



Camera Nazionale della Moda Italiana

## **CAMERA NAZIONALE DELLA MODA ITALIANA**

### **BY-LAWS**

#### **ART. 1 – NAME**

An association named:

“Camera Nazionale della Moda Italiana”

(the “Association”) is hereby formed in accordance with the provisions of the Italian Civil Code disciplining associations and of these by-laws.

#### **ART. 2 – HEADQUARTERS – OFFICES – DELEGATIONS**

- (a) The Association is based in Milan.
- (b) While the registered office is in Milan, the Board of Directors may move its offices anywhere in the city of Milan and open other sites (offices and delegations, also of a temporary nature) anywhere else in Italy or other countries and close and transfer such sites.

#### **ART. 3 – DURATION**

The duration of the Association is fixed at December 31<sup>st</sup> (thirty first) 2100 (two thousand one hundred) and may be extended.

#### **ART. 4 – ASSOCIATION LOGO AND ITS USE**

- (a) The Association is the owner of a logo that represents the pattern of the paving in Piazza del Campidoglio in Rome accompanied by the wording "Camera Nazionale della Moda Italiana".
- (b) The logo may be used directly by the Association and its subsidiaries and also by its members, with express authorization in writing from the Board of Directors, to characterize individual fashion shows and other events or for other purposes specified in the application for authorization provided that the applicant member has paid any association fees due and only uses the logo in conjunction with wording to the effect that it is a member of the Association and that such use is made in the manner specified from time to time in writing by the Association. All uses of the logo must in any case comply with the requisites of decorum and prestige compatible with the Association’s mission and take place in the context of the member’s specific business within the fashion industry.
- (c) If the logo is used in violation of the foregoing, the Board of Directors may on its own initiative or upon notification by other members and in any case at its sole discretion issue a written warning to

the defaulting party and even revoke its right to use the logo or suspend its membership of the Association. The Board of Directors may also submit to the General Meeting a proposal to exclude the defaulting member from the Association, without prejudice to its right to seek legal action for damages

## **ART. 5 – MISSION**

- (a) The Association is a non-profit, non-political, non-partisan and non-denominational organization.
- (b) It aims to:
  - (i) represent the highest values of Italian fashion and style and protect, co-ordinate, promote, monitor and enhance the image of Italian fashion both in Italy and abroad by means including rigorous selection of members, which must meet the criteria and possess the characteristics detailed in article 7 hereunder;
  - (ii) protect the legitimate interests of the sector and, where necessary, of its members;
  - (iii) co-ordinate the efforts of individuals and/or legal entities, mainly Italian but also of other nationalities, who intend and are particularly qualified and/or competent to make an active contribution to the development, enhancement and study of Italian costume, style and fashion, also through comparison with costume, style and fashion in other countries.
  - (iv) represent its members in relations with government and public administrations, economic, political, cultural and social organizations and any other component of society in Italy or abroad;
  - (v) collaborate with public and private organizations that have common interests and goals in order to promote the progress, growth, knowledge, trade and anything else of use to the sector;
  - (vi) be a reference point and privileged partner for national and international initiatives that have to do with style, costume and fashion;
  - (vii) promote research and experimentation in the various business areas;
- (c) To achieve these aims and purposes the Association may:
  - (i) promote the development of fashion by organizing fashion shows and events, seminars, conferences and exhibitions in general, both in Italy and abroad, and adopting any initiative designed to strengthen understanding of the problems affecting the industry;
  - (ii) draft programmes, reports and publications to promote Italian fashion;
  - (iii) organize, promote or support conferences, conventions and basic and advanced training courses for young people entering the various professions in the industry and for the promotion of craft and manufacturing capabilities in the various parts of the country;
  - (iv) provide support and consulting, on request, for operators in the sector, including the definition and sourcing of appropriate financial tools for the implementation of the initiatives listed above through specialist surveys and privileged agreements;
  - (v) promote or support the creation of a Permanent Museum of Fashion of interest to the industry in one or more Italian cities;
  - (vi) take initiatives to protect the manufacturing skills existing in Italy today;
  - (vii) take initiatives to upgrade members' historical archives and artistic and technical documents and co-ordinate and/or collaborate with other public and private entities interested in the same problem;
  - (viii) stipulate agreements on single radio or television programmes or series of broadcasts on public or private networks, press releases, advertising and public relations services;

