

ENCLOSURE “A” TO DEED REP. NO. 19691/2856

STATUTES OF THE FONDAZIONE “ARNALDO POMORODO”

with head offices in Vicolo dei Lavandai no. 2/a, Milan

Article 1 Constitution

The “Arnaldo Pomorodo Foundation” is hereby constituted with head offices in Vicolo dei Lavandai n° 2/a, Milan, and stores and exhibition spaces in Via Adda n° 15, Frazione Quinto Stampi, Rozzano.

It upholds the principles and juridical guideline of a Participatory Foundation within the broader scope of foundations governed by articles 12 and thereafter of the Italian Civil Code.

The Foundation is a non-profit organization and may not distribute profits.

The purposes of the Foundation shall be pursued throughout Italy.

Article 2 Delegations and Offices

Delegations and offices may be set up in Italy and abroad in order to perform, in an accessory and instrumental manner in relation to the purposes of the Foundation, promotional activities and the development and expansion of the necessary network of national and international relationships supporting the Foundation itself. The activities of the Foundation required for its aims may be performed in Italy and abroad.

Article 3 Objectives

The Foundation is a non-profit organization and its purpose is to guarantee correct information concerning all the works of Arnaldo Pomodoro (in order that they be catalogued, made known, preserved in the best possible manner, and be given all due attention on a historic-critical-cultural level), and to promote detailed information regarding the Founder’s oeuvre, for both the general public and as an educational tool for art schools: the Foundation may issue, following

examination, declarations of authenticity to owners of works by Arnaldo Pomodoro.

The objectives of the Foundation shall include the following initiatives:

- a) The creation of a museum, understood as a place for research on, and the conservation and valorisation of the work of Arnaldo Pomodoro on both a national and international scale;
- b) The promotion of studies concerning the history and criticism of twentieth-century Italian sculpture and art;
- c) The organization of cultural debates and conventions, and the publication of periodicals or books regarding culture, art, literature and criticism in each specific field, as well as the allotment of subsidies for high-level cultural initiatives in the field of contemporary sculpture;
- d) The establishment of an award for young artists who intend to perfect and extend the experimental aspects of new work into expressive and intellectual language;
- e) The exchange of information and establishment of relations with important Museums and Institutes, including international ones, to promote the work and pursue the aims of the Foundation, even through the possible loan of works.

Article 4

Instrumental, Accessory and Related Activities

In order to achieve its aims, the Foundation may among other things:

- a) stipulate every appropriate deed or contract, including finance for the operations decided upon, including but not limited to the assumption of loans and mortgages in the short or long term, the acquisition of property, in ownership or rights of usage, the stipulation of convention agreements of any kind including those that may be transcribed in public registers, with Public or Private Authorities, that are considered appropriate and useful for the attainment of the purposes of the Foundation;
- b) administer and manage assets that are owned, rented, granted or otherwise possessed;
- c) stipulate convention agreements entrusting part of such activities to third parties;
- d) participate in public and private associations, authorities and institutions whose activity is directly or indirectly focused on the

- attainment of objectives similar to those of the Foundation itself; the Foundation may, where deemed appropriate, also be involved in the constitution of the foregoing organisms;
- e) constitute or be involved in the constitution, in an accessory, instrumental, direct or indirect manner for the attainment of institutional purposes, of societies of persons and/or capital as well as participate in societies of the same type;
 - f) promote and organize seminars, training courses, events, conventions and meetings, including the publication of relative acts, deeds or documents, and all appropriate initiatives encouraging organic contact between the Foundation, the national and international cultural system, operators in the sector and the public at large;
 - g) undertake commercial activities, in an accessory and instrumental manner for the attainment of institutional purposes, even with reference to the publishing sector and audio-visuals in general.

Article 5

Patrimony

The patrimony of the Foundation is as follows:

- the endowment fund making up the assets comprising the initial patrimony of the Foundation, donations in money or tangible and intangible assets, or other goods that can be used to attain the purposes, made by the Founder or Associate Members, including the rights of reproduction of works that may be assigned to the Foundation;
- tangible and intangible assets made available now or in the future to the Foundation, including those it purchases in accordance with the standards defined in these Statutes;
- donations made by Authorities or private individuals expressly to increase the patrimony;
- unused income that, as decided by the Board of Directors, may be destined to increase the patrimony;
- contributions to the endowment fund by the State, Local Authorities or other Public Entities.

