

ARTICLES OF ASSOCIATION OF THE FONDAZIONE ARENA DI VERONA

CHAPTER I

Article 1

NAME – REGISTERED OFFICE

1. The Fondazione Arena di Verona, with registered office in via Roma 7/D, is an Institution with legal status under private law that pursues the dissemination, promotion and development of musical art and performance, musical training and the vocational training of artistic and technical professionals.
2. The Fondazione is an institution of priority national interest, pursuant to article 2 of Legislative Decree no. 367 of 29 June 1996, with reference to Law no. 6/2001.
3. The Fondazione operates in compliance with the management criteria set forth in art. 3 of Legislative Decree no. 367 of 29 June 1996 and subsequent amendments, co-ordinating its activities from time to time with those of other bodies operating in the field of musical performance with a view to optimising the use of resources and reaching broader brackets of the public.

Article 2

AIMS – ACTIVITIES

1. The non-profit Fondazione pursues the dissemination of the art of music by organising performances of opera, ballet, concerts and musical performances in general in Italy and abroad, the vocational training of artistic and technical professionals and the musical education of the community; fosters research, also through social and cultural promotion; is directly responsible for the theatres entrusted to it, preserving and enhancing their historic and cultural heritage, with particular reference to the territory in which it operates; protects the production, musical, artistic, technical and professional heritage of the same.
2. Within the scope of and in compliance with its institutional purpose, the Fondazione may perform all legally permitted activities, including commercial and auxiliary activities.
3. The Fondazione may perform all the operations that it deems necessary, useful or conducive to the achievement of the aims laid down in paragraph 1, and therefore all economic, financial, equity, real estate or property, commercial and auxiliary activities, including within the scope of the same aims, non-totalitarian shareholdings in companies, or holdings in bodies other than companies.

CHAPTER II

Article 3

ATTRIBUTIONS

1. The Fondazione is vested with all the rights, obligations, assets and liabilities belonging to the Ente Autonomo Arena di Verona at the date of transformation.
2. The Fondazione has at its disposal the theatres and sites necessary for the performance of its activity.

Article 4

PARTICIPATION IN THE FONDAZIONE

1. The Italian State, the Veneto Regional Authority and the Verona City Council participate by law in the Fondazione.
2. The promoters and founders were the Accademia Filarmonica di Verona, the Banco Popolare di Verona e Novara, the Chamber of Commerce of Verona and the Fondazione Cariverona which, on the occasion of the transformation contributed to the assets of the Fondazione, both through an economic contribution calculated pursuant to the law, and with the loan for use of their own

theatres.

3. Subsequently, all entities other than those participating by law in the Fondazione, whether public or private, Italian or foreign, individuals or organisations, even without legal status, may become founders if they are co-opted by the Board of Directors on the following conditions:
 - they are presented by a Founder;
 - they contribute to the assets of the Fondazione an amount decided by the Board of Directors;
 - they contribute to the management in the manner laid down in art. 9 subsection 2.3.
4. Contribution to the assets is understood as any disbursement made to the Fondazione, the bodies of which shall decide on each occasion upon the amount and destination.
5. Those who participate in the Fondazione cannot reclaim the contributions paid, nor claim rights on the assets, without prejudice to the provisions of art. 25.2 of Legislative Decree 367/1996.

Article 5

ASSETS

1. The assets of the Fondazione consist of:
 - 1.1 the rights and judicial relations deriving from the transformation of the Ente, including the right to use the Arena, the performance sites and structures required to implement the activities, as described in the sworn value report drawn up by the expert appointed by the Presiding Judge of the Court of Verona and filed with the deeds of the Fondazione;
 - 1.2 the operating profits calculated pursuant to arts. 2423 and following of the Italian Civil Code, where compatible;
 - 1.3 other sums or goods in kind deriving from donations, bequests and legacies which the contributing entity or, failing this, the Board of Directors has assigned to the assets.
2. The assets of the Fondazione comprise, inter alia:
 - 2.1. the moveable property of the Ente Autonomo Arena di Verona, including the exploitation rights of the performances produced, developed or distributed by the same, as recognised by the legislation protecting intellectual property, for all forms of reproduction on any type of media, even virtual;
 - 2.2. public and private contributions made under any entitlement;
 - 2.3. all moveable property or real estate received under any entitlement;
 - 2.4. the right to utilise – without payment- the Arena amphitheatre, the Filarmonico theatre, the Filarmonica hall and the premises required for the performance of the activities.
3. The Fondazione shall use the assets in its possession for the performance of the institutional activity, with the requirement to maintain the economic integrity of the said assets.
4. The Fondazione has exclusive rights to the use of its name and of the historic name and image of the theatre entrusted to it. It may concede or permit the use of the same for initiatives compatible with and/ or instrumental to its own aims.

