



**CHARTER AND
REGULATION
(part I and II)**



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Unicapi



Charter

Title I

Establishment - Headquarters - Duration - Purposes - Company operating environment

Article 1) The Co-operative named "UNI. C. A. P.I. - Unitaria Cooperativa Abitazione Proprietà Indivisa Società Cooperativa" is hereby established.

The company is a member of the national and regional associations for the representation, support and protection of the Co-operative movement.

For anything not expressly provided for in this charter and the corresponding implementing regulations, the provisions of the Italian Civil Code and special laws on co-operatives shall apply, as well as the provisions relating to joint-stock companies, insofar as they are compatible with co-operative regulations.

Article 2) The Co-operative is headquartered in Modena, Italy

Article 3) The duration of the Co-operative is until 31 December 2100; this date may be extended by resolution of an extraordinary Shareholders' Meeting.

Article 4) The Co-operative is governed and regulated by co-operative principles, without the goal of private speculation. Its goal is to satisfy the housing requirements of its members while providing better conditions in terms of value for money, quality and guarantees than can be obtained on the market. To this end, it operates as an undivided ownership housing association in conformity with applicable Italian legislation governing social housing.

The Co-operative, with reference to the requirements and interests of its members, has the purpose of assigning the use of residential properties and relative appurtenances, whether built directly, purchased, renovated, or acquired in any form by the co-operative in accordance with the provisions of this Charter and by the internal regulations, without prejudice to the ability to take out rental contracts with third parties as well, incidentally, on the basis of obligations provided for in the deeds and in the conventions consequential to the assignment of developable areas. As a consequence, although it operates primarily with its members, the Co-operative may also carry out its activities with third parties who are not members, as long as this does not lead to the loss of the prevailing mutual co-operative requirement. The timeframes and conditions of these relationships are established by the governing body, in relation to the Co-operative's requirements.

Residences which receive public contributions may not be subject to transfer of title except in the specific cases provided for by applicable law.

In order to achieve these goals and realise the company purpose, the Co-operative may:

- a) Acquire and sell developable and developed land, including through exchange
- b) Acquire buildings, including of old construction, to be demolished for the use of the land, to be exchanged, redeveloped, renovated and finished, as well as to perform and acquire, on a primary or incidental basis, activities and services also of collective interest related directly or indirectly to the Co-operative's purpose
- c) To lease properties for uses other than residential purposes, even to parties external to the co-operative, solely in order to facilitate the attainment of the company purpose, determining the corresponding rents



- d) Form and take on holdings in co-operatives, consortia, limited companies, including with the participation of public bodies, which perform activities equivalent, complementary and ancillary to the company purpose and/or for the purpose of attaining its goals
- e) Construct and/or acquire leasehold buildings in areas owned by the public administration or other bodies, companies or private individuals
- f) Make use of the necessary financial instruments in order to achieve the company purpose, both ordinary credit and advance payments and loans from the members. The collection of the latter may, however, only take place between the members in pursuit of the company purpose, pursuant to applicable legislation governing the matter. Collection of member loans is governed by the dedicated regulations, pursuant to applicable legislation governing the topic. Collection of savings deposits from the public, in any form, is strictly forbidden. In terms of seeking ordinary credit, the Co-operative may carry out all necessary financial operations, including opening current accounts, issuing promissory notes, opening lines of credit and taking out real estate or mortgage loans
- f) Carry out all legal transactions necessary or useful to achieve the company purpose, within the limits imposed by applicable legislation
- g) Carry out all other activities useful for the social and cultural advancement of the members.

Article 5) The Co-operative operates predominantly within the province of Modena, Italy.

Title II - Shareholders

Article 6) The number of members, or shareholders, is unlimited but must not be below the minimum number established by law or for registration in the national register of housing co-operatives and their consortia.

The residence of each member for the purposes of their relationship with the Co-operative is that entered in the shareholders' register.

With the exception of those correctly entered in the shareholders' register as at 30 November 2011, membership of the Co-operative is limited to Italian citizens, or in any case natural persons legally resident in Italy for at least 3 (three) years who, not having conflicts of interest with the Co-operative, intend to work to achieve the Co-operative's purposes and meet the requirements laid out by law.

Membership is not permitted to those found guilty of criminal offences which, alone or in combination with financial penalties, carry a prison sentence of greater than three years, unless they have been rehabilitated and unless decided otherwise at the discretion of the Board of Directors.

Article 7) Those wishing to apply for membership must provide a written application to the Board of Directors, specifying the following:

- a) Name, surname, date of birth, place of residence, citizenship, profession and tax identification number ("codice fiscale")
- b) The value of the share they wish to subscribe
- c) Declaration of acknowledgement of this Charter
- d) A separate, express declaration that they accept conciliation and the arbitration clause, including in the form of a sole arbitrator for disputes totalling less than €10,000.00 contained in articles 39 et seq. of this Charter.



- e) The Board of Directors, having determined whether the requirements under the foregoing article 6 have been met, will make a decision on the application in accordance with the methods provided for by law.

