

CONSTITUTION OF THE FOUNDATION

"Good Shepherd International Foundation – Ente del Terzo Settore".

Part 1

General Provisions

Art. 1 - Establishment

- 1.1 Pursuant to Legislative Decree No. 117 of 3 July, 2017 there is currently a non-profit foundation named "Good Shepherd International Foundation - *Ente del Terzo Settore*" or in abbreviated form "Good Shepherd International Foundation - ETS" (hereinafter the "**Foundation**").
- 1.2 The Foundation was established in 2007 by the General Council of the Congregation of Our Lady of Charity of the Good Shepherd (hereinafter, the "**Congregation**") with the purpose of assisting and serving the Congregation in its mission. The Congregation is a religious order formally created in the 19th century, but with roots going back to the 17th century, to help people in distress, especially women and children and it was recognised by the United Nations in 1996 as a Non-Governmental Organisation with consultative status with the United Nations Economic and Social Council (ECOSOC). The Foundation is inspired by the principles and practices of the Congregation. The Assembly of Founders and Board of Directors acknowledge the importance of the interdependent relationship between the Congregation and the Foundation as co-creators in the mission.
- 1.3 The Foundation is regulated by the Articles of Association (hereinafter the "**Articles of Association**"), by the Legislative Decree No. 117 of 3 July 2017 (hereinafter the "**Third Sector Code**"), by the Italian Civil Code and any other applicable regulations.

Art. 2 – Name

- 2.1 The name of the Foundation is "Good Shepherd International Foundation – *Ente del Terzo Settore*".
- 2.2 The phrase "*Ente del Terzo Settore*" or the acronym "ETS" shall be used in the Foundation's name, in deeds, in correspondence, and in any distinctive sign or communications addressed to the public.

Art. 3 – Registered Office and territorial divisions

- 3.1 The Foundation has its registered office in Rome.
- 3.2 The board of directors of the Foundation (hereinafter the "**Board of Directors**"), by resolution of its members, may decide to change the registered office, within the Municipality of Rome, without the need for the amendment of the Articles of Association.
- 3.3 The Board of Directors may also decide to open or close branch offices, in Italy or abroad, if this is deemed necessary to achieve the Foundation's purpose.

Art. 4 - Duration

- 4.1 The duration of the Foundation is unlimited.

Part 2

Purposes and Aims

Art. 5 - Purposes

- 5.1 The Foundation is established for the pursuit, on a non-profit basis, of civic, solidarity and socially useful purposes through the performance, exclusively or mainly, of one or more activities of general interest in the form of voluntary action or free provision of money, goods or services, or mutuality or production or exchange of goods or services, with no discrimination of a political, religious nor racial character.
- 5.2 The aim of the Foundation is to promote human dignity and to cooperate for sustainable development, through the provision of humanitarian aid, fundraising, technical assistance, training and support for organisational development, in relation to programmes affiliated with the Congregation, which operate for the benefit of the local populations and, in particular, women and children, to remove the causes that generate poverty and injustice, by:
- a) promoting and supporting the local populations' capacity and capability to self-organise, with respect to economic, social and cultural issues, in order to overcome social injustice, especially gender-based social injustice, and promote human rights, the dignity of women and the defence of peace;
 - b) affirming the common responsibility of all the Nations of the world to follow the principles of the promotion of human dignity, women's rights, democratic participation and international cooperation with consistent actions and behaviour;
 - c) developing initiatives fostering social, economic and cultural transformations, with respect to programmes or projects for development cooperation, humanitarian aid, safeguarding peace and human rights, human, health, educational, environmental promotion, opposing human trafficking, promoting the rights and dignity of women and children, either directly by the Foundation itself or through other organisations.

