

By-Laws of the Prosolidar Foundation – a non profit entity

Preamble

In implementation of the Memorandum of Understanding of 13 January 2005 between the ABI, or Italian Banking Association, and the following union organisations representing bank employees, Dircredito-FD, Fabi, Falcri, Fiba-Cisl, Fisac-Cgil, Silcea, Sinfub, Ugl Credito and Ulca, the Prosolidar Association, the national fund of the banking sector for projects of solidarity, was established in the form of a non-profit entity.

The aforementioned memorandum of understanding was a full and integral part of the national collective agreement for the banking sector, constituting an initiative that had no equivalent in the world of labour relations.

The positive experiences achieved by the Prosolidar Association by financing projects of solidarity through “match-giving”, meaning the joint payment of equal amounts of contributions by employees and employers, favoured the establishment, on 5 July 2011, of the Prosolidar Foundation, a non-profit entity founded by the association referred to above.

Article 1 (Name)

1. At the initiative of the association entitled “Prosolidar-National Fund of the Banking Sector for Projects of Solidarity – a non profit-entity”, there was established, as provided for under arts. 14 and following of the Italian Civil Code, as well as Legislative Decree no. 460 of 4 December 1997, plus Law no. 49/1987, a foundation of participation, in the form of a non-profit organisation devoted to socially beneficial activities and entitled “Prosolidar Foundation - a non –profit entity” (hereinafter, for the sake of brevity, the “Foundation”), for the achievement of the objectives stipulated in the memorandum of understanding of 13 January 2005.
2. The Foundation is a legally recognised entity governed by private law, operating on a non-profit basis, under the qualification of a non-profit organisation devoted to socially beneficial activities.
3. The Foundation shall use, in presenting its title, as well as any other distinctive symbol or communication meant for the general public, the characterisation of “A Non-Profit Organisation Devoted to Socially Beneficial Activities”, or the Italian acronym for that category of organisation, “Onlus”.

Article 2 (Headquarters)

1. The Foundation’s headquarters are in Rome. The Board of Directors is entitled to pass motions transferring the registered office or establishing secondary headquarters, offices or centres anywhere in Italy or abroad.

**Article 3
(Purposes)**

1. In compliance with the cultural and ethical principles of pluralism, cooperation and peace among peoples, as well as justice and solidarity, and for the implementation of a human community based on the values of fraternity and equality, in accordance with human and social rights, the Foundation pursues only objectives of social solidarity, to this end:
 - promoting and sustaining initiatives in favour of populations in difficulty, and especially those of developing countries;
 - disbursing economic assistance in favour of the body public;
 - financing the enactment and short and medium-term programs, including research projects related to the purposes stated in the by-laws, either directly or indirectly, through appropriate national or international bodies;
 - promoting initiatives geared towards financing the on-site training of the citizens of developing countries in the fields of social concerns, education, welfare and healthcare;
 - sustaining initiatives geared towards creating conditions of economic development through professional training and investments in production designed to help communities reach economic self-sufficiency and security in terms of food supplies;
 - signing working agreements with public or private bodies or enterprises for the supply to aforementioned subjects of services in the fields referred to above;
 - handling the selection, training and employment of volunteers, including those engaged in civil service, to be assigned to activities of international cooperation for development;
 - promoting initiatives geared towards favouring the involvement of volunteers and participants to be assigned to activities of international cooperation for development.

**Article 4
(Instrumental, accessory or related activities)**

1. In order to achieve its purposes, the Foundation may, among other things:
 - a. sign any and all acts or contracts that prove appropriate, including those for the financing of the operations approved, as well as, to give only some of the possible examples, for the taking out of loans, both short-term or long-term, for the purchase of the ownership, or of surface rights, of real-estate units, for the stipulation of operating agreements of any kind, including those to be entered in public registers, with public or private bodies or organisations, when the agreements in question are considered to be appropriate or useful for the achievement of the Foundation's purposes;
 - b. administer and manage any assets that it owns, rents, uses on a rent-free basis or otherwise possesses;
 - c. stipulate operating agreements for the assignment to others of part of its activities of social assistance;
 - d. take part in or support associations, bodies or institutions whether public or private, whose activities are geared, either directly or indirectly, towards the promotion of social solidarity for the achievement of the purposes indicated under Art. 3;
 - e. promote cultural initiatives, of those in support of citizens, regarding studies in the fields of social concerns, education, welfare and healthcare.
2. The Foundation operates with all the instruments allowed for an entity with its private-law organisational format. It is not allowed to carry out activities other than those directly tied to its institutional objectives, of which only some of the possible examples are indicated herein.