Article 8) Upon admission, new members must:

- a) Subscribe and pay in the share capital, whose value may not be below or above the minimum and maximum limits established by the laws on co-operatives
- b) Pay the admission fee set by the Board of Directors Members are also obliged to:
- c) Comply with the Co-operative's Charter, its internal regulations, the conciliation and arbitration clause, the decisions adopted by the governing bodies, and any other legal deed entered into with the Co-operative itself
- d) Pay the sums representing the overall rental fee of the social housing assigned to them, the fees due for management of the building in which they reside, and any other expenses deriving from the obligations taken on as assignee for the use of the social housing
- e) To collaborate in good faith to realising the co-operative goals and attaining the Co-operative's purpose
- f) To pay in any other contributions, including as sunk capital requested by the Board of Directors pursuant to the decisions of the Shareholders' Meeting, in the cases permitted by law and this charter and implementing regulations, in order to allow the Co-operative to function correctly

Article 9) Share capital payments are indivisible. Dissolution of the relationship may occur through withdrawal or exclusion and death of the member, as provided for by article 10.

Article 10) In the event of the death of a member, the following parties may make a request to succeed them as member and assignee:

Their surviving spouse; or, if there is none:

- a) Their minor children; or:
- b) A separated spouse, who has been assigned the residence of the defunct member by the judicial authorities as the matrimonial residence
- c) Or, if there is no spouse or minor children:
- d) A partner cohabiting "more uxorio", as long as such cohabitation had been established for at least two years as at the date of death and can be proven by official records
- e) The other components of the household, as long as they had been living with the deceased for at least two years and are in possession of the applicable requirements for assignment of accommodation

For the purposes of the succession, parties as specified above must present to the Board of Directors an application for continuation of the relationship, under the same contents as the admission application.

The Board of Directors may request additional documentation proving the right of the requesting party and decide on the basis of the rules applicable for the admission of new members, without prejudice to the conservation of the seniority of registration acquired by the defunct member in favour of the above-mentioned heirs or legatees.

Such requests must be made within 180 (one hundred and eighty) days of the death; if this deadline should expire, the membership fee of the deceased member shall be liquidated and repaid pursuant to this charter, within the term provided for by article 2949 of the Italian Civil Code, and any co-operative



relationships existing between the deceased member and the co-operative will be terminated with immediate effect.

Whenever there are overdue debts payable to the Co-operative by the deceased, the subentry detailed above will require these debts – capital, interest and any fees – to be paid first by the heir or legatee.

Assuming the place of the defunct member is not possible if the conditions for their mandatory exclusion from the Co-operative came to pass before their death, or the exclusion process had been set in motion.

Article 11) Members are always permitted to withdraw from the Co-operative. Partial withdrawal is not possible.

The Co-operative must be notified of this by the withdrawing member, and this will apply both to the Co-operative membership and relationship, from the time of receipt of the communication acknowledging the notification.

Article 12) In the event of withdrawal or abandonment of the residence where the assignee member is married or in a cohabiting relationship “more uxorio” for at least two years, if their spouse or cohabiting partner intends to remain in the residence, they must apply for membership, with all the corresponding obligations, but will be given priority over the members on the waiting list.

This application must be presented to the Board of Directors alongside the request for withdrawal.

Upon acceptance of a withdrawal request where the situation outlined in the previous point does not apply, the accommodation must be returned to the Co-operative’s possession free of persons and possessions within 30 days of receipt of the request, or other term specified by the Board of Directors.

Article 13) The Board of Directors shall determine exclusion of members who:

- a) Do not fulfil their obligations deriving from legislation, the charter, the rules or the co-operative relationship
- b) Do not pay in their subscribed share or do not settle any obligations taken on towards the Co-operative in a timely manner, or are in arrears, full or partial, in the payment of the amounts due
- c) Have lost the requirements for their admission to the Co-operative as outlined in article 6 of this Charter.

Article 14) The decisions taken by the Board of Directors pursuant to articles 10, 12 and 13 must be communicated to the member by registered letter; the member may then make use of the arbitration bodies outlined in article 39 et seq. hereunder.

Such appeals must be lodged within 60 (sixty) days of receipt of the notification of the decision to be admissible.

Exclusion causes the members of the household of the excluded member to lose the right to be assigned and use social housing.

As such, the excluded member assignee must return the assigned housing unit to the Co-operative within the terms and according to the methods established by the deed of assignment, or where applicable by the Board of Directors in derogation of these.

Article 15) Members who withdraw or are excluded, or the heirs of defunct members in the event that the co-operative membership relationship does not continue, have the right solely to reimbursement by the Co-operative of the capital sum paid in; liquidation of this sum, which may be reduced in proportion to capital losses, will be made on the basis of the financial statement of the year in which



the withdrawal or exclusion occurs, and in any case shall never be more than the amount actually paid in. Reimbursement, without prejudice to the right to compensation of the Co-operative until all amounts due to it tally, shall be made within one hundred and eighty (180) days following approval of the financial statement specified in the foregoing clause.

