must be followed since compatible. The Foundation is obliged to exploit its

profits or proceeds for the realization of corporate activities and those activities related to the same.

The distribution, even indirect, of profits and proceeds as well as funds, reserves or capital during the life of the Foundation is prohibited unless the allocation or distribution is required by law.

#### **Art.7**

##### **Foundation Members**

Foundation members are divided into:

- Founders
- Participants
- Supporters

#### **Art.8**

##### **Founders**

The following organisations may become Founders provided they sign the deed or incorporation or adhere within 3 (three) months of incorporation:

- Town of Matera
- Region of Basilicata
- Town of Potenza
- Province of Matera
- Province of Potenza
- Matera Chamber of Commerce
- Potenza Chamber of Commerce
- University of Basilicata

The Founders must expressly agree to observe the rules in these articles of association and Rules, if issued.

#### **Art.9**

##### **Participants**

Public organisations that share the Foundation's mission, contribute to the endowment fund and/or management fund on a multi-year basis through cash, asset or service contributions, in the formats and measures set by the Board of Directors, even annually, may become Participants.

The title of Participant lasts for the entire period in which the contribution is duly paid. Participants are admitted with the Board of Trustees' irrevocable resolution. Participants must expressly agree to observe the rules in these articles of association and Rules, if issued.

#### **Art.10**

##### **Supporters**

Natural or legal persons, public or private who, sharing the Foundation's mission, contribute in the life of the same and furtherance of its mission through single or periodic cash contributions, following the methods and in the measure not under that set, even annually, by the Board of Directors or with an equivalent activity, even professional, of a certain significance or with the attribution of equivalent tangible or intangible assets, may become Supporters. Supports may allocate their contributions to specific projects under the Foundation's activities upon approval by the Board of Directors.

The title of Supporter lasts for the entire period in which the contribution is duly paid or service duly rendered.

Supporters are admitted with the Board of Trustees' irrevocable resolution. Supporters must expressly agree to observe the rules in these articles of association and Rules, if issued.

#### **Art.11**

##### **Foreign Participants and Supporters**

Organisations or other public institutions incorporated or located abroad may be nominated Participants.

Foreign natural and legal persons as well as public or private organisations or other institutions incorporated or located abroad may be nominated Supporters.

#### **Art.12**

##### **Exclusion and withdrawal**

The Board of Trustees decides, with resolution passed with the majority vote of its members, on the exclusion of Participants and Supporters due to severe and repeated failure to meet obligations and duties under these articles of association including, but not limited to:

- failure to meet the obligation of paying the contributions and grants set by these articles of association;
- conduct incompatible with the Foundation's mission as indicated in Art. 2 and with the obligation to work with the other Foundation components;
- conduct contrary to the obligation of non-equity services.

Legal organisations and/or persons may also be excluded for the following reasons:

- transformation, merger and spin-off;
- transfer, for any reason, of the control package or its variation;
- extinction, for any reason;
- opening of liquidation procedures;
- bankruptcy and/or opening of insolvency proceedings, even out of court.

Participants and Supporters may, at any time, withdraw from the Foundation, provided they meet the undertaken obligations.

#### **Art.13**

##### **Foundation Bodies**

The following are bodies of the Foundation:

- the Board of Trustees;
- the Board of Directors;
- The Foundation Chairman;
- the Auditor.

#### **Art.14**

##### **The Board of Trustees**

The Board of Trustees is made up of Founders, Participants and Supporters, each represented as follows:

- the Region of Basilicata and the Town of Matera nominate three representatives each, of which one is the legal representative of the organisation or his/her deputy, and the other two nominated by the legal representative of the organisation as the expression of the board majority and minority respectively;
- the Town of Potenza, the Province of Matera and the Province of Potenza nominate two representatives each, of which one is the legal representative or his/her deputy and the other nominated by the legal representative as expression of the board minority;

- The Matera Chamber of Commerce, the Potenza Chamber of Commerce and the University of Basilicata nominate two representatives each, of which one is the legal representative of the organisation or his/her deputy.
- Participants nominate a representative each;
- Supporters nominate a representative each, without voting rights

The Board of Trustees performs the following functions:

- resolves on any amendments to the articles of association;
- resolves on the admittance of new participants or supporters;
- resolves on the exclusion of new participants or supporters;
- approves the annual and multi-year business plan proposed by the Board of Directors and monitors its implementation;
- holds at least one annual meeting on Foundation Program progress, to share and discuss Foundation activities and formulate new initiative proposals.

The Board of Trustees is convened by the Chairman of the Foundation by written communication sent via e-mail at least seven calendar days prior to the meeting date.

In the event of emergency, it can be convened by e-mail with at least three days prior notice.

The summons must contain the meeting agenda, venue and time.

The Board of Trustees is also convened upon the request of the majority of Founder representatives.

The Board of Trustees is validly constituted on first call with the attendance of at least half plus one of its members and the majority of Founders; on second call, the Board of Trustees is validly constituted whatever the number of attendees provided the majority of Founders is in attendance.

The Board of Trustees passes resolutions with the absolute majority of attendees and favourable vote by the majority of Founders.

Meetings are chaired by a Chairman, nominated from amongst the attendees at each meeting who nominates a Secretary to draft the minutes.

## **Art.15**

### **Board of Directors**

The Board of Directors is made up of three members:

- the Mayor pro-tempore of the Town of Matera, or his/her deputy designated for the single meetings;
- the President pro-tempore of the Region of Basilicata, or his/her deputy;
- a member mutually nominated by the other Founders. This component remains in office for three years and can be confirmed, albeit not beyond the duration of his/her original organisation's term of office.

The Board of Directors is validly constituted when the representatives from the Region of Basilicata and Town of Matera are in attendance.