**Article 5
(Assets)**

1. The assets of the Foundation consist of the endowment fund and of the operating fund, respectively referred to in articles 6 and 7.
2. The Foundation is not allowed to distribute, not even in indirect fashion, operating profits or surpluses, or funds, reserves or net equity, at any point in the life of the Foundation, for purposes other than those geared towards the pursuit of its own institutional objectives, unless the allocation or distribution be required under law or be carried out in favour of other non-profits entities that, under laws, by-laws or regulations, are part of the structure or a single, unified structure.

**Article 6
(Endowment Fund)**

1. The endowment fund consists of:
 - conferrals in cash, or in the form of movable assets or real-estate, or as other contributions that can be used in pursuing the institutional objectives, made by the founders, by the founders-members or by third parties, whether as a one-time operation or on a continuous basis, specifically earmarked to increase the endowment fund;
 - movable assets or real estate received by the Foundation for any reason, under a specific stipulation of allocation to the endowment fund, including such assets acquired by the Foundation in accordance with the provisions of the present By-Laws;
 - donations made by public or private bodies or organisations for the express purpose of increasing the endowment fund;
 - proceeds not used and allocated by the Board of Directors to increase the endowment fund.
2. Any economic donation received by the Foundation without a specific allocation is automatically placed in the operating fund.
3. The endowment fund is totally restricted for the pursuit of the objectives indicated under the by-laws and it is to be managed under prudential risk criteria.

**Article 7
(Operating Fund)**

1. The operating fund consists of:
 - the contributions paid by the member enterprises of the Italian Banking Association, and by the employees of these enterprises, as per the procedures and measures stipulated in the Memorandum of Understanding of 13 January 2005, or under subsequent agreements arrived at by the Italian Banking Association and the employees' labour organisations;
 - income or profits from the overall management of the funds and assets of the Foundation;
 - donations or legacies from wills not expressly allocated to the endowment fund;
 - contributions allocated by the Italian State, by the European Union, by national bodies or organisations, including those operating locally, as well as by other entities, be they public or private;
 - contributions from founders or founders-members;
 - revenues generated by institutional, accessory, instrumental or connected activities.
2. The liquidity of the operating fund is to be used solely for the operations of the Foundation and for the achievement of its institutional purposes.
3. The members of the administrative bodies of the Foundation, with the exception of those who sit on the Board of Auditors, are not entitled to compensation, nor can quotas of profits, of equity or of any other forms of assets be distributed or assigned to them.

Article 8
(Administrative Bodies of the Foundation)

1. The administrative bodies of the Foundation are:
 - the Board of Founders
 - the Board of Directors
 - the Chairman or the Assistant Chairmanthe Board of Auditors

Article 9
(The Board of Founders - members)

1. The Board of founders is the body with the prerogative for passing acts of key importance to the life of the foundation and for the achievement of its objectives. The members are the promoting founders, as well as any subjects appointed Founders-members as per art. 12 below.