Within the same term, and without prejudice to the right to compensation of the Co-operative until all amounts due to it tally, members who have withdrawn or been excluded from the Co-operative, or their heirs, shall accrue the right to reimbursement of the sums paid in to the Co-operative on other bases. The sums paid by members who have withdrawn, been excluded or are deceased as overall rental or property management fees are never reimbursable.

The right to reimbursement of the above applies for five years following the 180-day term defined above. Share capital for which reimbursement is not requested within the aforementioned term shall be assigned, by decision of the Board of Directors, to the indivisible statutory reserve.

Title III – Equity

Article 16) The Co-operative's equity is composed of:

- a) The share capital, which is variable and formed of an unlimited number of shares of co-operative members, each of a value within the legal limits set
- b) The statutory reserve
- c) The extraordinary reserve and any other reserve fund established by the Shareholders' Meeting and/or provided for by law.

The reserves are indivisible and may therefore not be divided between the co-operative members either during the life of the Co-operative, or upon its dissolution.

Article 17) The subscribed share capital must be paid in by the members within the terms and in accordance with the methods established by the Board of Directors.

The shares are registered. They may not be pledged or have other encumbrances placed on them by or in favour of third parties.

They may be transferred to third parties in a manner binding on the Co-operative solely with the consent of the Board of Directors under the conditions laid out in the Co-operative's regulations.

Obligations shall be met solely by the Co-operative with its assets, and the members within the limits of their subscribed shares.

Article 18) The ordinary reserve fund is composed:

- a) Of the legal reserve formed by the drawing, in amount no less than the mandatory minimum provided for by law, from the residual assets in the financial statement
- b) Of shares for which reimbursement is not requested, pursuant to article 15

Article 19) The extraordinary reserve fund is formed in the amount provided for by Article 21 hereunder.

Article 20) In the event of dissolution of the Co-operative, the entire share capital, minus the reimbursement of the shares actually paid in by the members, must be awarded to the mutual benefit funds provided for by article 11 of Italian Law no. 59 of 31.1.1992.

The residences must be transferred to the municipalities pursuant to the provisions of applicable regional laws.



Title V - Governing Bodies

Article 23) Co-operative Governing Bodies

The Co-operative's bodies are as follows:

- a) The Shareholders' Meeting
- b) The Board of Directors
- c) The Co-operative's Chairman
- d) The Board of Statutory Auditors
- e) Any party assigned to statutory auditing of accounts in the cases provided for by law or the Charter

Chapter 1: Shareholders' Meetings

Article 24) Shareholders' Meetings may be ordinary and extraordinary.

They are called by the Board of Directors and announced by the latter through one of the following alternative methods:

- Publication in the local press at least two weeks before the set meeting date
- Written notification to be sent to all members and affixed in the headquarters Notification must be mailed to the members and posted in the headquarters at least two weeks before the meeting date.

The Board of Directors may, at its discretion, use any other form of publicity in addition to the above in order to publicise the meeting call notice to the shareholders.

The notification must explicitly specify the list of matters to be dealt with, the location where the meeting will be held, and an indication of the date and time of the first and second calling.

The date of the second calling must be set at least 24 hours after that set for the first, but no more than 30 days.

If these formalities are not observed, the Shareholders' Meeting will be considered quorate when all members with voting rights are present, along with the majority of the members of the governing body and the members of the supervisory body, where nominated, participating. In this situation, each of the participants may oppose discussion of topics for which they do not consider themselves sufficiently prepared.

The meeting may also be called in a different location to the organisation's headquarters, as long as this is within the province of Modena.

Article 25) The responsibilities of the ordinary Shareholders' Meeting are as follows:

- a) Approve the draft and final financial report for the financial year
- b) Nominate the directors and auditors, and designate the President of the Board of Auditors from these
- c) Nominate, where required, the external auditor
- d) Decide on the responsibilities of the directors, auditors and the external auditors
- e) Approve the internal regulations with the specified majorities for the extraordinary Shareholders' Meeting
- f) Decide on the remuneration for the auditors and for the external auditor
- g) Decide on the remuneration for the directors
- h) Decide on all other matters relating to management of the co-operative reserved for it by law or this Charter



The Board of Directors must call the ordinary Shareholders' Meeting at least once per year within one hundred and twenty (120) days of the end of the financial year in order to debate approval of the corresponding financial report, or within one hundred and eight (180) days when the Co-operative is required to draft a consolidated financial statement or when this is required by particular provisions relating to the organisation's structure and purpose.

The Board of Directors shall also call a Shareholders' Meeting whenever it considers it necessary or when requested in writing, with an indication of the topics to be covered, by the board of auditors and at least one tenth of the members.