Article 6

Management Fund

The management fund of the Foundation comprises:

- revenue and income from the patrimony and the activities of the Foundation itself;
- any donations or bequests involving any tangible or intangible asset that are not expressly destined to the endowment fund;
- any other contributions by the State, Local Authorities or other Public Entities;
- contributions by the Founders and Associate Members;
- income from institutional, accessory, instrumental and related activities.

The income and resources of the Foundation will be used for the operation of the Foundation itself and the implementation of its aims.

Article 7

Financial Year

The financial year shall begin on 1st January and close on 31st December every year.

By this term, the Board of Directors shall approve the forecast financial statement for the following year and by 30th April thereafter the statements for the previous year, both drawn up by the Secretary General. Whenever particular needs so require, approval of the statements may take place by 10th June. The forecast and final statements must be notified to all Founders and accompanied by the management report and the report of the Board of Auditors.

A copy of the financial statements, together with the proceedings of the Board Meeting during which they were approved, must be presented as required by law. The organs of the Foundation, in the context of their respective duties, may stipulate undertakings and assume obligations within the limits of funds set aside in the approved statements.

The expenditure undertakings and obligations directly stipulated by the legal representative of the Foundation or Board Members having proxy in excess of the limits of funds set aside in the approved statements must be ratified by the Board of Directors itself.

Any surpluses on annual management shall be utilized to cover any losses sustained in previous financial years or to enhance the activities of the Foundation or to purchase instrumental assets to increase or improve its activity.

It is forbidden to distribute management profits or surpluses or funds and reserves during the life of the Foundation unless the assignment or distribution is imposed by law.

Article 8

Members of the Foundation

The members of the Foundation are divided as follows:

- Founders;
- Associate Members.

Article 9

Founders

The Founder is Arnaldo Pomodoro.

Founders, appointed as such by decisions taken by a two-thirds majority of members of the Board of Directors and the favourable vote of Founder Arnaldo Pomodoro during his lifetime, may include physical or juridical, public or private persons and the Authorities contributing to the Endowment Fund or even the Management Fund, in the manner and measure determined in detail by the Board of Directors itself as per Article 15 of these Statutes.

Article 10

Associate Members

The status of “Associate Member”, appointed as such by decisions taken by an absolute majority of members of the Board of Directors and the favourable vote of Founder Arnaldo Pomodoro during his lifetime, may include physical or juridical, public or private persons and the Authorities which, in sharing the aims of the Foundation, contribute to its survival and the implementation of its aims through contributions in money on a yearly or multi-yearly basis, in the manner and measure no less than that defined, even on an annual basis, by the Board of Directors, or through an activity, even of a professional nature, of particular importance or the assignment of tangible and intangible assets. The Board of Directors may define the possible division and grouping of Associates into categories of activity and participation in the Foundation.

Article 11

International Members

Physical or juridical persons and Public and Private Authorities or other Institutions based abroad may also be appointed as Founders or Associate Members, on the basis of reciprocity.

Article 12

Prerogatives of the Foundation's Associate Members

The status of Associate Member in the Foundation, regardless of the quantity and type of contribution, gives entitlement, in consideration of the necessity and importance of these categories for the life and correct, balanced development of the Foundation, which intends to create the broadest possible participatory base, to the disposition envisaged in Article 20 hereafter. Associate Members may, in a manner that does not compromise the activity of the Foundation, access the facilities and functional structures of the Foundation itself, as well as consult the archives, workshops and any documentation centres, including audio-visual documentation, and take part in the initiatives of the Foundation.