- (ix) co-ordinate collaboration with ministries, regional, provincial and municipal administrations, public and private corporations and business associations in the interests of its members and in particular with the authorities responsible for the protection and diffusion of Italian style, costume and fashion;
  - (x) establish permanent relations between Camera Nazionale della Moda Italiana and the most representative Italian and foreign schools and universities to promote research projects and studies on style, customs and fashion, and eventually create international scholarships;
  - (xi) prepare draft legislation and amendments to national or regional projects on issues related to fashion;
  - (xii) collect and collate all regional, national and international laws, regarding the fashion industry;
  - (xiii) carry out research, also comparative, on trademarks and patents and with particular regard to legislation in EU countries;
  - (xiv) carry out research on national and regional legislation in the field of exhibitions and fairs and draw up proposals for revision and/or promotion;
  - (xv) classify members by fields of competence and business categories should this improve the functioning and internal discipline of the Association;
  - (xvi) prepare financing projects for long-term programmes, including development strategies for institutional events and commercial promotion of Italian fashion, style and costume worldwide or other similar initiatives in Italy and abroad;
  - (xvii) adopt regulations in line with the Association's institutional aims that lay down guidelines for its activities and those of single members or groups or categories of members or management bodies within it;
  - (xviii) promote and carry out any other activity of any nature relating to the pursuit of the Association's purposes or deemed useful by the General Meeting or management.
- (d) In pursuit of its aims and purposes the Association may also:
- (i) acquire interests, including controlling interests, in commercial companies or other entities, whether Italian or foreign, already existing or to be established in the future (also on the initiative of the Association itself), in order to further its mission as detailed above, and thus indirectly pursue its corporate aims;
  - (ii) directly or through its subsidiaries or other entities or trusts it sets up, carry out non-profit economic activities compatible with and useful for the pursuit of the Association's corporate purpose.

## **ART.6 – PATRONAGE**

The Association may request the patronage of government or public entities and may also draw benefit, in pursuit of its purpose, from the intervention of other associations or private entities.

## **ART.7 – MEMBERS**

(a) In light of the Association's aims and purposes as set forth in Art. 5 (b) above and subject to the provision in (b) (ii) of this Article 7, membership of the Association is limited to legal entities and partnerships, whether Italian or foreign, operating in the fashion industry in Italy and having their historical roots and/or industrial and creative base in Italy. For the purpose of assessing whether

candidates for membership possess such requisites, the admission procedure described in art. 8 hereunder must consider the following characteristics:

- (i) aspiring member's fame, celebrity and prestige;
- (ii) brand's national origin;
- (iii) availability of an historical archive;
- (iv) methods of carrying out product design, creation and prototyping;
- (v) middle/high-end product price positioning;
- (vi) aspiring member's espousal of sustainability as a key value;
- (vii) availability of a distribution network also in Italy in keeping with middle/high-end product price positioning;
- (viii) brand's inclusion in the calendar of fashion weeks organized by the Association for at least two consecutive editions;
- (ix) aspiring member not subject to any kind of bankruptcy proceedings;
- (x) good repute of aspiring member's company officers.

The Board of Directors may also consider other characteristics, which must be rendered explicit in the resolution of admission or rejection of the application.

The above-listed characteristics are not necessarily meant, as a whole, to represent a minimum requirement. The Board of Directors may decide on the admission of an applicant which, though not possessing all of said characteristics, has at least six of them.

- (b) The Association has two types of member, ordinary and honorary, as defined below:
  - i. ordinary members are legal entities or partnerships, whether Italian or foreign, admitted into the Association pursuant to Article 8 and which satisfy the criteria in (a) above and engage in creation and/or production and/or marketing in the field of Italian fashion and style, also as licensees for complementary products;
  - ii. honorary members are natural persons whose membership is proposed by the Board of Directors and voted by a simple majority of the General Meeting in recognition of outstanding merits. Honorary members do not have voting rights and are therefore exempted from paying the membership fee.

## **ART. 8 – ADMISSION**

(a) The status, rights and obligations of an ordinary member are acquired upon registration in the membership book following a decision by a majority of 3/4 (three quarters) of the Board of Directors, after having heard the non-binding opinion of the Admissions Committee, regarding a written admission application addressed to the Board of Directors by subjects in possession of the requisites set out in Article 7. With a resolution passed by the aforesaid majority, the Board may also on its own initiative invite legal entities or partnerships in possession of the abovementioned requisites to join the Association.