The Board of Directors:

- annually sets the general strategic guidelines for Foundation activities, within the mission and activities indicated in article 2 of these articles of association;
- approves the Foundation's annual and multi-year business plan to be submitted to the Board of Trustees;
- approves the budget and financial statements;
- nominates the Foundation's General Director, setting his/her fees and revokes the nomination, if necessary;
- nominates the Auditor;
- sets, even annually, the subscription fees for Founders, Participants and Supporters;
- resolves on accepting bequests, donations and contributions;

- approves the Foundation Rules;
- ascertains the occurrence of Foundation dissolution causes and resolves accordingly;
- performs all the additional duties it is assigned by these articles of association.

It may also:

- delegate specific tasks to the General Director;
- approve the Foundation's code of conduct;
- establish an international scientific committee.

## **Art.16**

### **Board of Directors convocation and duties**

The Board is convened by the Chairman or, in his/her absence or impediment, by the Deputy Chairman. The meetings are chaired by the Chairman or, in his/her absence or impediment, by the Deputy Chairman.

The Board of Directors meets at least twice a year, within the month of December to approve the budget and by June 30th of the following year to approve the financial statements.

The Board of Directors also meets whenever the Chairman deems opportune or written request is sent by the majority of its members.

The Auditor is invited to the Board of Directors' meetings and the General Director, who usually drafts the meeting minutes, attends, without voting rights. In the event the General Director is absent or impeded, the minutes are drafted by a person nominated by the meeting chairman.

The meetings are convened by notice sent by e-mail at least three days prior to the date set for the meeting or, in the event of proven emergency, with at least one day prior notice by e-mail.

The summons must indicate the meeting day, time and venue and items on the agenda.

Meetings of the Board of Directors may be held by video-conferencing, provided all participants can be clearly identified and can follow the discussions and take part in them as they happen. In this case, the Board meeting is considered held in the location where the Chairman and Director are in attendance, to permit the minutes to be drafted and signed.

The resolutions of the Board of Directors are adopted by means of an absolute majority of those present. In the event of a tie, the Chairman's vote prevails.

Resolutions concerning the nomination and any revocation of the General Director, approval of the financial statements, Organisation dissolution, are validly adopted with the favourable vote of the majority of those in attendance, and in any case with the favourable vote of the representatives of the Region of Basilicata and Town of Matera.

The resolutions of the Board of Directors in which all components participate are valid even in the lack of formal convocation.

## **Art.17**

### **Foundation Chairman**

The Foundation Chairman is the Mayor pro-tempore of the Town of Matera.

The Chairman legally represents the Foundation before third parties, acts and defends the Foundation before any administrative or legal authority, nominating attorneys.

Furthermore, the Chairman entertains relations with organisations, institutions, public and private companies and other organisations to establish partnerships and support for single Foundation initiatives.

The Chairman convenes and chairs Board of Directors' meetings and convenes Board of Trustees' meetings.

In the event of the Chairman's absence or impediment, he/she is replaced, for all intents and purposes, by the Deputy Chairman.

#### **Art.18**

##### **The Auditor**

The Auditor is nominated by the Board of Directors from amongst the individuals registered in the Board of Auditors.

The Auditor monitors the accounts, reviews budget proposals and the trial balance, drafts specific reports and checks cash holdings.

The Auditor can participate, without voting rights, in Board of Directors' meetings.

The Auditor remains in office until the approval of the financial statements for the third financial year following his/her nomination and can be reconfirmed.

#### **Art.19**

##### **General Director**

The General Director directs, coordinates and completes Foundation activities, with economies of scale, efficiency and effectiveness based on the general guidelines, plan, business plans and budgets resolved by the Board of Directors.

Specifically, the General Director:

- proposes programs and goals, to be annually submitted for Board of Directors' approval;
- prepares budgets and financial statements to be annually submitted for Board of Directors' approval;
- participates in Board of Directors' meetings without voting rights and acts as secretary;
- works with the President to achieve the Foundation's mission;
- coordinates and monitors the Foundation's human resources with all the consequent powers and responsibilities;
- performs the tasks of ordinary and extraordinary administration assigned by the Board of Directors.

The General Director has signing powers within the functions and powers assigned by these articles of association.

The Foundation operates with its own personnel or Founders' personnel.

#### **Art.20**

##### **Duration**

The Foundation is valid until 31 December 2022, provided all the obligations undertaken regarding the achievement of the mission under these articles of association are duly met and after the approval of the final financial statements.

The Foundation duration is tied to the time period in which the cultural strategy indicated in the candidacy dossier is implemented (2015-2020) and need to manage, monitor and assess the results and impacts of the strategy.

The Foundation can be extended by the unanimous will of the Founders to pursue its mission.

#### **Art.21**

##### **Dissolution**

The Foundation, with Board of Directors' resolution, which nominates the liquidator, must donate its equity in the event of its dissolution for any reason and unless otherwise allocated by law, for public use.

Assets loaned to the Foundation will be returned to their owners upon the Foundation's dissolution.

**Art.22**

**Deferral clause**

Italian Civil code provisions and the pertinent laws in effect apply for all that is not foreseen by these articles of association.

**Art.23**

**Temporary provision**

Foundation bodies may immediately and validly operate in the composition determined by the Founders during incorporation and will be subsequently supplemented.

Components subsequently nominated will remain in office until the approval of the financial statements for the third financial year following their nomination, albeit not beyond the duration of the original Organisation's term of office.

Signed:

Pittella Maurizio Marcello Claudio

Salvatore Adduce

Stella Francesco

Angelo Tortorelli

Marta Giuseppina Ragozzino (witness)

Rosa Tarantino (witness)

Brunella Carriero (Notary Public) seal following