



NOTARY PUBLIC
MASSIMO
PALAZZO

ARTICLES OF ASSOCIATION OF THE "FONDAZIONE PALAZZO STROZZI"

Article 1 - Incorporation, name, registered office

The Foundation called "Fondazione Palazzo Strozzi" is hereby established, with registered office in Florence - ITALY (hereinafter also referred to as the "Foundation").

Article 2 - Original founders

The original founders of the Foundation are the following entities:

Institutional Founders:

- the Municipality of Florence;
- the Province of Florence – today, the Metropolitan City of Florence;
- the Chamber of Commerce, Industry, Crafts and Agriculture of Florence;

Non-Institutional Founders:

- the Palazzo Strozzi Partners Association;
- Banca Cassa di Risparmio di Firenze s.p.a. – today, Intesa Sanpaolo s.p.a.;
- Banca Federico del Vecchio s.p.a. – today, UBI banca;
- Banca Monte dei Paschi di Siena s.p.a.;
- the Fondazione Premio Galileo 2000.

Some of the original Founders have now become Supporters.

Article 3 - Supporters

The current Supporters are divided into two categories:

- Institutional Supporters;
- Non-Institutional supporters. The following are Institutional Supporters:
 - the Municipality of Florence;
 - the Tuscany Region;
 - the Metropolitan City of Florence;
 - the Chamber of Commerce, Industry, Crafts and Agriculture of Florence.

The following are Non-Institutional Supporters:

- the Partners represented in the Palazzo Strozzi Partners Committee;
- the Fondazione Cassa di Risparmio di Firenze;
- Intesa Sanpaolo s.p.a.;
- the Fondazione Hillary Merkus Recordati, based in Impruneta (Florence – ITALY).

The Foundation, with a resolution passed by a majority of the Board of Directors, may confirm the current Supporters and recognize additional Supporters, with the consequent necessary amendment of the Articles of Association, on the basis of the following competing criteria: a) Supporters must play (or have played) qualifying roles in the cultural, artistic, economic, social fields, and hence be adequately representative of values and purposes, pursued by the Foundation, on the territory or even at national level, and express the desire to consistently support the Foundation in the performance of its activities; b) Supporters must pay a charitable and supportive contribution to the Foundation, which shall be in line with the standing and costs that the Foundation incurs in organizing its activities.

The aforementioned annual contribution is normally quantified and decided by the Supporters in November of the previous year and paid in the following month of February, or otherwise when possible, according to the internal procedures of each individual Supporter, of the reference calendar year.

The status of Supporter is lost by resignation or forfeiture. Forfeiture shall be declared by the Board of Directors.

Resignation must be notified to the Chairman of the Board of Directors by registered letter and shall take effect as from the date of receipt.

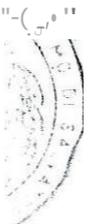
Article 4 – Purpose and scope

The main purpose and objective of the Foundation – which is a nonprofit organization – are to contribute to the economic, cultural and social development of the local and regional community, also with a view to making a positive impact on the territory (both at local level and at regional level) and by promoting the Palazzo Strozzi building while respecting the intended uses of the property; for this reason, the Fondazione aims at promoting and enhancing the artistic, historical and landscape heritage, as well as the cultural and entertaining activities, the higher training and scientific research activities, the organization of exhibitions and cultural events and initiatives (both in Italy and abroad, either directly or through promotional, consultancy and enhancement activities), the support to the cultural demand of the residents of the metropolitan area, including to foster social cohesion, the development of sustainable cultural tourism and the definition of the operating strategies required for these purposes to be achieved, by managing the assets assigned to or otherwise received by the Foundation, as well as any fixed facilities permanently open to the public, and the museum and cultural institutions and services entrusted to the Foundation.