Article 10
(Board of Founders – convocation and quorums)

1. The meetings of the Board of Founders are held at the place indicated on each occasion on the notice of convocation.
2. The Board of Founders meets at least once a year, so that it can approve the annual report no later than June 30th of each year, as well as any time its Chairman holds a meeting to be necessary, or in response to a request, accompanied by justification of the same, presented by no fewer than a third of the members of the Board of Directors.
3. A meeting of the Board of Founders must be convened by its Chairman in the event that more than two of the members of the Board of Directors, or of the Board of Auditors, vacate their positions, with the convocation to be made no more than thirty days from when the positions are vacated.
4. The Board of Founders is convened by the Chairman of the Foundation by means of a notification sent by the postal service, or in the form of a telegraph or telefax message, or by means of on-line technology, always in such a way that reception of the communication by the recipient can be confirmed, with the communication itself to be sent at least ten days before the date set for the meeting. The notification must indicate the date, the time and the place of the meeting, as well as the agenda for the same, in addition to providing the same information for the eventuality of a second convocation, which can even be scheduled for no more than an hour after the first convocation. In cases of urgency, unless the annual report is to be approved in the course of the meeting, the period of advance notice is reduced to five days, and the convocation can occur by telegram, telefax or on-line technology, as long as it can be confirmed that the communication was received by the recipient.
5. The founders can take part in meetings of the Board in person or by proxy. No founder may represent more than two founders, and each founder is entitled to one vote.
6. Resolutions are passed, at a meeting held following a first convocation, when they receive the majority of the votes of those present, and when at least half of the founders are present. At a meeting held following a second convocation, the Board is validly convened no matter how many members are present, and resolutions are passed when they receive the vote of a simple majority of those present, with abstentions not counted in the total.
7. Proposals for modifying the by-laws pass when they receive the votes of a two-thirds majority of the founders.
8. Following a decision by the Chairman, or for reason of grave importance, meetings of the Board may also be held by video-conference, as long as precise identification of those in attendance is guaranteed, along with the confidentiality of the meeting and clarity with regard to the decisions taken. In such cases, the meeting is considered to be held in the location where both the Chairman of the Board and the Secretary are present.
9. Minutes of the meetings of the Board are drawn up, to be signed by the individual presiding over the Board, as well as by its Secretary, who may also be selected from among the members of the Board.

Article 11
(The Board of Founders – tasks and prerogatives)

The Board of Founders has the following tasks:

- to appoint a Chairman and an Assistant Chairman among its members;
- to appoint the Chairman and Assistant Chairman of the Foundation in accordance with the provisions of art. 16;
- to appoint the other members of the Board of Directors;
- to appoint the Board of Auditors;
- to approve the annual report and the activities plan drawn up by the Board of Directors;
- to approve modifications in the by-laws proposed by the Board of Directors;
- to approve operations involving the transformation, merger, disbandment or winding-down of the Foundation, as well as the devolution of its residual assets;
- to express an opinion on any other question that the Board of Directors holds should be brought to its attention;
- to carry out any additional tasks assigned to it under the present by-laws.

Article 12
(The Founders)

1. The status of promoting Founders is held not only by the Prosolidar Association, National Fund of the Banking Sector for Projects of Solidarity - a non-profit entity, but also by the current members of the Operating Committee and the Board of Auditors of the Prosolidar Association, National Credit Fund for Projects of Solidarity - a non-profit entity.
2. The status of promoting founder Member is also given to the subjects who have held, at a given point in time, the positions of Chairman or Assistant Chairman of the Foundation, even after they no longer hold the positions.
3. Other subjects, be they individuals or legally recognised entities, may be appointed founding members when they have distinguished themselves by the manner in which they have contributed to the achievement of the Foundation's objectives. Finally, individuals or legally recognised entities, whether or public or private, that contribute to the endowment fund or to the operating fund, in the forms and amounts determined by the Board of Auditors, may become member-founders, having been appointed such under a resolution approved by an absolute majority of the Board of Founders.
4. Equal representation shall always be guaranteed, among the founding members and with respect to the positions of Chairman and Assistant Chairman, to the entities that brought into being the Prosolidar Association, National Fund of the Banking Sector for Projects of Solidarity - a non-profit entity Prosolidar Association, National Fund of the Banking Sector for Projects of Solidarity. Equal representation shall also be ensured among, respectively, the positions of Chairman of the Board of Founders and Chairman of the Board of Directors, as well as the Assistant Chairmen of both bodies.