Art. 6 – Scope and activities of general interest

- 6.1 The Foundation carries out the activities of general interest in the following fields referred to in article 5 of Legislative Decree 117/17:
- development cooperation, pursuant to Law no. 125 of 11 August 2014 and subsequent amendments, as required by Article 5, paragraph 1) letter n) of Legislative Decree 117/17;
 - charity, distance support, free provision of food or products referred to in Law no. 166 of 19 August 2016, and subsequent amendments, or provision of money, goods or services in support of disadvantaged persons or activities of general interest in compliance with article 5 of Legislative Decree 117/17, as provided for in Article 5, paragraph 1) letter u) of Legislative Decree 117/17;
 - promotion and protection of human, civil, social and political rights, as required by Article 5, paragraph 1) letter w) of Legislative Decree 117/17;
 - humanitarian reception and social integration of migrants, as provided for in Article 5, paragraph 1) letter r) of Legislative Decree 117/17;
 - commercial, productive, educational and information, promotion, representation activities carried out within or in favor of fair-trade chains, within the limits of the provisions of Article 5, paragraph 1) letter o) of Legislative Decree 117/17;

organisation and management of cultural, artistic or recreational activities of general interest, including activities, also publishing, promoting and disseminating the culture and practice of voluntary work and activities of general interest referred to in Article 5 of Legislative Decree 117/17, as provided by Article 5, paragraph 1) letter i) and letter e) of Legislative Decree 117/17.

6.2 In order to effectively achieve these aims, the Foundation may:

- a) collect funds through awareness-raising campaigns, preparing projects for specific actions, participating in calls for tenders issued by public or private, national or supranational organisations;
- b) allocate any available funds to the direct implementation of social solidarity and humanitarian aid projects or distribute the amounts to recognised entities or organisations working for disadvantaged persons, whether nationally or internationally, including in the field of long-distance and international adoptions, especially with regards to those promoted by the Congregation;
- c) directly commit to developing education activities to increase public understanding of the problems and promote intercultural education initiatives to positively orient the dynamics of civil society change both in Italy and in the rest of the world;
- d) promote the organisation and implementation of all services which may contribute to the integration into civil society of the immigrant population and, in particular, of women victims of trafficking;
- e) implement and, consequently, execute and complete educational activities that are preliminary and preparatory in nature, also in the fields of updating the skills of those who collaborate and share the aims of the Foundation, as well as a broader base of beneficiaries of the Foundation's activities, such as young people, women, migrants, within the framework of nationwide or local community projects;
- f) operate to disseminate, promote, inform and raise awareness about the above-mentioned issues. In this sense the Foundation may also carry out publishing projects, also relating to the publication of books, periodicals, audio-visuals, multimedia materials, the spreading and dissemination of researches, the proceedings of conferences and seminars, also via the Internet, and the distribution of materials produced by third parties, with a humanitarian and social content;
- g) carry out and implement initiatives and projects aimed at promoting fair trade and the marketing of products produced by the missions of the Congregation, also in partnership with national and international non-profit organisations; support developing countries in all decision-making forums at all levels, whether local, national or international, contributing to the affirmation of human rights, peace and the dignity of women.

Art. 7 – Miscellaneous activities

7.1 The Foundation, on the basis of the decisions taken by the Board of Directors, may carry out different activities according to Article 6 of Legislative Decree 117/17, that are secondary and instrumental to the activities of general interest, according to and within the limits of the regulatory and normative provisions in force from time to time, taking into account all the resources, including voluntary and

free resources, used in such activities in relation to all the resources, including voluntary and free resources, used in activities of general interest.