Article 5 – Activities

The Foundation, for the pursuit of the purposes referred to in Article 4 hereof, carries out the following activities:

- a) the management and enhancement of Palazzo Strozzi, in compliance with the intended uses of the building and the policy-making guidelines of the Municipality - an Institutional Founder and Supporter, as well as the concessionaire of the aforementioned Palazzo Strozzi building in use by the Foundation; in addition, the ordinary management and maintenance of the movable and immovable property required for the provision of the services included in the Foundation's activities, assigned or granted to the Founders and Supporters for use;
- b) the scientific, cultural and administrative management of the institutes and services entrusted to the Foundation, also in relation to the activities referred to under a) hereof;
- c) the design, planning and implementation of exhibitions or any other cultural events in Palazzo Strozzi, also in relation to the activities referred to under a) hereof;
- d) the organization of studies, research, scientific initiatives, educational and dissemination activities, market surveys, user satisfaction analyses, also in relation to the activities referred to under a) hereof;
- e) the promotion and marketing of exhibitions and other cultural initiatives as well as the related products, including publishing activities in connection with the events organised in Palazzo Strozzi, also in relation to the activities referred to under a) hereof;
- f) the organisation and management of any initiatives aimed in various ways at enhancing the local and regional historical, artistic, scientific and technological heritage.



The Board of Directors shall approve the budget for the following year by November and the final balance sheet for the year just ended by 30 April.

The financial statements are prepared according to the principles of prudence, healthy administration and soundness of the Foundation's equity by adopting, for reporting purposes, the forms recommended by statutory regulations or by the accounting standards for non-profit organisations.

In any case, the Foundation's bodies, each according to their respective competences, may take on obligations exclusively within the limits of the approved budget.

The final balance sheet for the year is certified by an auditing firm appointed by the Board of Directors pursuant to Article 12 hereof.

Article 8 – Palazzo Strozzi Partners Committee

The Foundation recognizes the Palazzo Strozzi Partners Committee.

The Palazzo Strozzi Partners Committee is the expression of all the legal and natural persons that, sharing the Foundation's activities, decide to contribute to the achievement of the Foundation's purposes through annual or multi-year cash payments, tangible or intangible assets or contributions or any other charitable contributions, which are in line with the objectives of the Foundation.

Charitable contributions, with the exception of those paid at the time of establishment of the Foundation or a new membership, are paid in February of each year in which the person decides to contribute. Any natural or legal person may submit an application for admission to the Palazzo Strozzi Partners Committee to the Board of Directors, which shall decide at its sole discretion.

The names of the members are entered in special lists kept by the Foundation, containing the date of admission, the payments of the annual fees and the date of termination or revocation of the membership.

The Board of Directors, in relation to each year, decides at its sole discretion which persons from among the Palazzo Strozzi Partners Committee are also part of the Circle. The Circle is the technical working table through which the Palazzo Strozzi Partners Committee operates.

The Director General is also a member of the Circle by full right and attends the meetings without voting rights, coordinating their discussion and the resolution procedures.

The Chairman of the Palazzo Strozzi Foundation USA is also a member of the Circle by full right, and attends the meetings without voting rights.

The status of member of the Palazzo Strozzi Partners Committee is lost by resignation or by decision of the Board of Directors for justified reasons.

The resignation must be notified to the Chairman of the Board of Directors by registered letter and takes effect as from the date of receipt.

The Palazzo Strozzi Partners Committee has a Secretary, appointed by the Board of Directors on the proposal of the Director General for a minimum yearly term and also with possible remuneration (the relevant provision being obtained in any case from the contributions of the Partners); the Secretary, who reports to the Director General, will be responsible for:

- a) periodically calling the meetings of the Committee and the Circle (either independently or at the request of the Director General or the members) and drawing up the minutes;
- b) coordinating the relations between the individual members of the Committee;
- c) informing the Director General of the Circle's strategies and proposals for the promotion of the activities of the Fondazione Palazzo Strozzi at national and international level.

The Circle of the Palazzo Strozzi Partners Committee meets at least once a year but, at the request of at least two members, it can meet freely and without any special formalities.

The Palazzo Strozzi Partners Committee, on the other hand, arranges its own general meeting at least once a year in which all individual members will meet.

The Palazzo Strozzi Partners Committee shall adopt its own internal regulations aimed at fully regulating its composition, organisation and purposes.

Article 9 – Functions and activities of the Palazzo Strozzi Partners Committee

The Palazzo Strozzi Partners Committee operates through the Circle and represents the Palazzo Strozzi private partners; these shall be periodically informed of the artistic and cultural scheduling of the Foundation's activities as prepared and delved into by the Director General, and will be involved in the fundraising strategy.