(b) The Admissions Committee is made up of 5 (five) members including 2 (two) people external to the Association appointed by the Board of Directors and chosen as consultants or other professionals with experience in the sector, specialized journalists, [other categories] and 3 (three) members of the Association, including its President.

(c) The Admissions Committee meets at least 10 (ten) days before each meeting of the Board of Directors whose agenda includes examination of applications for membership to formulate the opinion

mentioned in (a) above. The Admissions Committee adopts said opinion on the strength of a 3/5 (three fifths) majority vote, with at least one of the external members voting in favour.

(d) Applications must include the entity's name, registered office and Chamber of Commerce registration number and the personal details, home and business addresses of the entity's legal representative and be signed by same, having first produced proof of his or her authority.

(e) In the application, the applicant must fully document its possession of the requisites specified in Article 7. The applicant must in any case declare acceptance of its obligations under the Association's By-laws and regulations.

(f) Until the Board of Directors issues a decision on an admission application, a candidate for ordinary membership may attend the Association's events as a guest.

## **ART. 9 – MEMBERS' RIGHTS AND OBLIGATIONS**

(a) Both ordinary and honorary members are entitled to participate in the Association's General Meetings and other activities in accordance with the rules set forth in these By-laws and any other regulations issued by the Board of Directors.

(b) Each ordinary member is entitled to vote at a General Meeting of the Association.

(c) Members must:

(i) comply with the provisions of these By-laws and the aforementioned regulations and the resolutions and decisions of the Association's corporate bodies;

(ii) immediately inform the Board of Directors of any corporate changes or changes affecting the requisites for admission to the Association that may occur;

(iii) refrain from any action in conflict with the guidelines issued by the Association in accordance with the provisions of these By-laws and the regulations referred to above. In particular, members must give the Association prior notice of any collective events, whether Italian or foreign, not directly organized by the Association in which they intend to participate insofar as such events may be in conflict with or likely to impact on the timing of events organized by the Association; members must request prior authorization for the use of the Association's logo and brand for their own interest and benefit in accordance with the provisions in Art. 4 above;

(iv) pay the "one-off" fee fixed by the Association at the time of admission and the annual membership fee fixed by the General Meeting no later than 31 (thirty-first) January of each year, it being understood that, in cases of default, the Association may take any action permitted by law or these By-laws, including recourse to debt collection proceedings and application of interest in arrears. In the case of non-payment of membership fees, a member may be suspended unless it pays the amount due by 31 (thirty-first) March of the current year.

(d) Without prejudice to the provisions of Art. 10, a member suspended for non-payment must still pay the membership fee for the current year and may be reinstated upon payment of the outstanding annual fees if so decided by the Board of Directors.

## **ART.10 – SUSPENSION, LOSS OF MEMBERSHIP STATUS AND WITHDRAWAL**

(a) Membership status is lost in the event of liquidation or dissolution of a legal entity or partnership, or bankruptcy or other insolvency proceedings (except those agreed under receivership or composition with creditors on a going concern basis), loss of statutory requisites, withdrawal or exclusion. Membership status is also lost in the event of death of a natural person, in the case of honorary members only.

(b) An ordinary or honorary member who does not fulfil their obligations under these By-laws or the provisions of the Board of Directors or has through its behaviour caused serious damage to the Association and its image may be suspended by resolution of the Board of Directors and excluded from the Association by resolution of the General Meeting of the Members.

(c) In the event of the suspension of a member, the Board of Directors must promptly notify the member and at the same time call a General Meeting to vote on exclusion. If required by particular circumstances - or if the Board intends to confer with the member in advance - and provided such circumstances are stated by the Board of Directors in the aforementioned notification, the Board may delay the calling of a General Meeting for a period no longer, in any circumstances, than 20 (twenty) days.

(d) Members may withdraw by giving written notice sent by registered letter with acknowledgement of receipt at least 3 (three) months before the end of the year. If notified by 30 September, withdrawal will be effective as of 1 January of the following year; if notified after that date, it will be effective as of 1 January of the second following year, it being understood that the member is obliged to pay the fees for the current year and also for the next.

(e) Membership status is not transferable.

#### **ART. 11 – MEMBERSHIP FEE**

The membership fee due by ordinary members is fixed annually by the General Meeting called to approve the financial statements in an amount proposed by the Board of Directors taking into account forecasts for the next financial year.