- 7.2 In particular, including but not limited to, the Foundation may:
- a) carry out and implement all and any operations deemed appropriate for the achievement of its purposes;
 - b) in partnership with the populations of the countries where the Congregation is present or had a presence, operate in favour of the exchange of resources, skills and know-how, also based on the use, in accordance with the applicable laws, of qualified local and international personnel;
 - c) to improve the understanding of the socio-economic and political factors that determine the conditions of marginality, underdevelopment and instability in developing countries, conduct research and investigations, based on analyses, also in partnership with research organisations, training institutes, and universities, at national and international levels. In order to disseminate the results of such researchs and investigations, the Foundation may organise seminars, round tables, conferences, debates, exhibitions, inquiries, further seminars, workshops, spiritual retreats, also and always in conformity with the humanitarian, social and missionary purposes and aims of the Foundation;
 - d) also provide technical assistance to public and private bodies and organisations, in terms of designing, managing, reporting and research and study initiatives, development cooperation, intercultural cooperation, the promotion of human rights, training and education;
 - e) also enter into and conclude agreements, arrangements or contracts of any kind, sort or nature, in respect of the financing of the resolved activities, including, but not limited to, short or even long-term loans and mortgages, as well as acquire the full ownership, or even just the surface rights, of buildings and real estate property in general, enter into agreements and understandings of any kind, including those that may be recorded in public registers, with public or private entities and organisations, deemed appropriate or useful for the achievement of the Foundation's aims;
 - f) manage property, also property gifted to the Foundation, bequests or donations, of which it is the owner, landlord or leaseholder under any legal arrangement.

Art. 8 - Collaborations

- 8.1 The Foundation may collaborate with other entities, whether public or private, for developing initiatives and projects, in connection with or for the achievement of its purposes.
- 8.2 It may participate in associations, foundations, entities and institutions, whether public or private, whose activities are aimed, whether directly or indirectly, at the achievement of purposes that are similar or complementary to those of the Foundation itself.
- 8.3 The Foundation may also, if it deems it appropriat, participate in the establishment of suchorganisations and bodies.

Part 3

Assets, Personnel and Facilities

Art. 9 – Assets and Revenue

- 9.1 The Foundation's assets consist of:
 - a) the amounts contributed at the time of its establishment;

- b) real estate assets and securities, donations, offerings and bequests, gifts of money, contributions by public and private entities and organisations or individuals and any other property it may possess, at any time and under any form or title, explicitly designated to increase the assets;
- c) reserves set aside with any profit, explicitly designated to increase the assets;
- d) any other increase that is a result of economic, financial and other equity activities, carried out by the Foundation either directly or indirectly, explicitly designated to increase the assets.
- 9.2 The contributions paid into the fund may be of any amount and are, therefore, non-refundable. Under no circumstances, , not even if the Foundation is dissolved for any reason, the amounts contributed to the Foundation and, as mentioned above, intended for the assets, may ever be **returned.**
- 9.3 Contributions of this nature do not give the right to any participation in the Foundation and, in particular, do not give rise to shares, or similar forms of financial security, transferable to third parties, neither by way of particular title succession, nor by universal title succession.
- 9.4 Income from assets and any other income not intended to increase it, including - by way of example but not limited to - public or private contributions and income from any initiatives promoted by the Board of Directors, and income from various activities constitute the means for carrying out activities of general interest. The Foundation's resources, including any revenues, rents and income, however they may be called, are used to carry out its statutory activities for the sole purpose of pursuing civic, solidarity and social utility objectives. In any case, the distribution, even indirectly, of profits and operating surpluses, funds and reserves, however named, to founders, workers and collaborators, directors and other members of the corporate bodies, is prohibited.
- 9.5 If the minimum capital referred to in paragraph 4 of Article 22 of the Third Sector Code has decreased by more than one third as a result of losses, the Board of Directors, and in the event of its inaction, the Supervisory Body, must promptly resolve to reconstitute the minimum capital.

Art. 10 - Personnel and facilities

- 10.1 For the organisation and realisation of its purposes, the Foundation shall avail itself of both employees and unpaid volunteers, including volunteers taking part in community service schemes, who share the purposes and the aims of the Foundation.
- 10.2 The relationship between the volunteers and the Foundation shall be governed by a specific set of rules which, in accordance with these Articles of Association, shall protect the volunteers' rights, especially with regard to insurance cover and social security contributions, in conformity with the rules governing said community service schemes, volunteer organisations and development cooperation, to the extent that they apply.