The Circle of the Palazzo Strozzi Partners Committee can carry out the following support and consultancy activities in favour of the Director General and the Board of Directors, within the framework and the limits of the guidelines, principles and criteria laid down by the Board:

- a) participating in the procedure for the appointment of the Board of Directors, by appointing the Circle's own representative in the Supporters' Meeting, who shall receive the relevant indications and names regarding the appointment of the members of the Board of Directors;
- b) enhancing the role and positioning of the Foundation, both nationally and internationally, including in the relationships with the Supporters;
- c) supporting the fundraising development activity, both nationally and internationally;
- d) proposing any potential donors based on a diversified network of participants;
- e) supporting fundraising campaigns in favour of the Fondazione Palazzo Strozzi through the creation of representation events and fundraising strategies in compliance with the guidelines provided by the Board of Directors;
- f) strengthening the relationships with the current Supporters;

- g) taking cognizance of the final results of the fundraising campaign and providing any input to the Director General;
- h) supporting the work of the Palazzo Strozzi Foundation USA;
- i) cooperating in the specific projects of any third-party economic entities.

The Board of Directors may entrust one of its internal members with coordinating and interacting with the Circle of the Palazzo Strozzi Partners Committee, which may also participate in the meeting of the Committee, if invited.

The resolutions of the Circle are adopted by a majority of its members.

Article 10 – Bodies

The Foundation's bodies are:

- the Supporters' meeting;
- the Board of Directors;
- the Chairman of the Board of Directors;
- the Board of Auditors;
- the Scholarly Advisory Committee, if established;
- the Palazzo Strozzi Partners Committee;
- the Director General.

The corporate offices, save for the participation in the Board of Auditors, do not entitle to any remuneration; however, the Board of Directors has the right to establish a fixed allowance to be paid for each participation in the meetings.

The members of the corporate bodies are also entitled to the reimbursement of the expenses they may incur for the performance of their tasks, to the extent established by the Board of Directors on a yearly basis, without prejudice to the right for the Board of Directors to establish any remuneration for particular functions, as provided for by Article 12 hereof.

Article 11 – Composition and appointment of the Board of Directors

The Board of Directors is the Foundation's administrative body, responsible for making all major decisions of the Foundation.

The Board of Directors is comprised of nine Directors, including the Chairman, to be appointed as follows:

- Institutional Supporters appoint a total of four Directors: namely, one is appointed by the Municipality of Florence, one by the Tuscany Region, one by the Metropolitan City of Florence and one by the Chamber of Commerce, Industry, Crafts and Agriculture of Florence;
- Non-Institutional Supporters appoint a total of four Directors: namely, one is appointed by the Palazzo Strozzi Partners Committee, including from among any non-members of said Committee; one is appointed by Intesa Sanpaolo s.p.a., one by the Fondazione Cassa di Risparmio di Firenze and one by the Fondazione Hillary Merkus Recordati.

These appointments shall be made during the Supporters' Meeting, at the end of which all Directors shall have been appointed. In case one single Supporter does not make an appointment, this shall be made by the Supporters once the 45-day period has expired, by a resolution passed by a majority of the members during a special Meeting.

The Directors appointed as above shall appoint the Chairman of the Board of Directors, who represents the ninth third-party director, not belonging to the Institutional and Non-Institutional Supporters, by a resolution to be passed unanimously, on the proposal of the Municipality of Florence. Until the appointment is made, the Board shall be chaired by the oldest Director.

The Directors may also appoint an Honorary President, who does not have the right to vote in the Meeting but can play relational and supporting roles (to be established by the Board) in favour of the Chairman for the relations with the territory and with third parties. The appointment resolution must be passed by majority, based on the merit earned over time by the person both in favour of the Foundation and, more generally, in the field of the promotion of art and culture in the reference territory.

Finally, the Directors may appoint, on the proposal of the Chairman, their own Secretary, entrusted with administrative functions and with the preparation and keeping of the minutes, the coordination of the various Board Members with each other and with the other Bodies and entities of the Foundation.