Article 13
(The Board of Directors – members)

1. The Board of Directors is composed by six members, as well as the Chairman and the Assistant Chairman who coordinates the Board.
2. The Board holds office for four years and may be confirmed, unless it is revoked prior to the expiration of its term, even in the persons of individual members, by the Board of Founders, with a favourable vote of the majority of those in attendance.
3. A member who, without a justifiable reason, fails to take part in three consecutive meetings of the Board of Directors, may be declare to be removed by the Board itself. In such cases, as in any other instance where the position of a Board Member is vacated, including the positions of Chairman or Assistant Chairman, the Board appoints a replacement, under a resolution approved by the Board of Auditors. Board Members appointed in this manner hold office for the period of time during which the members they replaced would have done so, and their terms of office expire together with those of the members already in office at the time of their appointment.
5. If the majority of the Board Members resigns, or of the majority of the positions is vacated in some other manner, then the entire Board of Directors is automatically vacated, including the Chairman and the Assistant Chairman, at which point the remaining members convene a meeting of the Board of Founders on an urgent basis to appoint a new Board. Until the appointment of the new Board, the remaining members handle questions of ordinary administration.
6. Equal representation on the Board of Directors shall always be ensured for the entities that brought into being the Prosolidar Association, National Fund of the Banking Sector for Projects of Solidarity - a non-profit entity.

Article 14
(The Board of Directors – powers)

1. The Board of Directors is the body that manages the Foundation; it passes resolutions on the allocation of the operating fund and it is granted the widest-ranging powers of both ordinary and extraordinary administration, as well as day-to-day operation, of the Foundation, in accordance with the general guidelines laid down by the Board of Founders, including the prerogative of delegating certain powers and functions to the Chairman and/or the Assistant Chairman and/or to the individual members of the Board, together with the power to appoint or revoke special representatives for specific acts.
2. The Board of Directors, in addition to carrying out the procedures needed to achieve the Foundation's purposes, also:
 - enacts the strategic guidelines laid won by the Board of Founders;
 - draws up the budget forecast and the final accounting report;
 - passes resolutions regarding the acceptance of inheritances, legacies and donations, as well as the acquisition or sale of movable assets or real estate, in the interests of preserving the value of the Endowment Fund and the Operating Fund;
 - proposes to the Board of Founders any newly joined Founding Members, as provided for under article 12 of the present By-Laws;
 - proposes to the Board of Directors any modifications in the By-Laws.
3. The Board of Directors may appoint a General Secretary, as per the provisions of art. 17.

Article 15
(Board of Directors – Convocation and quorum)

1. The Board of Directors is convened by the Chairman of the Foundation by sending a notification to the domiciles of the members, either through the postal service or by telegraph or telefax communication, or using on-line technology, assuming it is possible to confirm that the recipient has received the communication at least ten days prior to the meeting.
2. The Board may also be convened at the request of at least one-third of its members; in such cases, the Chairman convenes the Board within ten days.
3. The convocation must indicate the date, the time and the place of the meeting, as well as the topics on the agenda. In cases of exceptional urgency, the convocation may be made by telegram, telefax or by means of on-line technology, assuming that it is possible to confirm that the recipient has received the communication, which is to be sent five days in advance of the meeting.
4. Meetings are valid when more than 50% of the members are present, either directly or by proxy, and decisions are valid when approved by a majority of those present. The meetings can also be held in the form of tele-conferences, video-conferences or by means of on-line technology, on the condition that all the participants can be identified and that they are able to follow the discussions, receive, transmit and/or examine documents, speak in real time on all the topics and vote on resolutions, all at the same time. In such cases, the meeting is considered to be held in the place where the Chairman of the Board and the Secretary are present, both at the same time.
5. The Chairman of the Board of Auditors must be present at the meetings of the Board of Directors – or, should the Chairman be unable to attend, then an auditor delegated by the Chairman must be present – having been invited under the same procedures followed for members.
6. Board meetings are chaired by the Chairman or, in the latter's absence, by the Assistant Chairman.
7. Resolutions are entered in the minutes signed by the Chairman of the Board and by the Secretary and written in the book kept for the purpose.