Tasks of the extraordinary Shareholders' Meeting:

- a) Debate modifications to the Charter
- b) Debate extension of the duration of the Co-operative
- c) Debate early dissolution of the Co-operative and nomination of liquidators and any other matter assigned to it by law and the Charter

Article 26) Shareholders' Meetings, both ordinary and extraordinary, are quorate in the first call when more than half of the members with voting rights are present and correctly decide with an absolute majority of votes on all items on the agenda.

The second call of the ordinary and extraordinary Shareholders' Meetings are quorate however many are present, with the exception of debate on the dissolution and liquidation of the Co-operative, which three fifths of members with voting rights must approve.

Article 27) Those who have been present in the shareholders' register for at least ninety (90) days have the right to vote in Shareholders' Meetings.

Each member has the right to a single vote, regardless of the value of the shares they have subscribed.

Each member with voting rights may be represented by another member, who must not be a director, with written delegation.

Each delegated member may represent only one member with separate delegation.

The delegations must be mentioned in the minutes of the Shareholders' Meeting and kept with the records in accordance with the terms laid out by law.

The co-operative representation organisations, local organisations and regional organisations have the right to participate in the Shareholders' Meeting through their representatives, without voting rights.

Article 28) Voting normally proceeds with an open vote, with the exception of nomination of officers, in which case a secret ballot is held.

Article 29) Shareholder's Meetings, both ordinary and extraordinary, are chaired by the Chairman of the Board of Directors, and in their absence by the Senior Deputy Chairman, and in the event that the latter is also not present, by the oldest board member.

The meeting shall nominate a Secretary, and where necessary, shall nominate an adequate number of tellers for the procedures in question.

The minutes of extraordinary Shareholders' Meetings must be drafted by the notary.

The minutes of the meeting must be drafted without delay, and must indicate the date of the meeting, the identity and number of participating members (including via an annex), the methods and results of the votes, the identity of the voters specifying whether they voted in favour of, against or abstained



from the motion (including via an annex), and on express request of the participants, a summary of their statements pertinent to the agenda.

Article 30) Informal building or zone meetings, which may also be partial, are also permitted, involving both assignee and non-assignee members, with advisory duties; the Board of Directors shall also call the Management Boards' Meeting, generally on a quarterly basis. These meetings do not have decision-making powers and are not binding on the co-operative's governing bodies. The requirements for the calling and running of these meetings are determined by the regulations.

Establishment of the Management Boards Co-ordination is also provided for, with duties of sole consultation and proposal. The methods of establishment and operation are laid out in the regulations.

Chapter 2: Board of Directors

Article 31) The Board of Directors is composed of a variable number of members, which shall not be less than nine and be no more than thirteen, elected from members who have been enrolled in the shareholders' register for at least three months, and who are up to date with their payments to the Co-operative and are not deemed ineligible pursuant to the provisions of articles 2390 and 2391 of the Italian Civil Code.

The Shareholders' Meeting is responsible for determining the number of Board Members before proceeding to nominate them.

Directors hold office for a period of three financial years and can be re-elected.

The Board of Directors elects a Chairman and Vice Chairman from its members.

Article 32) Termination and replacement of Directors is regulated by articles 2385 and 2386 of the Italian Civil Code.

Resigning board members are replaced by the Board of Directors up until the first Shareholders' Meeting with criteria identified by the Regulations.

Following termination of the majority of board members in office, the entire Board shall be terminated; an urgent Shareholders' Meeting for nomination of the new Board shall then called by the directors in office.

Article 33) The Board of Directors is invested with all powers of ordinary and extraordinary administration of the co-operative, without exception, and may perform all ordinary and extraordinary management operations relating to the activities assigned in article 4, and which in any case fall under the company purpose and are not reserved by law or Charter for the Shareholders' Meeting.

The Board of Directors is responsible for, amongst other things:

- a) Calling the ordinary and extraordinary Shareholders' Meetings and managing the debates and decision-making
- b) Drafting the financial statement, documenting the condition of prevalence pursuant to the first paragraph of article 2512 of the Italian Civil Code, with the methods per article 2513 of the Italian Civil Code, and drafting the management report pursuant to article 2428 of the Italian Civil Code, which must specifically indicate the criteria followed in managing the co-operative for achieving the purpose of mutual benefit, as well as the reasons of the decisions made regarding the admission of new members
- c) Preparing draft financial statements and formulating development programmes



- d) Preparing the internal regulations provided for by this charter to submit for approval to the ordinary Shareholders' Meeting
- e) Entering into agreements and contracts of any kind relating to the Co-operative's activities, including to: purchase real estate, build and assign social housing; take out and allow mortgages, take out endorsements, reduce or waive liens and any annotation in the land registry documents, authorise the performance of any operation at treasury offices, Cassa Depositi e Prestiti (CDP – state controlled fund and deposit institution), and any public and private office, and at banks and credit institutions; waive statutory mortgages and subrogations; open and close current and savings accounts; provide sureties; issue deposits; make requests and applications, including in town planning matters, to the competent authorities; acquire leaseholds;
- f) Settling and submitting to arbitration
- g) Granting special or general powers of attorney
- h) Taking on and terminating the staff of the Co-operative, in accordance with the provisions of the contracts, laws and regulations, determining their duties and remuneration
- i) Determining the remuneration of the administrators awarded specific responsibilities in accordance with the memorandum of incorporation
- j) Deciding on the admission, withdrawal and exclusion of members and revocation of the assignment of accommodation
- k) Providing for the replacement, pursuant to article 2386 of the Italian Civil Code and article 32 of this Charter, of its members who should pass away, resign or be replaced during the course of the financial year
- l) Monitoring the use of the accommodation and co-operative areas by the assignees, determining the maximum rental fee, authorising additions or changes to the people living in the residences, where appropriate
- m) Defining the criteria, the methods and the terms for the assignment of real estate, including with the goal of ensuring and promoting social cohesion and inclusion amongst the assignees
- n) Setting the share capital amount