The members of the Board of Directors remain in office for three (3) years and may be re-elected; the term of office of the Board of Directors ends with the meeting called for the approval of the financial statements relating to the last financial year concerned with the appointment and, during that same meeting, the administrative body shall be renewed.

Any member of the Board of Directors who fails to attend three consecutive meetings of the Board of Directors without a justified reason may be declared revoked by the Board of Directors by a resolution adopted by an absolute majority of the members.

In this case, as in any other cases of vacancy of a Director, the person or body that has appointed that Director shall appoint a new Director within 45 days.

The Directors appointed as above shall remain in office for the time the replaced Directors should have held office.

If, for any reason, the majority of the members of the Board of Directors cease to hold office, the entire Board of Directors shall be considered revoked; the Board members still in office (or the entire Board in case of total revocation) shall deal with the ordinary administration and with the procedures for the renewal of the Board of Directors in accordance with the provisions of these Articles of Association.

Grounds for exclusion from the Board of Directors are the failure to comply with the provisions of these Articles of Association and with the regulations issued, as well as any actions that damage the Foundation's assets or reputation. The exclusion is resolved by an absolute majority of the members of the Board of Directors. In the event of minor non-compliance or at the request of the party concerned, the Directors may be suspended for a period not exceeding 90 days; suspended Directors are not counted for the calculation of the quorums to convene and pass resolutions as provided for in the Articles of Association.

Article 12 - Powers of the Board of Directors

The Board of Directors, vested with all the policy-making and administration powers, as well as with the scheduling of all the Foundation's activities, shall determine – in compliance with the purposes stated herein – the objectives and programs, verify the results of the administrative management and exercises all the Foundation's ordinary and extraordinary administration powers.

In particular, the Board of Directors is responsible for:

- a) the appointment of the Chairman and the appointment of the Honorary Chairman (if any). The first Meeting of the Board of Directors is called and chaired by the oldest Director;
- b) the approval of the budget, of the final balance sheet and of the yearly report on the activity carried out;
- c) the approval, within 90 days of its establishment, of a three-year financial plan containing the strategic lines and priorities of action of the Foundation, as well as the approval of the strategies and the multi-year artistic and cultural planning of the Foundation's activities on the basis of the proposals of the Director General;
- d) the approval, within the same deadlines as those provided for in the budget, of a yearly plan relating to the activities to be carried out in the following financial year;
- e) the acceptance of new Supporters and new members of the Palazzo Strozzi Partners Committee, as well as the appointment of the members of the Circle;
- f) the appointment of the members of the Scholarly Advisory Committee on the proposal of the Director General;
- g) the appointment of the Foundation's representatives within other bodies, entities or institutions;
- h) any agreements with the competent public bodies and with private parties where necessary for the achievement of the corporate purposes;
- i) the establishment of the office of the Foundation's Director General and the appointment thereof;
- j) the appointment and dismissal of the Directors and of the persons in charge of the institutes and services reporting to the Foundation, determining their tasks and duties, as well as their remuneration;
- k) the recruitment of employees and any decision relating to their legal and economic status;
- l) the purchase or sale of goods, the acceptance of donations, and any other financial transaction within the competence of the Foundation;
- m) dealing with any legal action by or against the Foundation;
- n) the conferral of professional assignments;
- o) the appointment of legal representatives;
- p) the approval of the Foundation's internal regulations (if any);
- q) the definition and approval of any Regulations;
- r) the composition, the appointment and the definition of the operating mechanism, the term and revocation of technical and scientific commissions aimed at implementing individual projects or initiatives, as well as the determination of the

- remunerations and reimbursements of expenses in favour of the members;
- s) the attribution of proxies to any individual members of the Board of Directors;
- t) any changes to the Articles of Association;
- u) the appointment of a Secretary, holding office for the same term as the Board of Directors;
- v) the appointment of the auditing firm and the determination of the remuneration thereof;
- z) the yearly notice to the Supporters' Meeting with the lists containing all members of the Palazzo Strozzi Partners Committee.

The Board of Directors deliberates with the favourable vote of the majority of those present, with the exception of the matters provided for under a), b), c), d), e), f), g), i), j), q), r), t), u) of this Article, for which – on pain of nullity – the favourable votes of one-half plus one of the Directors holding office are required.