Article 6

MANAGEMENT

- 1 – Management costs are covered by:
 - 1.1. proceeds from the performances;
 - 1.2. exploitation rights of the performances produced;
 - 1.3. donations, bequests and legacies and other contributions that are not destined to assets;
 - 1.4. sponsorship, co-productions and proceeds from advertising;
 - 1.5. other revenue connected with the performance of commercial and auxiliary activities;
 - 1.6 sums paid by public and private bodies in the form of ordinary and extraordinary management grants;
 - 1.7 proceeds from asset revenues.
- 2 – The profits and all other economic benefits are assigned to the institutional purpose and cannot be distributed.

CHAPTER III

Article 7

BODIES

1. The bodies of the Fondazione are:
 - The Board of Directors;
 - The Chairman;
 - The General Manager;
 - The Board of Auditors.
2. The members of the bodies of the Fondazione do not represent those who have appointed them, and are not bound to answer to the same, except where otherwise provided by law or these Articles of Association.

Article 8

CHAIRMAN

1. The Chairman of the Fondazione is the Mayor of the City of Verona.
2. The Chairman is the legal representative of the Fondazione, convenes and chairs the meetings of the Board of Directors, ensures that the resolutions passed by the same are enforced and exercises the powers conferred by the Board both generally and on specific occasions.
3. In the case of imperative necessity, the Chairman may adopt the measures of competence of the Board of Directors, conditional upon ratification by the latter at its first meeting, which the Chairman must convene within thirty days of the date of the adoption of measures as referred to above.
4. The Chairman is entitled to issue special powers of attorney and to appoint lawyers and litigation counsel.
5. Should the Chairman be absent or incapacitated, his functions are performed by the Vice-Chairman appointed by the Board of Directors from among its members.

Article 9

BOARD OF DIRECTORS – COMPOSITION

1. The Board of Directors is made up of seven members:
 - 1.1 the Chairman of the Fondazione;
 - 1.2 a member appointed by the government authority in charge of public performances;
 - 1.3 a member appointed by the Veneto Regional Authority.
2. In addition to the mandatory representatives indicated in paragraph 1, the Board of Directors is made up of:
 - 2.1 a maximum of two Presidents of the Provincial Authorities, or their delegates, qualified as local authority founding members, on condition of an annual contribution of not less than 8% of the state funding disbursed for management of the activities of the Fondazione;
 - 2.2 two, or, in the absence of one or both of the entities indicated in paragraph 2.1, up to four members appointed by private founder members;
 - 2.3 the entities specified in paragraphs 2.1 and 2.2 can exercise the direct power to appoint members of the Board of Directors only if they undertake to guarantee, for at least two consecutive years following the appointment of the candidate, in addition to the contribution to the assets specified in article 4.3, a further annual contribution of not less than 8% of the state funding disbursed for management of the activities of the Fondazione, with reference to the year of their entry into the Fondazione.

The representatives of the said entities shall continue to serve on the Board of Directors subject to the payment of the aforementioned contribution for each calendar year following the first two years as indicated in the preceding paragraph, to be paid no later than the month of May of the year of reference.

To arrive at the full amount of the contribution, the interested private founders declare in the form of written deed that they wish to contribute to the management of the institution.

No founder may subscribe more than one declaration.

The overall contribution of the private founders to the assets of the Fondazione must not exceed 40% of the same.
3. The public bodies that support the Fondazione, other than those that participate by law (City Council, Regional Authority, State) are considered as private entities solely as regards application of the

provisions governing opera foundations, so that their participation in the Fondazione is governed by the legal provisions laid down for private entities.

4. In the absence of entities entitled to appoint members based on the contributions indicated in paragraph 2.3 or, in the event that the presence on the Board of a Director appointed by such entities lapses due to non-payment of the contribution indicated in the same paragraph, appointment(s) shall be made as follows: one by the Mayor of Verona, one by the government authority in charge of public performances, one by the Veneto Regional Authority, and one again by the Mayor of Verona, in that order. Such Director(s) shall remain in office up to renewal of the Board, and must be chosen from among those who have contributed or actively collaborated in the activities of the institution, or who intend to do so. Members of the Board will expire in the reverse order to their appointment, as the private entities acquire the right to nominate their own Board members.
5. The Directors appointed to the Board must be in possession of the requirements of integrity set forth in art. 2383 of the Italian Civil Code and must also have proven administrative experience, with specific reference to the sector of activity of the Fondazione.
6. Those who participate in the Fondazione cannot, however, be held accountable for the obligations assumed by the Fondazione nor claim rights to its assets. Without prejudice to what is laid down in art 25.2 of Legislative Decree 367/1996.
7. The meetings of the Board of Directors are attended by the General Manager, who has the same powers and prerogatives as the other directors, with the exclusion of the heads set forth under letters b) and d) of art. 12, subsection 4, of Legislative Decree 367/1996.
8. The Board of Directors appoints the General Manager at its first session.
9. With the exception of the Chairman, the Board of Directors holds office for 4 years.
10. The Board is deemed validly empowered when three of its members are in office, plus the Chairman.
11. The competent authorities shall appoint the members of the bodies not prior to thirty days before the expiry of the mandate, and not after the latter. Where no such appointment is made within forty-five days of expiry of the mandate, the non-replaced members lapse from office and the entities with the powers of appointment shall be answerable for the deriving damages.