The Board of Directors may nominate a Manager, defining their precise duties.

Article 34) The Board of Directors may delegate a portion of its duties to one or more of its members, or else to an Executive Committee composed of between three and five members, amongst which the Chairman and Vice Chairman and a number of Directors such as to complete the numerical composition determined by the Board of Directors.

The tasks of the Executive Committee and the limits of the delegation are determined by the Board of Directors from time to time and must be communicated at the first Shareholders' Meeting following nomination of the committee itself.

The decisions of the latter must be noted in a dedicated register, to be kept with the same methods established for the register of minutes of the Board of Directors' meetings. They must be communicated to the Board of Directors at the first meeting after they are made.

The Board of Directors may make use of one or more purely advisory committees for the performance of its activities, the operating methods of which are determined by the Internal Regulations.

Article 35) Chairing of the Board of Directors' meetings is regulated in the same manner as for the provisions outlined by article 30 regarding the chairing of the Shareholders' Meetings.



It is called by the Chairman whenever they consider this appropriate, and in any case at least once a month, or when requested by at least a third of the Directors.

Calls are made by letter to be sent also to the regular auditors, at least three days prior to the meeting, or in urgent cases by telegram at least one day before the meeting.

Meetings are quorate when a majority of the directors in office attend, and decisions are made with an absolute majority of the votes.

Votes are normally open; they are, however, secret in the event that decisions must be made relating to natural persons and when an express request is made by even a single Director.

In secret votes, a tied vote shall mean rejection of the proposal.

Directors who do not attend four consecutive board meetings, or who take actions contrary to the interests of the Co-operative, shall be considered to have resigned their post. In the latter case, the decision of termination must be ratified at the meeting.

Meetings of the Board of Directors are not normally public.

Article 36) The Chairman of the Board of Directors represents the Co-operative contractually and legally, calls and chairs the Board of Directors' meetings, and monitors that all the Co-operative's services function correctly. They have signing authority for the Co-operative and are authorised to receive payments of any nature and for any reason from the public administration and private individuals, issuing receipts and quittances.

With the exception of the provisions of article 34, subject to authorisation of the Board of Directors, the Chairman also has the ability to nominate lawyers and arbitrators for civil disputes, both as complainant and defendant, involving the company before any judicial and administrative authority, and in any level of jurisdiction, including initiating civil proceedings.

Subject to authorisation of the Board of Directors, the Chairman may delegate their powers, partially or entirely, to the Senior Deputy Chairman and another member of the Board of Directors, as well as to the Manager of the Co-operative, where nominated. In the event that the Chairman is absent or indisposed, all their duties become the responsibility of the Senior Vice Chairman, whose signature shall provide full evidence to any party of the absence or impediment of the Chairman.

Chapter 3: Board of Auditors

Article 37) Where the legal requirements pursuant to article 2543 of the Italian Civil Code are met, the Co-operative shall nominate the Board of Auditors, composed of three regular auditors and two substitute auditors, elected by the Shareholders' Meeting. The Shareholders' Meeting may, in any case, nominate a Board of Auditors even when this is not required by law.

Auditors remain in office for three financial years, their posts expiring at the date of the Shareholders' Meeting called for the approval of the financial report for their third year in the role; they can be re-elected.

The Board of Auditors must supervise the observance of the law and the Charter, pursuant to the principles of sound management, and in particular the suitability of the organisational, management and accounting structure adopted by the Co-operative and its concrete operation.

The Auditors shall, upon approval of the financial report, report on the criteria followed in management of the co-operative in pursuit of the mutual benefit goal, and on the existence of the requirement of "prevalently mutual" operations.



The Board of Auditors, by law, shall participate in the Board of Directors' meetings, the Shareholders' Meetings and meetings of the Executive Committee, when nominated, and performs all functions assigned to it by law.

Auditors, who can perform inspection and supervisory activities at any time, even individually, must perform the regular checks and inspections and anything else provided for by law.

A report must be compiled for all inspections, including individual ones, to be kept in the dedicated register.

Article 38) Statutory auditing of the accounts is performed by a statutory auditor or an external auditing firm, pursuant to article 2409 a) et seq. of the Italian Civil Code.