Article 13

Exclusion and Withdrawal

The Board of Directors may decide, with a two-thirds majority of members, the exclusion of subsequent Founders, as per Article 9, item two, and, with a simple majority, the exclusion of Associates for serious and repeated non-fulfilment of obligations and duties including by way of example but not limited to:

- default;
- non-fulfilment of the obligation to pay the contributions and conferrals envisaged in these Statutes;
- conduct incompatible with the duty of collaboration with the other members of the Foundation;
- behaviour contrary to the obligation of non-patrimonial performances;

In the case of Authorities and/or juridical persons, exclusion shall be made also for the following reasons:

- termination, for whatsoever reason;
- instigation of bankruptcy proceedings;
- bankruptcy and/or the instigation of pre-bankruptcy procedures and/or procedures in substitution of bankruptcy declaration.

- The Founders and Associate Members may, at any time, withdraw from the Foundation, notwithstanding the duty to fulfil accepted obligations.

Article 14

Organs of the Foundation

The organs of the Foundation are as follows:

- Board of Directors;
- Executive Committee;
- President;
- Secretary General;
- Advisory Board;
- General Assembly;
- Board of Auditors.

Article 15

The Board of Directors

The Board of Directors shall comprise a number of members varying from a minimum of three (3) to a maximum of eleven (11).

It shall be made up as follows:

- a) the Founder Arnaldo Pomodoro for his lifetime;
- b) persons designated by the Founder, even through a last will and testament, and after them persons designated by them, even through a last will and testament;
- c) two members indicated by the General Assembly and appointed by the Board of Directors as per Article 22 below, on the binding opinion of Arnaldo Pomodoro for his lifetime.

The Founder Arnaldo Pomodoro and his sister Teresa Pomodoro are appointed Board Members in the constitutional deed and shall retain said positions for their lifetimes, unless they decide to resign.

The members of the Board of Directors shall remain appointed for five years and may be re-elected, unless the appointer withdraws before the expiry of the mandate.

The member of the Board of Directors who, without justified reason, does not attend three consecutive meetings of the Board of Directors, may be debarred by the Board of Directors itself. In such an event, as in every other eventuality of a vacancy as Member, the Board of Directors shall arrange, in keeping with the designations as per the

second item, to co-opt Members of the Board as required, who shall remain appointed until the expiry of the term of the other members.

The Board of Directors shall have all powers for routine and special administration of the Foundation.

In particular, it shall:

- define the general outlines of the Foundation's activities and related objectives and programmes in the sphere of its purposes and the activities as per Articles 3 and 4;
- approve the forecast and final financial statements prepared by the Secretary;
- define the minimum quotas for participation;
- appoint the Founders as per Article 9;
- decide upon the acceptance of bequests, legacies and donations, as well as the acquisition and sale of tangible and intangible assets;
- appoint the Secretary General;
- appoint the Board of Auditors;
- appoint the President and one Vice President who shall deputise in the event of absence or impediment;
- decide upon any modifications to the Statutes;
- decide upon the winding up of the Foundation and the devolution of its patrimony;
- facilitate every other task attributed to it by these Statutes.

The Board of Directors shall appoint an Executive Committee comprising three Board Members, including the President, and define their powers at the time of appointment.

Article 16

Calls and Quorum

The Board of Directors shall be called by the President on his/her own initiative or on request by at least half the members, without obligations of form, provided that suitable means are used with at least three days advance notice or, in the event of urgency, at least twenty-fours in advance.

The call notice must include the agenda, the place and the time of the meeting, It may also contextually indicate the day and time of the second call and may define that this is set for the same day as the first call at no less than one hour after the former. The Board shall be considered duly constituted on the first call in the presence of a

majority of acting members. On second call, the meeting is valid whatever the number of members present. Its decisions shall be by absolute majority of votes of those present and in the event of parity the vote of the President shall decide.

The decisions shall be recorded in specific proceedings signed by the President and the Secretary in a specific book to be kept in the manner envisaged for the same register kept by equity companies.

Article 17

The President

The President of the Foundation is also the President of the Board of Directors and is appointed by the Board of Directors itself. He is the legal representative of the Foundation in relation to third parties. He acts and stands before any administrative or juridical authority and appoints lawyers. The President shall have all powers of initiative necessary for the proper administration and management of the Foundation; the President may delegate single tasks to the Vice President, who shall deputise in the event of absence or impediment of the President. In the event of urgency, the President shall take all appropriate action that must be presented for ratification to the Executive Committee at the next meeting. In particular, the President shall look after relationships with Authorities, Institutions, Public and Private Enterprises and other organisms, even for the purpose of setting up collaboration and support relationships for the individual initiatives of the Foundation.