#### **ART. 12 – CORPORATE BODIES**

(a) The Association's corporate bodies are:

(i) Members' General Meeting;

(ii) Board of Directors

(iii) Board of Statutory Auditors

(b) At its first meeting, the Board of Directors will elect from among its members a President, who shall be remunerated with a fee fixed by the General Meeting pursuant to Article. 16, (a) (iv) and one or more Vice Presidents if deemed necessary. It will also appoint a Chief Executive Officer from among its members and decide on his or her remuneration and powers.

#### **ART. 13 – MEMBERS' GENERAL MEETING**

(a) The General Meeting is made up of ordinary members, who can only participate if they have paid their membership fees. Honorary members may participate in the Meeting but without the right to vote.

(b) The Board of Statutory Auditors are also entitled to attend the General Meeting

(c) Every ordinary member has the right to one vote.

(d) The General Meeting can be ordinary or extraordinary depending on the matters on the agenda, as specified in Article 15 (b) and 16 (a) and (b) hereunder.

## **ART. 14 – CONVENING OF GENERAL MEETING**

- (a) A General Meeting is convened by the President at least once a year by 30 (thirty) June by registered letter sent to the addresses of ordinary and honorary members kept in the Association's records or by certified e-mail or telefax to be sent to the e-mail address and/or telefax number indicated by the members of the Association.
- (b) An ordinary or extraordinary General Meeting may also be convened at any time at the initiative of the President or upon the written request of at least one third of the ordinary members or a majority of members of the Board of Directors in accordance with the terms in (a) above. In such cases, the requests made by the Association members or the Directors must indicate the matters to put on the agenda.
- (c) The notice of General Meeting must indicate the matters on the agenda and the date, time and place fixed for the meeting at 1<sup>st</sup> and 2<sup>nd</sup> call.
- (d) The date fixed for the 1<sup>st</sup> call Meeting must be at least twenty (20) days after the date of the mailing of the notices of meeting. The 2<sup>nd</sup> call Meeting cannot be held on the date fixed for the 1<sup>st</sup> call Meeting.
- (e) Ordinary members who wish to participate in the Meeting by video conference must inform the Board of Directors at least 2 (two) days before the date set for the 1<sup>st</sup> call Meeting.

## **ART. 15 – VALIDITY OF RESOLUTIONS AND MAJORITIES**

- (a) Ordinary and extraordinary Meetings are chaired by the President or, in the case of his absence or impediment, by one of the Vice Presidents (if appointed) or another person designated by the General Meeting itself, and are validly constituted on 1st call if at least one half plus one of the ordinary members are present. On 2nd call, an ordinary General Meeting is validly constituted regardless of the number of ordinary members present, while the extraordinary General Meeting is validly constituted when at least 2/5 (two fifths) of the ordinary members are present.
- (b) A General Meeting is ordinary or extraordinary as defined in Article 16 hereunder.
- (c) Resolutions of ordinary General Meetings are approved both on 1<sup>st</sup> and 2<sup>nd</sup> call by a simple majority of the ordinary members present, except for resolutions for which these By-laws provide otherwise. Resolutions of extraordinary General Meetings (except as provided for in (d) below) are adopted by a majority of 2/3 (two thirds) of the ordinary members present, on both 1<sup>st</sup> and 2<sup>nd</sup> call. The computation is in any case carried out without taking abstentions into account.
- (d) Notwithstanding the provisions of paragraph (c) above, a majority of at least 3/4 (three quarters) of ordinary members, whether on 1<sup>st</sup> or 2<sup>nd</sup> call, is needed to approve the dissolution of the Association.
- (e) Every ordinary member may be represented by another ordinary member. No member may accept more than one proxy. In the case of companies, legal representatives may be replaced in the manner prescribed by their internal regulations, with prior notice to the President, as well as being entitled to assign and accept proxies in the manner indicated above.
- (f) The minutes of the General Meeting are drawn up and signed by a Secretary appointed by the General Meeting and countersigned by the President.
- (g) The General Meeting shall vote by roll call unless, for specific resolutions, a simple majority of the ordinary members present at the General Meeting request a secret ballot.
- (h) Resolutions approved by the General Meeting in compliance with these By-laws are binding on all members, even if not present, dissenting or abstaining.