Article 10

BOARD OF DIRECTORS – DUTIES

1. The Board of Directors:
 - 1.1 establishes the guidelines for the economic and financial management of the Fondazione via approval of a three-year economic-financial plan;
 - 1.2 approves the budget forecast for the following year;
 - 1.3 approves the final balance for the past year;
 - 1.4 appoints the General Manager, whose office cannot however outlast that of the Board that has appointed him, and establishes his remuneration based on the provisions of art. 3 of Law 450/87;
 - 1.5 may revoke the General Manager only for serious reasons, through resolution passed by an absolute majority of the members;
 - 1.6 passes resolution on the amendments to the Articles of Association proposed by the Chairman or by at least a third of the members of the Board, the approval of which is referred to the government authority in charge of public performances within the deadline of ninety days from receipt of the same;
 - 1.7 approves the programmes of artistic activities, upon proposal of the General Manager, paying particular attention to budget restrictions;
 - 1.8 appoints the Vice-Chairman;
 - 1.9 authorises employees to perform freelance activities and authorises the incorporation of artistic corps and groups as independent bodies;
 - 1.10 performs duties of promotion for the acquisition of external financial resources;
 - 1.11 passes resolution on the acceptance of grants, donations and bequests;
 - 1.12 passes resolution on the attribution of specific tasks to one or more of its members, also conferring powers of signature within the scope of such assignments;
 - 1.13 has the fullest powers for ordinary and extraordinary management, except those attributed to other bodies by law or by the Articles of Association;
 - 1.14 may adopt regulations, albeit without prejudice to the provisions of the Articles of Association.
2. In addition to the reimbursement of expenses sustained in the performance of their duties, the members of the Board of Directors are also due fees for their attendance at the Board meetings which shall be established at the start of each four-year term.
3. The Board of Directors meets at least once every quarter, and is convened by the Chairman who also takes the chair. The meetings of the Board of Directors are attended by the Auditors.

4. The Board of Directors must be convened every time request is made by the majority of members in office.
5. The meetings of the Board of Directors are validly held in the presence of the majority of the members. The resolutions of the Board of Directors are passed by the vote in favour of the majority of the members present.
6. In the case of a split vote, the Chairman shall have the casting vote. Members who attend the meetings via audio-video links are deemed present when the possibility of dialogue between all the participants is guaranteed.

Article 11

GENERAL MANAGER

1. The General Manager is appointed by the Board of Directors at the first meeting following its election. He lapses from office along with the Board of Directors that has appointed him, and can be re-elected. The Board of Directors can revoke the Superintendent for serious reasons.
2. The General Manager must have specific and proven experience in the sector of musical performance organisation and in the management of similar bodies.
3. The General Manager:
 - a. in compliance with the approved programmes and the economic and financial equilibrium of the management, independently directs and co-ordinates the artistic production of the Fondazione and related and instrumental activities;
 - b. prepares the programmes of artistic activity, in liaison with the artistic director, drafts the three-year economic-financial plan, and the draft estimate budget and final balances to be submitted for the approval of the Board of Directors;
 - c. appoints and revokes the artistic director, after consultation with the Board of Directors, recruiting the same among figures of renown and proven experience in the world of opera. The office of the artistic director shall lapse with that of the General Manager, and can be reconfirmed; may appoint assistants, including the musical director, without prejudice to the competencies of the artistic director, for whose activities he is directly accountable;
 - d. keeps the books and the accounts of the Fondazione;
 - e. exercises any powers that may be conferred upon him by the Board of Directors.
4. The General Manager attends the meetings of the Board of Directors. The General Manager has the same powers and prerogatives as the other members with the exclusion of the heads set forth under letters b) and d) of art. 12, subsection 4, of Legislative Decree 367/1996.
5. The relations between the General Manager and the Fondazione and his term of office are governed by contract, pursuant to the provisions of private law and of Law 450/87.

