

FONDAZIONE ARENA DI VERONA -

ARTICLES OF ASSOCIATION

adopted by the Board of Directors at the session of 11 December 2014.
approved through Decree of the Ministry for the Cultural Heritage and Tourism on 29th December 2014.

CHAPTER I

Article 1

NAME – REGISTERED OFFICE

1. The Fondazione Arena di Verona (The Foundation), 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 Foundation 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 Foundation 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 Foundation pursues objectives of dissemination, promotion and development of art and of musical performance and of the vocational training of artistic and technical professionals. In order to carry out its aims, Foundation Arena di Verona may:
 - Deliver lyrical performances, ballet and concerts in Italy and abroad;
 - Carry out vocational training of artistic and technical professionals
 - Promote research in musical sectors for social and cultural promotion
 - Directly manage the theatres entrusted to them, conserving and nurturing the historical cultural patrimony.
 - Make available its own Archive and collections as well as those of third parties entrusted to them for museum exposition, such as those of AMO Arena Museo Opera, currently located at Palazzo Forti in Verona.
 - Maintain particular regard for the production and presentation of musical performances in the place in which it operates.
 - Deliver international promotional activities for its own musical productions, including organizing performances abroad.
 - Take care to safeguard the production, musical, artistic, editorial, technical professional and museum patrimony.
2. Within the scope of and in compliance with its institutional purpose, the Foundation may perform all legally permitted activities, including commercial and auxiliary activities.
3. The Foundation 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.
4. In the carrying out of its aims, the Foundation shall take care to endorse every possible and useful form of collaboration and co-ordination with other lyrical Foundations, as well as with public bodies and companies, in order to rationalise best possible the use of both its own resources and those of public entities aimed at opera, in order to achieve possible economies which allow the increment of productive skills and the artistic offering of the Foundation. The Foundation shall also take care to improve all of its production (musical, stagecraft, sartorial or other) and management skills.

CHAPTER II

Article 3

ATTRIBUTIONS

1. The Foundation 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 Foundation has at its disposal the theatres and sites necessary for the performance of its activity.

Article 4

PARTICIPATION IN THE FOUNDATION

1. The Italian State, the Veneto Regional Authority and the Verona City Council are public founders.
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 Foundation Cariverona which, on the occasion of the transformation contributed to the assets of the Foundation, both through an economic contribution calculated pursuant to the law, and with the loan for use of the Teatro Filarmonico.
3. In order to reach the aims in Art.2, the Foundation according to the provisions of Art.11, 15b), of the D.L. of 8th August 2013 number 91, converted to L7 October 2013 n.112, also foresees the participation of private and / or public associates (whether public or private, Italian or foreign, individuals or organisations, even without legal status), may contribute to the increase of the Foundation's assets. They shall participate by law for the assets of the Foundation with a sum determined by the Steering Committee (consiglio di Indirizzo) which may not be less than 3% (three percent) of the patrimony of the Foundation or of the economy brought to the management as a result of the last approved budget.
4. Contribution to the assets is understood as any disbursement made to the Foundation, the bodies of which shall decide on each occasion upon the amount and destination.
5. Those who participate in the Foundation 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 Foundation are constituted of unavailable and bound contributed funds in accordance with the statutory aims. The assets are made up of the following:
 - 1.1 the rights and judicial relations deriving from the transformation of the entity, 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 Foundation;
 - 1.2 the operating profits calculated pursuant to art. 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 Steering Committee has assigned to the assets.
2. The Foundation 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.
3. The Foundation 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 the management fund, and, precisely:
 - 1.1. proceeds from the performances;
 - 1.2. exploitation rights of the performances produced;

- 1.3. donations, bequests, 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 Foundation are:

- The Chairman;
- The Steering Committee
- The General Manager;
- The Board of Auditors.

The members of the bodies of the Foundation (with the exception of the Chairman or person nominated as such by the Chairman) may remain in the role for 5 years. The Chairman and the Steering Committee are entitled to reimbursement of live documented costs sustained for the purpose of the role. The relevant payment shall be determined by the Steering Committee in accordance to the criteria legally foreseen.

2. The members of the bodies of the Foundation do not represent those who have appointed them, and are not bound to answer to the same, except where otherwise provided by law or within these Articles of Association.

Article 8

CHAIRMAN

1. The Chairman of the Foundation is the Mayor of the City of Verona or a person nominated by him.
2. The Chairman is the legal representative of the Foundation, convenes and chairs the Steering Committee meetings, 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 Steering Committee, conditional upon ratification by the latter at its first meeting.
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 Steering Committee from among its members.

Article 9

STEERING COMMITTEE – COMPOSITION

1. The Steering Committee is made up of a variable quantity of members, from five to seven. The following make up the Steering Committee:
 - 1.1 the Chairman of the Foundation;
 - 1.2 member appointed by the government authority in charge of public performances;
 - 1.3 a member appointed by the Veneto Regional Authority.
 - 1.4 a member appointed by the Council of the City of Verona.
2. In addition to the mandatory representatives designated by each of the public founders, the nomination of the other Committee members rests with the private entities, as foreseen by Art. 2.1 of the current Articles of Association. The Committee members nominated privately cannot constitute the majority of the Committee members.
 - 2.1 The private founders who contribute to the management fund may nominate a representative within the Steering Committee if, either as individuals or collectively, they can assure for at least two consecutive years, an annual contribution of not less than 5% (five percent) of the state funding

disbursed, it being understood that the composition of the Steering Committee is as foreseen by the law and by the current Articles of Association.

The Steering Committee may determine a different amount of contribution, still not less than 5%, based upon the participation requests for which the nomination of a Committee member representative has been assured.

The representatives' duration within the Steering Committee is subject to the payment of the aforementioned contribution for each calendar year 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 Foundation must not exceed 40% of the same.