## **ART. 16 – DUTIES OF THE GENERAL MEETING**

- (a) The Ordinary General Meeting:
  - (i) approves the Association’s financial statements by 30 June each year;
  - (ii) fixes guidelines for the Association’s activities;
  - (iii) defines the amount of the annual membership fee and any “one-off” fees;
  - (iv) elects the Board of Directors after defining the number of its members in the manner indicated in Art. 17 and fixes the amount of expenses to be reimbursed to the Directors.
  - (v) fixes the President’s remuneration and reimbursement of expenses;
  - (vi) revokes the Board or single Directors for serious reasons;
  - (vii) appoints the members of the Board of Statutory Auditors and their chairman and may vote to revoke them;
  - (viii) votes on any matter submitted for its approval by the Board of Directors;
  - (ix) votes on the exclusion of members on the proposal of the Board of Directors;
  - (x) votes the appointment of honorary members;
  - (xi) may appoint up to 3 Honorary Presidents.
  
- (b) The Extraordinary General Meeting:
  - (i) votes on amendments to the By-laws;
  - (ii) votes on the extension of the duration of the Association;
  - (iii) approves the dissolution of the Association and, in such case, decides on the allocation of its assets in line with the purposes of the Association and in accordance with the provisions of law in force at the time of dissolution;
  - (iv) votes on disposal of any real estate assets of the Association;
  - (v) defines liquidation procedures and appoints liquidators upon the Association’s termination.

## **ART. 17 – ELECTION OF BOARD OF DIRECTORS**

- (a) The Association is managed by a Board of Directors consisting of an even or odd number of members between 9 (nine) and fifteen (15) as approved by the General Meeting. The Board of Directors holds office for two (2) years including the year in which it is appointed and its members may be re-elected without any limitation.
- (b) The General Meeting appoints the Board of Directors on the basis of lists of candidates submitted in accordance with the following paragraphs of this Article 17.
- (c) Each list must be signed by at least 20 ordinary members;
- (d) Lists of candidates signed by the submitting members and accompanied by the documentation required by these By-laws must be filed with Company's registered office at least ten (10) days before the date fixed for the 1<sup>st</sup> call General Meeting. The filing of lists of candidates carried out as indicated in this paragraph (d) will also be valid for an eventual 2<sup>nd</sup> call General Meeting.
- (e) On pain of ineligibility:
  - (i) candidates present in the lists must be members of the Association, with the exception of 2

- (two) candidates per list who may also be non-members, and
- (ii) a candidate may only be entered on one list.
  - (f) Each list must clearly state the candidates and respective members up to a maximum of 15 (fifteen). Candidates must also be numbered in progressive order. Each list to be filed the Association's registered office by the deadline for submission must be accompanied by the curriculum vitae of each natural person candidate, specifying, among other things, the company he or she represents. Any list of candidates failing to comply with the provisions of the preceding paragraphs shall be deemed not submitted. Each list must indicate the names of the persons who, if the list is elected, will take over the positions of President of the Association and CEO.
  - (g) Each ordinary member can only vote one list.
  - (h) The number of members on the Board of Directors (between 9 and 15, as per (a) above) will be as indicated in the list that obtains the highest number of votes, from which all the members of the Board will be taken.
  - (i) In the event no list is submitted, the Meeting will appoint a Board of Directors by acclamation, that is by a majority of the members present.
  - (j) If during its term of office one or more directors ceases to be operative, for whatever reason, and provided a majority of the directors elected by the General Meeting are still active, the Board of Directors shall replace the inactive Director(s) by co-optation, it being understood that if an inactive director was the representative of a legal entity member, his or her co-opted replacement will be another person representing that member. Directors thus co-opted shall hold office until the next General Meeting, which will proceed to confirm or replace them under ordinary terms and majorities as opposed to the voting list system indicated in this Article 17.
  - (k) In the event of termination or relinquishment of office for any reason on the part of a majority of the members of the Board of Directors, the entire Board shall be deemed revoked and a new Board must be elected in accordance with the provisions of this Article 17.
  - (l) In the event the members elected to the Board are legal entities, they must designate, at the time of appointment, the natural persons selected from among their legal representatives, directors or other authorized representatives to participate in meetings of the Board. Such designation must be provided by an authorized legal representative. If a director representing a legal entity loses such representative status, he or she will automatically cease to be a member of the Board and the legal entity member may appoint another Board member within 30 (thirty) days.