Article 12

CONTROL OF MANAGEMENT AND ACCOUNTS

1. The Board of Auditors is appointed by Decree of the Minister for the Economy and Finance jointly with government authority in charge of public performances.
2. The Board consists of three permanent auditors and a substitute; one permanent auditor and the substitute are appointed as representatives of the Ministry for the Economy and Finance, one permanent auditor is appointed by the government authority in charge of public performances, while the other is chosen by the Board of Directors from those listed in the Register of Auditors held at the Ministry of Justice.
3. The Chairman of the Board is the representative of the Ministry for the Economy and Finance.
4. The Auditors hold office for four years; they may be revoked for just cause by the Minister for the Economy and Finance in concert with government authority in charge of public performances.
5. In the case of a vacancy occurring due to lapse of one or more members during the four-year term, replacement will be made in the manner laid down in Legislative Decree 367/1996; in the interim the auditor is replaced by the substitute. The new auditor lapses from office together with the rest of the Board.
6. The Auditors must be in possession of the requirements of integrity set forth in art. 2399 of the Italian Civil Code and must also have proven accounting experience, with specific reference to the sector of activity of the Fondazione.
7. The remuneration of the Auditors is determined at the time of appointment by the Minister for the Economy and Finance and is at the charge of the Fondazione.
8. The Board of Auditors controls the administration of the Fondazione, making specific report on the same every quarter to the government authority in charge of public performances and to the Ministry for the Economy and Finance.

9. Pursuant to art. 2409 ter of the Italian Civil Code, the auditing of the financial statements of the Fondazione is performed by an independent auditing company listed in the Register held at the Ministry of Justice. The appointment for the financial audit is conferred for three years, subject to consultation with the Board of Auditors, by the Board of Directors which also determines the fees for the same.

Where compatible, the provisions of articles 2409 bis, ter, quater, quinquies, sexies and septies of the Italian Civil Code apply.

CHAPTER IV

Article 13

PERSONNEL

1. The Fondazione acknowledges the essential function and decisive role played by its personnel and its aims comprise the artistic and professional valorisation of the same.
2. The personnel of the Fondazione are governed by the provisions set forth in Legislative Decree no. 367 of 29 June 1996 and subsequent amendments and additions, Law no. 6 of 26 January 2001, Law no. 128 of 21 May 2004 and Law no. 43 of 31 March 2005.
3. As established by Legislative Decree 367/96 governing this discipline, with the authorisation of the Board of Directors the employees of the Fondazione may perform freelance activities for services of elevated artistic and professional value, as long as this does not negatively affect production requirements and does not compromise the artistic-cultural level.

CHAPTER V

Article 14

ACCOUNTING PERIOD – FINANCIAL STATEMENT

1. The accounting period is one year, starting on 1 January and ending on 31 December.
2. The financial statement of the Fondazione is drafted pursuant to the provisions of articles 2423 and following of the Italian Civil Code, where compatible.
3. The financial statement is approved by the Board of Directors within four months of the closure of the accounting period. Where particular circumstances so require, the financial statement may be approved within six months of the closure of the accounting period.
4. Within thirty days of approval of the financial statement, the Directors must forward a copy of the same to the Ministry for the Economy and Finance and to the government authority in charge of public performances, as well as filing a copy as required by law.

CHAPTER VI

Article 15

FINAL AND TRANSITIONAL PROVISIONS

1. The Fondazione retains the rights, attributions and juridical standing previously possessed by the Ente Autonomo Arena di Verona. More specifically, the Fondazione retains the entitlement to collect the public grants, comprising those from the State, the Regional, Provincial and Municipal Authorities due to the Ente before its transformation, without prejudice to subsequent determination of the amount of the same.
2. The Fondazione has the same entitlement as the Ente Autonomo Arena di Verona to use of the municipal or, in any case, public premises utilised to date by the Ente.
3. The Fondazione has the exclusive right to use of the name, historic denomination and image of the theatre entrusted to it, and to the names of the events organised, and may allow or grant the use of the same for initiatives consistent with the aims of Fondazione itself.
4. The Fondazione retains all the exploitation rights for the performances produced, organised or in any case staged, and in general for the musical performances organised within the scope of the working relationship by artistic and technical personnel.
5. Any real estate comprised in donations, legacies and bequests must be sold, unless the same is destined directly to the exercise of the activities of the Fondazione within two years of acquisition.

6. The Fondazione may avail of the representation of the Attorney General.
7. In the case of winding-up of the Fondazione, its assets will go to the Verona City Council, with the obligation that they are destined to entities performing similar activities or for purposes of public interest.
8. The Fondazione is governed by the provisions of these Articles of Association and, for what is not specified herein, by the provisions of Legislative Decree no. 367 of 29 June 1996 and subsequent amendments and additions, Laws no. 6 of 26 January 2001, no. 128 of 21 May 2004 and no. 43 of 31 March 2005, by the Italian Civil Code and applicable legislation.