Part 4

Foundation Bodies

Art. 11 - Bodies

- 11.1 The Bodies of the Foundation are as follows:

- a) Founders' Assembly
- b) Board of Directors
- c) Secretary of the Board of Directors
- d) President and Vice-President
- e) Director
- f) Treasurer
- g) Control Body

Art. 12 - Founders' Assembly

- 12.1 The Founders' Assembly represents the founding Congregation and is composed of the **General Superior** of the Congregation and the **Congregational Counselors** who form the **General Council of the Congregation**. The Councils are elected every six-years and the term of the office of the Assembly of Founders coincides with the terms of the Councils in accordance with the rules set out in the Constitution and the **Statute** of the Congregation.
- 12.2 The first Founders' Assembly is appointed at the time of the constitution by the Founder, and after this the Congregation will notify the new **General Superior** and the Council members at each election.
- 12.3 The duty of the Founders' Assembly is to stimulate, inspire and consult the Board of Directors, appointing and dismissing the members thereof, and monitoring the implementation of its resolutions, the general performance of the Foundation.
- 12.4 The Founders' Assembly provides advice to the Board of Directors with regards to the Strategic Plan and the Financial Plan which regulate the activities, the criteria and priorities of the Foundation's initiatives, ensuring their alignment with the Congregational values, ethics and heritage, as well as with the priorities of the Congregation's mission.
- 12.5 The Founders' Assembly may also establish and institute - if it deems it useful for pursuing the Foundation's purposes - Research or Advisory Committees, appointing the members thereof and vesting in said bodies the appropriate functions and determining the term thereof.
- 12.6 The provisions of Article 24 of Legislative Decree 117/17 do not apply.

Art. 13 - Board of Directors

- 13.1 The Foundation is governed by a Board of Directors, whose members, a minimum number of seven and a maximum of eleven, are appointed and dismissed by the Founders' Assembly. The first Board of Directors is appointed during the approval of the Foundation's memorandum of association. Each of the Directors shall hold office for six financial years and may be re-appointed after this time by the Assembly.
- 13.2 The Board of Directors is vested with all powers of routine and extraordinary management of the Foundation, to decide on the initiatives to be taken and the criteria to be followed for the achievement and implementation of the purposes and aims of the Foundation. It is hereby expressly established that:
 - a) the profits or management surpluses must be mandatorily used for the Foundation's institutional activities and those directly related to it.
- 13.3 The Board of Directors shall also:
 - a) after consultation with the Founders's Assembly, approve the Strategic and Financial Plan of the Foundation, supervising, monitoring and controlling the implementation, as well as the compliance with the use of the contributions.