#### **ART. 18 – BOARD OF DIRECTORS MEETINGS**

- (a) The Board of Directors meets in the registered office or elsewhere, at least once in each quarter and in any case whenever the President considers it appropriate or when a request is made to the President by at least one third of the directors. Meetings of the Board of Directors may also be held by video conference or teleconference provided the President or whoever replaces him or her is able to identify the participants and the participants can receive or see the documents discussed during the meeting.
- (b) The President may appoint a Secretary, who need not be a member of the Board.
- (c) Meetings are called by the President or, in his absence or impediment, by the Vice President (if appointed), by registered letter or written communication sent by certified or non-certified e-mail or fax indicating the agenda and the date, time and place of the meeting, to be sent at least ten (10) days before the date of the meeting. In cases of urgency, a meeting may called by written communication via certified or non-certified e-mail or fax or telegram, to be sent at least three (3) days before the meeting.
- (d) Board meetings are chaired by the President of the Association, who is also its legal

representative, or in cases of absence or impediment by the Vice President (if appointed) and are valid if at least a majority of the Directors in office are present.

- (e) Directors cannot be substituted by other directors or 3<sup>rd</sup> parties.
- (f) Unless otherwise expressly provided for, the Board of Directors votes by a simple majority of the directors present and regardless of abstentions. In the event of a tie, the President has a casting vote.
- (g) The minutes of Board of Directors meetings are drawn up and signed by the Secretary and countersigned by the President.
- (h) Names of directors absent from a meeting must be recorded in the minutes. Directors absent for 3 (three) consecutive meetings of the Board for no justifiable reason may have their directorship revoked. The Board of Directors will evaluate the position of such directors and may declare their removal from office with immediate effect.
- (i) Directors are only entitled to reimbursement of expenses incurred in the amount voted by the General Meeting.

#### **ART. 19 –BOARD OF DIRECTORS’ POWERS**

- (a) The Board of Directors is invested with all powers of ordinary and extraordinary management of the Association excepting those reserved by law or these By-laws for the General Meeting.
- (b) The Board of Directors may appoint one or more Vice Presidents.
- (c) The Board of Directors shall appoint from among its members a CEO and assign him or her part of its functions and responsibilities with the exception of the following:
  - (i) drafting of the annual financial statements to submit to the Statutory Auditors and for the approval of the General Meeting;
  - (ii) decisions on the admission of new members (after obtaining the opinion of the Admissions Committee) on the basis of their qualifications and requisites for admission, and determination of “one-off” admission fees and diversified quotas reflecting particular category characteristics;
  - (iii) proposals for the annual membership fee to submit to the General Meeting and definition of diversified quotas reflecting particular category characteristics;
  - (iv) appointment of one or more Vice Presidents;
  - (v) proposals to appoint honorary members;
  - (vi) proposals to appoint one or more Honorary Presidents (maximum of 3) to be elected among individuals – including non-members – who have shown outstanding merits in the field of Italian fashion and style, at the incontestable discretion of the Board. The Board of Directors votes appointments to such office by secret ballot and with a majority of 3/4 (three quarters) of the voters;
  - (vii) resolutions on proposals to suspend or exclude members or readmit suspended members;
  - (viii) co-opting of directors pursuant to Art. 17;
  - (ix) appointment of a sole director or members of the management body of companies or other entities that are subsidiaries or associates of the Association, offices that tend to be assigned to the Association’s CEO.
- (d) The President and/or CEO are required to report to the Board of Directors at least quarterly, on the occasion of meetings of the Board or in cases of urgency by means of written or voice messages. They report on the exercise of their powers, formulation and implementation of strategies and on the general performance of the Association and on the key activities, in terms of size or nature, carried out by the

Association and its subsidiaries.

#### **ART. 20 – APPOINTMENT OF COMMITTEES**

- (a) The Board of Directors will appoint an Admissions Committee consisting of 5 (five) members, its composition being as described in Article 8 (b).
- (b) The members of the Admissions Committee will hold office for 2 (two) years and are eligible for re-appointment.
- (c) The task of the Admissions Committee is to assess applications for admission to the Association submitted pursuant to Art. 8 above. The Admissions Committee will within a reasonable space of time send the Board of Directors a non-binding opinion of the applications based on its assessments.
- (d) The Board of Directors may also appoint a Strategy Committee, which will be assigned the task of advising the managements of the subsidiaries on the development of strategic lines of action and the Association's operating priorities.
- (e) The Strategy Committee will consist of three (3) to seven (7) directors, including the President and CEO, and be automatically dissolved at the end of the Board of Directors' term of office.
- (f) The Board of Directors may also appoint a strategic consulting committee of up to 5 individuals, members or non-members, and/or other committees, and define their composition, tasks and responsibilities. The President and CEO may attend the meetings of the committees referred to in this paragraph (f).
- (g) Members of the Admissions Committee, Strategy Committee and any other committees will only be entitled to reimbursement of their out-of-pocket expenses.