Article 16
(The Chairman and the Assistant Chairman)

1. The Chairman of the Foundation is also the Chairman of the Board of Directors.
2. The Chairman is empowered to act as the Foundation's legal representative, representing it in dealings with third parties, and the Chairman also holds, together with the Assistant Chairman, the power to sign for the Company.
3. The Chairman convenes and chairs the meetings of the Board of Directors, proposing the issues to be addressed in the respective meetings; the Chairman oversees implementation of the resolutions of the Board, in addition to handling relations with government bodies and agencies, as well as with any other administrative or jurisdictional authority, appointing attorneys.
4. The Chairman exercises all the powers of initiative needed for the proper administrative and operational performance of the Foundation. The Chairman may delegate individual tasks to the Assistant Chairman, who, when the Chairman is absent or prevented from acting, may carry out the functions of the latter.
5. The Chairman and the Assistant Chairman hold office for terms of four years, and they may be re-elected, with their terms expiring together with those of the Board of which they are a part.
6. The Chairman and the Assistant Chairman are appointed by the Board of Founders.
7. Should the Chairman be absent or prevented, even temporarily, from filing the post, then all the functions of the Chairman shall be carried out by the Assistant Chairman.

Article 17
(General Secretary)

1. The General Secretary is appointed by the Board of Directors, which establishes the nature, functions and duration of the position.

Article 18
(The Board of Auditors)

1. The Board of Auditors has four full members, as well as a Chairman and two alternates, with half the full members and one of the alternates designated by the Italian Banking Association, while the other half of the full members and the other alternate are designated by the employees' labour organisations.
2. The members of the Board of Auditors hold office for four-year terms and may be reconfirmed.
3. The Board oversees compliance with the law and with the by-laws, as well as the proper administration of the Foundation and its financial management, in addition to monitoring that the accounting records are properly kept, examining the proposed budget forecasts and the final accounting summary, drawing up the specific reports and carrying out assessments of the cash on hand.
4. The Chairman of the Board of Auditors shall be an outside professional entered on the national rolls for Certified Public Accountants and jointly designated by the Italian Banking Association and the labour organisations, before being appointed by the Board of Founders. His working relationship shall be governed by a professional contract.
5. If the Chairman is prevented from filling the post, even temporarily, then an Auditor designated by the Chairman takes the latter's place, or, should no designation have been made, the most senior of the auditors in office does, or, if there are auditors with the same amount of seniority in terms of service, then the most senior auditor in terms of age. Should an auditor leave his or her post for any reason, then the most senior alternate in terms of age fills the position.
6. The Chairman of the Board of Auditors must attend all the meetings of the Board of Directors and of the Board of Founders, being invited under the same procedures contemplated for the members of these bodies.

Article 19
(Annual Report)

1. The financial year runs from 1 January of each year to 31 December of that same year.
2. The Foundation operates in accordance with principles of multi-year planning.
3. No later than 31 December of each year, the Board of Directors draws up the budget forecast.
4. The economic and financial report, accompanied by the operating report, is prepared by the Board of Directors and, together with the mission budget and the report of the Board of Auditors, it is approved by the Board of founders no later than 30 April.
5. The budget forecast and the annual report are drawn up in such a way as to provide a clearly understandable representation of the Foundation's economic, financial and asset situation.
6. The annual report and the mission budget are published on the Foundation's internet site.
7. The Foundation keeps a day log book, an inventory book and all the other books or accounting registers that prove necessary for the performance of its activities, and in relation to its status as an entity operating under private law. The books are kept, when possible, under the pertinent provisions of the Italian Civil Code.

Article 20
(Disbanding)

1. In the event of disbandment of the Foundation for any reason whatsoever, then, under a resolution passed by the board of Founders, its assets shall be devolved, unless a different form of allocation is required under law, to another organisation with similar objectives, meaning in the interests of the public good, after the opinion of the oversight body called for under art. 3, paragraph 190, of Law no. 662 of 23 December 1996 has been received.

Article 21
(Applicable measures)

For any matters not addressed under these by-laws, the provisions of the Italian Civil Code and the legal statutes currently governing foundations operating under private law apply.