The position of President is the prerogative of Arnaldo Pomodoro for his entire lifetime, and he may resign at any time.

Article 18

The Secretary General

The Secretary General is appointed, as per Article 15, by the Board of Directors, which shall define the nature, powers and duration of this position.

The Secretary General is responsible for operative matters of the Foundation.

In particular, he:

- undertakes the organizational and administrative management of the Foundation, as well as the organization and promotion of

- individual initiatives, and arranges the necessary means and instruments for their effective implementation;
- implements, within his sphere of competence, the decisions of the Board of Directors as well as the deeds of the President.
 - If the Secretary General is not a member of the Board of Directors, he shall attend its meetings without the right of vote.

Article 19

The Advisory Board

Whenever useful and appropriate for the purposes of the activities of the Foundation, as per Articles 3 and 4 of these Statutes, the Board of Directors may set up an Advisory Board. The Advisory Board is the consultation organ of the Foundation and shall comprise a variable number of members chosen and appointed by the Board of Directors among Italian and foreign persons particularly qualified and renowned in the field of art, art collection and culture in general, with special reference to the Foundation's areas of interest.

The Advisory Board performs consulting activity and collaborates with the Board of Directors and the Secretary General to define the programmes and activities of the Foundation. In particular, it provides technical consultation concerning the annual programme of initiatives and any other question for which the Board of Directors expressly requests its opinion. The members of the Advisory Board remain appointed for five years and may be re-elected. The appointment may terminate through resignation, incompatibility or revocation. The Advisory Board is chaired by the President of the Foundation and is called by the President whenever he deems it appropriate and also to define the annual programme of activities, which are intended to qualify the Foundation, to be presented to the Board of Directors for its opinion of the programme thereby prepared and also to define the cultural aspects of the individual events of particular importance.

The Secretary General shall attend the meetings of the Advisory Board.

Article 20

The General Assembly

Whenever the Foundation comprises other subjects as per Article 10 of these Statutes, the Board of Directors may set up a General Assembly.

The General Assembly comprises all members of the Foundation and shall meet at least once a year. It is validly held whatever the number of persons present.

The General Assembly designates six (6) persons, two of whom shall be appointed to the Board of Directors by the Board itself as per Article 15 of these Statutes.

The General Assembly shall formulate opinions, consultations and proposals about the activities, programmes and objectives of the Foundation, as already outlined or in preparation.

The General Assembly is chaired by the President of the Foundation and called by the President at a time which does not interfere with the activity of the Foundation itself.

The General Assembly may meet in non-elected plenary form as an occasion for comparison and analysis attended by all members of the Foundation. In this case, attendance shall involve not only all the categories of Foundation membership but also the representatives of the international Offices and/or Delegations, as well as observers of private or public juridical persons, Italian and international Institutions and Authorities having made a request to the representatives of the Foundation in their countries or to the Foundation itself.

Article 21

The Board of Auditors

The Board of Auditors comprises three acting members and two deputies appointed by the Board of Directors.

The Board of Auditors shall verify financial management, ascertain correct bookkeeping, carry out necessary controls and prepare its report on the financial statements.

The Board of Auditors may attend the meetings of the Board of Directors.

The Auditors remain appointed for three (3) years and may be re-elected.

Article 22

Arbitration Clause

All controversies concerning these Statutes, including those inherent in its interpretation, execution and validity, shall be referred to a Board of three (3) arbiters, two of whom appointed by each party and the third, acting as President, appointed jointly by the first two

arbiters, or, in the event of disagreement, by the President of the Courts of Milan who shall also appoint any arbiter not designated by one of the parties.

The arbiters shall proceed in an informal and equitable manner.

Arbitration shall take place in Milan.

Article 23

Termination

In the event of termination of the Foundation for any reason whatsoever, the patrimony shall be devolved, upon the decision of the Board of Directors, to other Entities that pursue similar objectives or objectives of public utility.

Article 24

Reference clause

For any matters not envisaged in these Statutes, reference shall be made to the dispositions of the Italian Civil Code and to applicable law.