- b) approve the annual financial statements, according to the legal provisions of law in force, which shall then be submitted to the Assembly of Founders within 30 days;
 - c) approve, in accordance with the legal provisions in force, also the annual budget, which shall then be submitted to the Assembly within 30 days;
 - d) after consultation with the Founders' Assembly, make a decision on any amendments to these Articles of Association, which shall be approved with the favourable vote of at least two-thirds of the members;
 - e) make a formal decision on the dissolution of the Foundation as defined by Article 21;
 - f) make a decision on the acceptance of any donations, made by public deed, as well as of the bequests and other inheritances, under benefit of inventory;
 - g) after consultation with the Founders' Assembly approve the Strategic and Financial Plan which regulate the activities, criteria and priorities of the Foundation's initiatives, supervising, monitoring and controlling the implementation of the resolutions and programmes, as well as the conformity of how the contributions are used;
 - h) appoint the President and the Vice-President.
- 13.4 The meetings of the Board of Directors shall be called by the President thereof, acting on their own initiative or when a motivated request is made by at least one third of the members, by means of a notice calling the meeting which shall contain the agenda, with at least seven days' notice or, in urgent cases, with at least two days' notice by telegram, fax, email and any other means that guarantee a receipt.
- 13.5 The Board of Directors shall require a quorum of a majority of its incumbent members in order to be validly convened; resolutions shall be passed by an absolute majority of the members attending the meeting. Minutes of the meetings of the Board of Directors shall be taken and signed by the President and the Secretary. The Board of Directors shall also provide for keeping the Foundation's books in accordance with the law and the sector regulations.
- 13.6 The meetings of the Board of Directors are chaired by the President or, if he/she is absent, by the Vice-President, or if both are not present, by the most senior board member present.
- 13.7 The Board of Directors shall meet at least once a year, called by the President to approve the financial statements.
- 13.8 Meetings of the Board of Directors may also be held, if necessary, with participants located in more than one place, either contiguous or distant, with audio/video connection, provided that:
- a) those present are able to take part in the discussion and vote on the items on the agenda at the same time;
 - b) the Chairman of the meeting is able to ascertain the identity of those present, to regulate the conduct of the meeting, to ascertain and proclaim the results of voting, and to inspect, receive or transmit documents; and
 - c) the person taking the minutes is able to adequately perceive the events of the meeting being recorded.
- 13.9 The Board may delegate its powers to two or more of its members, in accordance with the law. If collegial bodies are appointed, they shall be known as Council Committees. The President shall be an ex-officio member of the Executive Committee.

The power of representation is general. Limitations of the power of representation cannot be enforced against third parties unless they are registered in the National Third Sector Registry or it is shown that third parties were aware of them.

Art. 14 - The President and the Vice-President

- 14.1 The President of the Foundation is appointed at the first meeting of the Board of Directors and shall remain in office for an equal term. If the President resigns then the Vice-President will assume authority pro tempore and call for an election of a new President within 3 months.
- 14.2 The first President shall be appointed by the Founder, in relation to the memorandum of association.
- 14.3 The President is the legal representative of the Foundation in dealings with third parties and in legal proceedings.
- 14.4 The President is vested with the powers for the routine and extraordinary management of the Foundation, with the sole exception of the powers reserved by the law to the Board of Directors. He or she is answerable solely to the Board of Directors. The President may appoint delegates.
- 14.5 The Vice-President replaces the President in any of his/her duties whenever the President cannot perform his/her duties. The mere fact of the Vice-President's acting in the absence of the President constitutes proof to third parties of the President's impediment.

Art. 15 - The Director

- 15.1 After consultation with the Founders' Assembly, the Board of Directors also appoints a Director, who need not be a member, vesting them with the necessary powers.
- 15.2 The Director executes the resolutions passed by the Board of Directors and answers directly to the Board.
- 15.3 The Director can attend, without voting rights, the meetings of the Board of Directors. He/she may be assisted by staff officers who, on his or her recommendation, may attend the same meetings.
- 15.4 The Board of Directors shall also make a decision on the Director's salary, if any, as well as on the terms and conditions of his or her appointment, through the stipulation of an appropriate written agreement. Without prejudice to the further specifications of his office, the Board of Directors shall grant the Director, when appointed, appropriate powers so that, jointly with the President, he/she may carry out the banking transactions which are necessary to execute the statutory purposes of the Foundation.

Art. 16 - The Treasurer

- 16.1 After consultation with the Assembly of Founders, the Board of Directors shall appoint a Treasurer, who need not be a member and who is responsible for the financial matters, for finding the funds that are needed to support the activities and projects of the Foundation. The Treasurer keeps the accounting books, if requested to do so, prepares the financial statements and budget, collects any revenues and pays the expenses, in accordance with the decisions taken by the Board of Directors.
- 16.2 The Treasurer, in connection with the performance of his/her duties, shall ordinarily avail himself/herself of the collaboration of the other members of the Board of Directors and, with the approval of the Board of Directors, may also avail himself/herself of external professionals as well.