Assignment of the statutory auditing of the accounts is determined by the Shareholders' Meeting, upon a reasoned proposal by the Board of Auditors, where nominated; the Shareholders' Meeting shall determine the remuneration due to the statutory auditor or the external auditors for the entire duration of the assignment.

The assignment has a duration of three financial years, with expiry upon the Shareholders' Meeting called for approval of the financial report for the third year of the assignment.

If the requirements specified in article 2409 a) para. 3 of the Italian Civil Code are met, the Shareholders' Meeting may assign the statutory auditing of the accounts to the Board of Auditors, where nominated and available.

Title VI - Disputes - Arbitration bodies

Article 39 (Conciliation and Arbitration Clause)

Disputes which should arise between the Co-operative and its bodies, or between the Co-operative and individual members, or between members themselves, as well as disputes raised by directors, auditors and liquidators, or raised against them, related to the interpretation and application of the memorandum of incorporation and/or more generally in the performance of the Co-operative's activities, as long as they relate to available rights, shall be initially subject to an attempt at conciliation in accordance with the provisions of the mediation regulations of the conciliation service of the Modena Chamber of Commerce, to whom the parties shall refer. It is expressly agreed that any information on the performance of the conciliation process, including any proposal of the conciliator and all positions which may be taken by the parties with regard to it, are absolutely confidential and may not in any way be used in any judgement initiated following an unsuccessful attempt at conciliation. A report on the unsuccessful conciliation drafted by the conciliator in the event that the conciliation process is not successful will solely contain the names of the parties involved and the lack of success of the conciliation attempt, without providing any other details or elements in this regard.

Any dispute not defined within the terms of the specified regulation through conciliation as provided for in the foregoing clause shall be deferred to the decision of statutory arbitrators in accordance with the provisions of Italian Legislative Decree no. 5/03, nominated with the methods specified in article 41 hereunder, unless the mandatory intervention of the public prosecutor is required:

- All disputes arising between members or between members and the Co-operative relating to available rights, including when the capacity of membership is disputed
- Disputes relating to the validity of the decisions of the Shareholders' Meetings
- Disputes by Directors, Liquidators or Auditors, or against them

The arbitration clause laid out in the foregoing clause is also extended to all categories of members, including those who are not co-operative members. Express acceptance of this clause is a requirement



for applications to the Co-operative by new members. Acceptance of the nomination for the role of Director, Auditor or Liquidator is accompanied by express adherence to the requirement of the foregoing clause.

Article 40 (Arbitrators and Procedure)

There shall be the following number of arbitrators:

- One, for disputes of an amount below €10,000. For the purposes of determining the value of the dispute, the arbitration request shall be taken into account, having followed the criteria laid out in article 10 et seq. of the Italian Code of Civil Procedure
- Three, for other disputes

The Arbitrators shall be chosen from the legal and sector experts of the Chamber of Arbitration and Co-operative Conciliation.

If no such designation is forthcoming, they shall be nominated by the president of the court in whose jurisdiction the headquarters lie.

The arbitration request, including when it relates to relationships between members, shall be communicated to the Co-operative, without prejudice to the provisions laid out in article 35, para. 1 of Italian Legislative Decree no. 5/03.

The Arbitrators shall make their decision in accordance with the law. Without prejudice to the provisions of article 36 of Italian Legislative Decree no. 5/03, members may decide to authorise the Arbitrators to decide in an equitable manner, or can declare that the award not be subject to appeal, with reference solely to the rights on assets available.

The Arbitrators shall make their decision within three months of the arbitration body being set up, unless they extend this term, which may occur once only, in the case laid out in article 35, par. 2 of Italian Legislative Decree 5/03, in the event that it is necessary to make use of an expert witness, or in any other case in which the expiry of said term may harm the completeness of the determination or compliance with the principle of the right to be heard.

In carrying out the procedure, all formalities not required to comply with the principle of the right to be heard shall be left out. Upon their assembly, the arbitrators shall set the procedural rules to be followed and communicate these to the parties. They must, in any case, set a dedicated negotiation hearing.

The fees for the operation of the arbitration body are paid in advance by the party requesting the procedure.

Article 41 (Implementation of the Decision)

Except in cases which incorporate a cause for exclusion in and of themselves, failure to carry out the definitive decision of the dispute assigned to the arbitrators shall be considered a cause for exclusion of the member, when it has a bearing on the compliance of their obligations towards the Co-operative or when it leads to the presumption that they are not fairly co-operating with the Co-operative's activities.

Title VII - Internal Regulations

Article 42) The technical and administrative operation, as well as the ordinary management of the Co-operative, is specifically governed by internal regulations which must be compiled by the Board of Directors and approved by an Ordinary Shareholders' Meeting with the specified majorities for extraordinary meetings.