3. Where necessary to ad to an odd number of Committee members (even if due to the absence of private founding partners), the additional member shall be nominated by the state authority in charge of public performances, as proposed by the Mayor.
4. The members appointed to the Council 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 Foundation.
5. Those who participate in the Foundation cannot, however, be held accountable for the obligations assumed by the Foundation nor claim rights to its assets. Without prejudice to what is laid down in art 25.2 of Legislative Decree 367/1996.
6. The Steering Committee meetings are attended by the General Manager, without the right to vote.
7. The Steering Committee is deemed validly empowered by the majority of its members.
8. 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

STEERING COMMITTEE – DUTIES

1. The Steering Committee, with the aim to assure the forecast balance, carries out the following tasks:
 - 1.1 establishes the guidelines for the economic and financial management of the Foundation 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 proposes a nomination for the government authority in charge of public performances for the appointment of the General Manager;
 - 1.5 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;
 - 1.6 approves the programmes of artistic activities, upon proposal of the General Manager, paying particular attention to budget restrictions;
 - 1.7 appoints the Vice-Chairman;
 - 1.8 authorises employees to perform freelance activities and authorises the incorporation of artistic corps and groups as independent bodies;
 - 1.9 performs duties of promotion for the acquisition of external financial resources ;
 - 1.10 passes resolution on the acceptance of grants, donations and bequests;
 - 1.11 may adopt regulations, albeit without prejudice to the provisions of the Articles of Association;
 - 1.12 approves the organogram and subsequent modifications as well as internal regulations;
2. The Steering Committee meets at least once every quarter, and is convened by the Chairman who also takes the chair. The meetings of the Steering Committee are attended by the Auditors;
3. The Steering Committee must convene every time request is made by the majority of Committee members in office.
4. The Steering Committee meetings are only valid in the presence of the majority of the Committee

members.

The Steering Committee's resolutions are passed by the vote in favour of the majority of the Committee members present.

5. 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.
6. Concise minutes of the Steering Committee assemblies must be drafted and signed by the Chairman (or, in case of his absence, by the Vice Chairman) and by a secretary nominated for the purpose.
7. Participation by telecom or teleconference is permitted, as long as all participants can be identified by each other and by the Chairman and that it is possible to follow the discussion and intervene in real time in the subjects discussed and that all of the above be noted in the minutes.

Article 11

GENERAL MANAGER

- 1.1. The General Manager is appointed the government authority in charge of public performances as proposed by the Steering Committee.
2. The General Manager is the only management body of the Foundation and can be revoked by the government authority which appointed him on proposal of the Steering Committee, for serious reasons.
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 Foundation 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 Steering Committee. Unless otherwise indicated promptly by the founding partners, including those private, with regards to the amount of their contributions, and where other reasons do not constrict, the draft estimate budget shall be outlined foreseeing contributions equal to those of the previous year;
 - c. may nominate (and freely revoke) his consultants and collaborators among whom the Artistic Director, the Administration Director and / or the General Director to whom they respond and to whom he may delegate specific activities or subjects;
 - d. keeps the books and the accounts of the Foundation;
 - e. fulfills all ordinary and extraordinary administration tasks, wherever not expressly transmitted to other bodies by law and by these Articles of Association;
 - f. the General Manager attends the Steering Committee meetings without the right to vote;
 - g. the General Manager, with the mandate of the Steering Committee, authorises the staff to carry out casual and non-continual activities for specific reasons.

Article 12

ADMINISTRATION AND ACCOUNTS CONTROL

1. The Board consists of three auditors one of which has the function of Chairman, appointed by the President of the Corte dei Conti (Court of Auditors), functional among the magistrates of the Corte dei Conti, one by the Ministry for the Economy and Finance, one by the government authority in charge of public performances who also appoints the substitute member.
 - 1.1. The members of the Board of Auditors are renewable for no more than two mandates.
2. The Auditors must be in possession of the requirements of integrity set forth in art. 2399 of the Italian Civil Code
3. The Board of Auditors exercises control over the administration of the Foundation, making a 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.
4. 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 the previous point 1; in the interim the auditor is replaced by the substitute if nominated by the relevant authority. The new auditor lapses from office together with the rest of the Council.
5. the auditing of the financial statements of the Foundation is carried out by an independent auditing company listed in the Register held at the Ministry for the Economy and Finance. The appointment for the financial audit is conferred for three years and for no longer than two mandates.

CHAPTER IV

Article 13

PERSONNEL

1. The Foundation 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 Foundation are governed by law and by the present Articles of Association.
3. As established by Legislative Decree 367/96 governing this discipline, with the authorisation of the Steering Committee and of the General Manager if delegated, as long as this does not negatively affect production requirements or compromise the artistic-cultural level.

CHAPTER V

Article 14

ACCOUNTING PERIOD – FINANCIAL STATEMENT

1. The accounting period is one year, starting on 1st January and ending on 31st December.
2. The financial statement of the Foundation 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 Steering Committee 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 General Manager 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 Foundation retains the rights, attributions and juridical standing previously possessed by the Ente Autonomo Arena di Verona. More specifically, the Foundation retains the entitlement to collect the public grants, comprising those from the State, the Regional, Provincial and Municipal Authorities due to the entity before its transformation, without prejudice to subsequent determination of the amount of the same.
2. The Foundation has the same entitlement as the independent entity Arena di Verona to use of the municipal or, in any case, public premises utilised to date by the entity.
3. The Foundation 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 Foundation itself.
4. The Foundation 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 Foundation within two years of acquisition.
6. The Foundation may avail of the representation of the Attorney General.
7. In the case of winding-up of the Foundation, 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 Foundation is governed by the current laws and for as much is foreseen within these Articles of Association.