Art. 17 - Supervisory Body and Statutory Auditors

The Supervisory Body is appointed by the Founders' Assembly, which also decides its composition. It is composed of one or three members, who should not be members of the Board, with suitable professional qualifications, whose duty it is to verify that the management is correct and in compliance with applicable laws and statutes, preparing an annual report in connection with the approval of the financial statements.

- 17.2 The members of the Control Body shall be chosen from among the categories of persons feffered to in Article 2397, paragraph 2, of the Civil Code. In the case that the Control Body consist in Board of three members, at least one of its members shall meet these requirments.
- 17.3 The first Supervisory Body shall be appointed by the Founder upon approval of the memorandum of association. The term of office of the members is three financial years after which they may be re-elected.
- 17.4 In particular pursuant to article 30 of Legislative Decree 117/17, the Supervisory Body monitors the observance of the law and the Articles of Association and the respect of the principles of proper administration, also with reference to the provisions of Legislative Decree 231 of 8 June 2001, where applicable, as well as the adequacy of the organisational, administrative and accounting structure and its actual functioning. It may also carry out statutory audits if the limits laid down in Article 31(1) are exceeded. In this case, the supervisory body shall be composed of statutory auditors registered in the appropriate register. The Supervisory Body also carries out tasks of monitoring of compliance with the civic, solidarity and social utility objectives, with particular regard to the provisions of Articles 5, 6, 7 and 8, and certifies that the social report has been drawn up in compliance with the guidelines set out in Article 14. The social report acknowledges the results of the monitoring carried out by the supervisory body.
- 17.5 If the condition set out in Article 31 of the Legislative Decree No. 117/2017 are met, the statutory audit may be assigned to the Supervisory Body, which, in such case, shall be made up of Statutory Auditors registered in the appropriate register. Alternatively, the Board of Directors may appoint a registered statutory auditor or auditing firm. Notwithstanding the above, the statutory auditor or the auditing firm can be appointed at the discretion pf the Board of Directors even if the condition set out in Article 31 of the Legislative Decree No. 117/2017 are not met.

Art. 18 - The Secretary of the Board of Directors

- 18.1 The Secretary assists the President in carrying out the executive activities as may be necessary for the administration of the Foundation.
- 18.2 The Secretary is responsible for taking the minutes of the meetings of the Foundation's collegial bodies. The function of taking minutes is entrusted to a notary public in the cases provided for by the Applicable Regulations or if the President nevertheless requests his/her presence.
- 18.3 The Secretary is responsible for the Minutes Book of the Board of Directors and the Minutes Book of the Non-Executive Committee.

Part 5

Final provisions

Art. 19 – Corporate books

- 19.1 The books of the Foundation shall be kept by each body of the Foundation. The members of the governing bodies and the members of the Foundation shall have the right to examine the books of the Foundation by making an explicit written request to the Board of Directors.

Art.20 - Financial year

- 20.1 The financial year begins on 1 January and ends on 31 December of each year.

Art. 21 - Amendments to the Articles of Association

- 21.1 Any amendments to these Articles of Association may only be made in writing, by public deed and with the favourable vote of at least two thirds of the members of the Board of Directors after consultation with the Founders' Assembly.

Art. 22 - Dissolution

- 22.1 If required by law or if it is proven to be impossible to carry on the activities of the Foundation, the Board of Directors, after consulting with the Founders' Assembly, shall unanimously resolve to dissolve the Foundation. In the event of termination or dissolution, the remaining assets shall be transferred, subject to the positive opinion of the Office referred to in Article 45, paragraph 1 of Legislative Decree 117/17, and unless otherwise required by law, to other third sector entities in accordance with the provisions of the Articles of Association or the competent corporate body or, failing that, to the Fondazione Italia Sociale.

Art. 23 - Governing Law

- 23.1 For all matters not expressly provided for in these Articles of Association, the provisions of Legislative Decree 117/17, the Italian Civil Code and the relevant laws in force shall apply.