#### **ART. 21 – PRESIDENT'S POWERS**

- (a) In addition to chairing the General Meeting and the Board of Directors as provided for above, the President:
  - (i) oversees the administration of the Association;
  - (ii) validates, with his signature, the minutes of the meetings of the Association's governing bodies that he chairs;
  - (iii) manages relationships with the top managements of public and private entities, ministers and other government representatives in close co-ordination with the CEO;
  - (iv) takes part in members' fashion events.

#### **ART. 22 – APPOINTMENT OF HONORARY PRESIDENTS**

- (a) The Members General Meeting may appoint up to 3 (three) Honorary Presidents proposed by the Board of Directors. The Board may entrust the Honorary President(s) with the tasks of representing the Association and liaising with other entities.
- (b) Such appointment is honorary and non-executive. An Honorary President may be invited by the President or the Board of Directors to participate in meetings of the Board of Directors and the General Meeting, in both cases without being entitled to vote.
- (c) The position of Honorary President is a lifetime appointment and implies admission to the

Association as an Honorary Member.

(d) On pain of forfeiture of office, Honorary presidents must inform the Board of Directors whenever they hold or intend to hold posts in companies or other organizations, in which case they must be authorized beforehand to do so. If one or more posts are deemed incompatible with the role of Honorary President, the person in question will be asked to renounce either the incompatible post(s) or his or her position as Honorary President.

#### **ART. 23 – BOARD OF STATUTORY AUDITORS**

(a) The Board of Statutory Auditors consists of 3 standing and 2 alternate members and may also be chosen from among non-members. It is elected by the Members General Meeting, which also elects its chairman.

(b) The Board of Statutory Auditors has a 2 (two) year mandate including the year in which it was elected.

(c) The tasks of the Board of Statutory Auditors are those of overseeing the administration, examining the draft financial statements and submitting a report on them to the General Meeting.

(d) The members of the Board of Statutory Auditors are entitled to participate in Board of Directors' meetings.

(e) The Board of Statutory Auditors may at any time and even on the initiative of a single auditor inspect and verify of the Association's records, including its legally required registers.

#### **ART. 24 – FISCAL YEAR**

(a) The Association's fiscal year starts on 1 January and ends on 31 December of each year.

(b) Any non-operating income on the balance sheet resulting from cash in hand and the balance of accrued income and expenses may be allocated by the Members' General Meeting to cover expenditure in the year following the one to which the balance sheet relates.

(c) It is forbidden to directly or indirectly distribute profits, operating surpluses or funds, reserves or capital during the life of the Association unless application or distribution is required by law.

#### **ART. 25 – COMMON FUND**

(a) Pursuant to and in accordance with the combined provisions of Articles 16 and 37, Italian Civil Code, the Association's common fund is formed by its revenues and assets.

(b) Revenues are:

- (i) membership fees (annual or "one-off") paid by members;
- (ii) amounts received from members in connection with events or for participation in them;
- (iii) extraordinary contributions and disbursements from entities, organizations and institutions, public or private, national or international;
- (iv) all profits distributed to the Association by affiliated companies or subsidiaries;
- (v) any other revenue allowed by law 383/2000.

(c) Assets are:

- (i) movable and immovable properties;

- (ii) legacies and donations;
- (iii) reserves set up using balance sheet surpluses.
- (d) The common fund is intended exclusively and entirely for pursuing the Association's corporate purpose.

#### **ART. 26 – DISSOLUTION**

In the event of dissolution of the Association, the General Meeting will decide on the allocation of the Association's assets in line with its mission and in compliance with the law in force at the time of dissolution and in any case in favour of organizations or associations having similar or related purposes.

#### **ART. 27 – TRANSITIONAL PROVISION**

Notwithstanding any other provision in these By-laws, it is understood that the Board of Statutory Auditors appointed by the General Meeting held on 30 May 2019 shall continue in office till the General Meeting to be held in 2020 pursuant to art. 14 of these By-laws to approve the financial statements and elect a new Board of Directors, on which occasion a new Board of Statutory Auditors will be appointed in the manner provided for herein.

Milan, 30 May 2019