Article 13 - Meetings of the Board of Directors

The Board of Directors is convened by the Chairman or, in case of absence or impediment thereof, by the oldest Director. The Chairman is also responsible for calling the Meetings, if requested by at least three Directors or otherwise at least every 180 days.

The call is arranged by letter, fax or e-mail to be sent to the Director with at least 5-day notice, except in urgent cases, for which the meeting is called by telegram, fax or e-mail to be sent at least one day in advance.

The call notice must include the date, place, time and agenda of the meeting, as well as any accompanying material required for a better understanding of the subject matters to be discussed.

The meeting resolutions may also be passed by using audiovisual connection systems, with the majorities specified in the last paragraph of Article 12 hereof.

In case of a tie, the Chairman – or, in the absence thereof, the person presiding over the Meeting – shall have the casting vote.

The minutes of the meetings of the Board of Directors, drawn up by the Secretary in a special book, shall be signed by the Secretary and the Chairman.

In order for Board Meetings held using audiovisual connection systems to be valid, all participants need to be identified and allowed to follow the discussion, to intervene in real time in the discussion of the topics, as well as to view, receive and transmit all the relevant documentation and contextually pass deliberations. If these conditions are met, the Board of Directors shall be deemed to have been held in the place where the Chairman and the Secretary of the meeting are located.

Article 14 - Chairman of the Board of Directors

The Chairman of the Board of Directors is the President of the Foundation, has the legal representation thereof, calls the Board of Directors and chairs its Meetings.

In case of absence or impediment of the Chairman, the functions thereof shall be provisionally assumed by the oldest member of the Board of Directors, until a new Chairman is appointed.

To this end, seniority is determined by recognizing the oldest member as the one who has been a member of the Board for the longest period of time uninterruptedly and, in case of simultaneous appointment, the oldest in age.

Article 15 - Supporters' Meeting

The Supporters' Meeting includes both Institutional and Non-Institutional Supporters, as well as a party designated by the Palazzo Strozzi Partners Committee. Meetings are held at least once a year or whenever the Chairman of the Foundation decides to call a meeting, including at the request of one of the Supporters. Participants, i.e. Supporters, can speak at the meeting and have one right to vote each.

The remaining Founders are also entitled to attend the Meeting.

During the Meeting, in compliance with the rules laid down in the Regulation defined in Article 12, item r) hereof, designations are made and the members of the Board of Directors are appointed.

The Supporters' Meeting, with the deliberation quorums established by the Italian Civil Code for changes to the Articles of Association, appoints the Board of Auditors pursuant to Article 17 hereof, expresses a mandatory and binding opinion on the admission of new Supporters, and a mandatory but non-binding opinion on the changes to the Articles of Association, on the approval of the final balance sheet, on the three-year financial plan, and on the multi-year art and culture strategies and planning referred to in Article 12, second paragraph c) hereof, on the acceptance of new members of the Palazzo Strozzi Partners Committee, on the resolution to dissolve the Foundation, and on all the subject matters the BoD considers worthwhile discussing.

The Supporters' Meeting is called and chaired without voting rights by the President of the Foundation or, if the latter cannot attend, by the oldest Board Member in age, and passes resolutions with the majority of votes.

The criteria for its establishment, for the voting procedure and for the keeping of the Minutes with the resolutions passed by the Supporters' Meeting are governed by a special regulation approved by the Board of Directors of the Foundation.

The organization and functioning of the Supporters' Meeting are fully regulated by Regulations approved by the Board of Directors.

Article 16 – Director General

The Director General is appointed by the Board of Directors with a resolution passed by a majority of the members.

The Director General deals with the activities falling under his/her competence as established by the Board of Directors and may receive proxies and powers of attorney. In particular, the Director General, within the limits and in compliance with the resolutions of the Board of Directors, is responsible for:

1. developing the strategies and the multi-year art and culture planning relating to the activities of the Foundation and its exhibition and cultural programming, to be submitted to the evaluation and decisions of the Board of Directors;
2. dealing with the ordinary management of commercial, operational, administrative and tax-related matters, in addition to the current activities of the Foundation, supervising the operation of the offices and the relationships with the employees, by establishing their duties and placement, preparing the organizational chart and the functional chart;

3. appointing special agents and proxies for specific acts or categories of acts, within the scope of Director General's powers, based on and always within the limits of the resolutions passed by the Board of Directors;

4. implementing the resolutions and directives of the Board of Directors. The Director General may also deal with all the activities falling under his/her competence or indicated by the Board of Director.