One or more internal regulations must regulate the following in each case:



- a) The operation of the Co-operative's bodies
- b) The reservation and assignment of the social housing, as well as the general criteria for determining the rental fees
- c) The management of the social housing
- d) The collection of co-operative savings or loans from the members
- e) The maintenance of the social housing
- f) The methods of exclusion of members
- g) Rebate assignment criteria

Title VIII - Dissolution and Liquidation

Article 43) In the event of dissolution and liquidation of the Co-operative, an Extraordinary Shareholders' Meeting shall nominate three liquidators, preferably from amongst the members, and establish their powers.

They shall proceed with the liquidation using the methods established by the Shareholders' Meeting pursuant to legal requirements and the provisions of the Charter.

Article 44) For anything not provided for by this Charter and article 2511 et seq. of the Italian Civil Code, the regulations applying to companies limited by shares shall be followed.



REGULATION I

Title I: General Rules

Article 1) This Internal Regulation I for UNI.C.A.P.I. Soc. Coop. (Co-operative) is hereby adopted, following the decision made by the Ordinary Shareholders' Meeting, pursuant to the provisions of Article 42 of the Co-operative's Charter.

Any modifications to it must be approved solely by the Ordinary Shareholders' Meeting with the majorities specified for Extraordinary Shareholders' Meetings.

Article 2) The matters governed by this Regulation are:

- **Title II:** The operation of the Co-operative's bodies, the structure of the Co-operative, the reservation and assignment of the social housing and/or real-estate units, and the methods of exclusion of members
- **Title III:** The reservation and assignment of the social housing and/or real-estate units
- **Title IV:** The management of the social housing and/or real-estate units
- **Title V:** The maintenance of the social housing and/or real-estate units

Title II: The operation of the Co-operative's bodies, the structure of the Co-operative, the reservation and assignment of the social housing and/or real-estate units, and the methods of exclusion of members

Chapter 1: Shareholders' Meetings

Article 3) With regard to the calling of Shareholders' Meetings and the corresponding formalities, express reference shall be made to Article 25 of the UNI.C.A.P.I. Co-operative's Charter.

Article 4) In order to participate in a Shareholders' Meeting, each member must identify themselves to the secretarial personnel responsible for such checks by presenting a letter of convocation and, where required, an identity document.

Delegations from other members must be presented at the same time by each member.

Once recognition has been performed, the name of the member and the other member they are delegated to represent, where applicable, are checked off a corresponding list of members of the Co-operative prepared for each Shareholders' Meeting.

The member is then given the appropriate material for themselves and for the other member they are representing with delegation, where applicable, for whom they express their vote during open votes, in compliance with article 28 of the Charter.

Delegations provided by other members must be noted beside the name of each member attending the Shareholders' Meeting on the corresponding up-to-date list of members.

The above-mentioned list must be attached to the minutes of the Shareholders' meeting as an integral part of the same, once the checks of the attendees of each meeting have been performed.

The tellers elected for each Shareholders' Meeting must ensure precise compliance with the formalities outlined above by the Co-operative's secretarial personnel.



Article 5) Upon a proposal of the Chairman, before beginning debate of the agenda, the Shareholders' Meeting shall nominate a Secretary and Tellers with an open vote, in accordance with the provisions of Article 29 of the Co-operative's Charter.

The Secretary is responsible for drafting the minutes of the meeting and assisting the Chairman in the execution of their functions.

The Tellers are responsible for counting the votes made by the members in the open votes, and for tallying the voting forms in secret votes and communicating the votes allocated to each candidate to the Chairman.

Article 6) Open votes are performed with the method specified in the foregoing Article 4.

Secret votes are made with dedicated voting forms on which the names of the candidate members are listed, of a number at least equal to that established by the Shareholders' Meeting within the limits modified by the Charter.

The number of members eligible for the office of Director is determined by the Shareholders' Meeting, in conformity with the requirements of the charter, regulations and legislation: employees of the Co-operative cannot be elected to the Board; no more than three non-assignee members may be elected to the Board of Directors. Within two weeks of the date of the Shareholders' Meeting, an "Electoral Procedures Committee" must be formed made up of five members indicated by the Board of Directors who are suitably not candidates for taking on the roles of officers.

This committee may, whenever the Shareholders' meeting decides, become an electoral committee with the task of scrutinising the votes, being expanded where necessary.

The "Electoral Procedures Committee" shall assess the correctness of the presentation of pre-candidate nominations.

Each member may be listed amongst the pre-candidates (and subsequently amongst the candidates, as specified hereunder) on the condition that they have been put forward by at least four members through a duly signed request.

These presenting members must not be candidates, and present only one nomination.

The nominations must be made in writing to the "Electoral Procedures Committee", which sits at the Co-operatives offices within five days of the date of the Shareholders' Meeting. The candidate shall, in turn, sign for acceptance of the candidature. The formalisation of the pre-candidates becoming candidates is made by the electoral committee, which communicates the names during the Shareholders' Meeting. Candidates who do not follow this presentation procedure can do so during the course of the Shareholders' Meeting itself; they must nevertheless be put forward by at least four members in accordance with the methods specified above.