Article 17 – The Board of Auditors

The Board of Auditors consists of three regular auditors and three substitute auditors appointed by the Supporters' Meeting in compliance with the limits of incompatibility laid down in the Italian Civil Code for business corporations, as follows:

- one regular auditor and one substitute auditor are appointed by the majority of Institutional Supporters;

- one regular auditor and one substitute auditor are appointed by the majority of Non-Institutional Supporters;

- the Chairman of the Board of Auditors and a substitute auditor are appointed unanimously by the voters based on the proposal of the Municipality of Florence.

The Board shall remain in office for three years and may be re-elected. The members of the Board, who must be registered in the Register of Auditors, supervise the economic and financial management of the Foundation and report the results to the Board of Directors with an annual report on the budget and the financial statements.

The members of the Board of Auditors, in addition to the reimbursement of any expenses incurred during the conduction of their office, are entitled to a compensation to be determined by the Supporters' Meeting, taking into account the non-profit nature of the Foundation.

The minutes of the BoA's Meeting are contained in a special book kept by the Board.

Article 18 – The Scholarly Advisory Committee

The Scholarly Advisory Committee is a merely consultative body designed to assist the Director General in formulating guidelines, delivering opinions and submitting proposals on the Foundation's objectives, programs and activities.

It is appointed by the Board of Directors, on the Director General's proposal, and consists of a maximum of five members, including distinguished national and international personalities with proven experience and specific competence in the fields of activity of the Foundation.

The Scholarly Advisory Committee meets following the call by the Director General, or at the request of at least three of its members, at least once a year and whenever deemed necessary by the President of the Foundation or by the Director General, who have the right to take part in all the meetings without having a voting right.

The meetings of the Scholarly Advisory Committee are chaired by the Director General and may follow up written documents giving opinions or indications to the Director General.

The members of the Scholarly Advisory Committee remain in office until the expiration of the Board of Directors that appointed them, and can be reconfirmed.

Transitional and final provisions.

Article 19 – Winding-up and liquidation

In case of termination of the Foundation, the Board of Directors appoints one or more liquidators, determines their powers and the destination of any remaining assets, after hearing the Supervisory Authority referred to in Article 3 of Law 23/12/96, No. 662, if necessary.

In any case, the assets purchased by the Foundation and belonging to the categories provided for by Legislative Decree No. 42/2004, therefore having an artistic, cultural and documentary value, etc., will be assigned to the Founders and/or Institutional Supporters, who shall ensure the public use of the assets, subject to the applicable legislation.

The assets used by the Founders and Supporters will become available to the original contributors once again.

Article 20 – Referral clause

For any subject matter not dealt with in these Articles of Association and in the Bylaws, Articles 14 *et seq* of the Italian Civil Code and the other applicable regulations shall apply.

Article 21 – Requirements to be fulfilled in case of changes to the Articles of Association

If any changes to the Articles of Association are awaiting approval concerning the rules for the appointment of the Foundation's Bodies and the Board of Directors is about to cease to hold office, the following shall apply:

- the Board of Directors must wait for the approval of the new Articles of Association before starting the procedure for the appointment of the new Board;
- should such waiting period go beyond the usual term for the duration of the Board of Directors, the BoD shall remain in office for the time necessary for the approval of the new rules and for the fulfilments required for the renewal of the Board in compliance with the new rules;
- should the aforesaid waiting period exceed six months after the usual expiration of the term of the Board of Directors without new Articles of Association being approved, the Board of Directors shall start the renewal process according to the current Articles of Association.

If the number of Directors is increased as a result of the acceptance of new Supporters following changes to the Articles of Association, the current Board of Directors shall remain in office until the natural expiration of its term and the Directors appointed by the new Supporters shall remain in office for the term of the current Board.

Signed by GIUSEPPE MORBIDELLI

Signed by Notary Public MASSIMO PALAZZO via the affixed seal