Nomination of candidates can also be made grouping together multiple names (homogeneous list for groupings as defined below), without prejudice to the fact that each candidate must always be put forward by at least four members, as in the foregoing clause.

These lists may be identified with individual names or brief phrases (mottos or slogans) and must group together a number of candidates eligible for the office of Director within the minimum and maximum limits laid out by the Charter.

The voting forms must include:

1. In the absence of groupings, an indication of the names of the candidates in alphabetical order
2. In the presence of two or more groupings, an indication of the names divided in accordance with their affinity, identifiable by motto or slogan and listed on the voting forms according to the order of nomination; the candidates comprising a grouping may indicate a top candidate



3. The names of candidates who are not part of a grouping, to be listed on the voting forms in alphabetical order

4. Spaces (blank lines) to be left to allow the insertion of the names of candidates put forward during the Shareholders' Meeting

Next to each name there must be a box to check in order to indicate the voting choice. The votes shall be performed by secret ballot, after the representative of each grouping or individual candidate has had the chance to outline the program for their candidature within the timeframe determined by the Chairman of the Shareholders' Meeting. Each shareholder must indicate a number of preferences equal at most to the number of Board Members provided for and decided on by the Shareholders' Meeting, for themselves and for the member they are representing through delegation, where applicable, also choosing between multiple groupings where present.

Those who receive the most votes shall be elected: forms containing a greater number of votes and the candidates to be elected shall be considered void.

In the event of termination of Directors, the Board of Directors, pursuant to article 2386 of the Italian Civil Code, shall replace the Director with another nomination, taking into account the nominal preferences.

After the tellers have counted up the forms, the Chairman shall declare the final results of the voting. For each vote, the Secretary shall note down the votes obtained by each candidate, the number of blank and voided forms, and the final results in the minutes of the meeting. In open votes, the Secretary shall draft the minutes in accordance with article 29 of the Charter.

Article 7) Before beginning the debate, the Chairman shall submit the agenda to the attendees of the Shareholders' Meeting for approval, subject to the insertion of new topics to be debated in the "other business" section.

With the approval of the definitive agenda, no topic outside of those specified in it may be put forward for debate, except in the event of a unanimous request by the attendees.

Article 8) The Chairman shall put the topics in the agenda up for debate, forming a list of members participating in the Shareholders' Meeting who intend to speak in the debate for each of them. After completion of the list specified above, within the terms outlined by the Chairman, this shall be closed and no member other than those listed may take part in the debate, except for personal questions or to present a point of order.

The Shareholders' Meeting shall set the maximum duration of each speech for every topic on the agenda, taking into account the list of speakers and the importance of the topic being discussed.

Article 9) The minutes of the Shareholders' Meeting shall be prepared in accordance with the methods outlined in Article 29 of the Charter.

Chapter 2: Advisory Building or Zone Meetings

Article 10) Advisory meetings for buildings (meaning not only a meeting of members resident in a single building, but also a group of buildings identified as such upon a proposal of the Board of Directors), or geographical zones, are the tool used to implement both consultation of the Co-operative base by the Board of Directors, and participation of the members in resolving the problems of the Co-operative. Advisory meetings may be attended not only by the members of the Co-operative's



management and control bodies, but also members assigned the use of social housing or a real-estate unit within the building and/or residential complex for which the meeting is being held. Non-assignee members resident there may also participate in zone meetings, in addition to the parties specified above.

Article 11) Building or zone meetings do not adopt decisions or resolutions binding on the management bodies of the Co-operative, but only debate problems and proposed solutions submitted by the Chairman from time to time.

Article 12) Building or zone meetings are announced by the Chairman of the Co-operative, after informing the Board of Directors. The meetings are called via a communication to be affixed to the notice board of each building concerned, or through equivalent means for non-assignee members, at least six days before the date set for the consultation to take place. This notice of convocation must include a summary of the topics to be discussed and the date, time and location of the meeting.

Article 13) Each meeting shall nominate a Chairman and a Secretary from its attendees, who shall oversee the debate and take summary notes on the broad direction to emerge from it. A summary of the results of the discussions, signed by the meeting's Chairman and Secretary, shall be sent to the Co-operative's Board of Directors for their information.

Article 14) The procedural rules to follow in the debate shall be established for each meeting, ensuring appropriate and broad development of the consultation.

Article 15) The Building meetings shall also meet with decision-making powers for the exercise of the functions and with the methods pursuant to article 65 et seq. hereunder.

Chapter 3: The Board of Directors

Article 16) Each time it meets, the Board of Directors shall nominate a Secretary, who does not have to be a member of the Board itself, who is responsible for drafting the minutes of the meeting.

Article 17) The minutes of the Co-operative's Board of Directors' meetings shall include full details of all decisions made by the body itself and the votes made on each of them. The minutes must be signed by the Chairman or the acting Chairman, and by the Secretary. The minutes must also include any justifications provided from time to time by the missing Directors. The minutes of the Board of Directors' Meetings shall be transcribed into a dedicated register, to be kept in the headquarters of the Co-operative and made available to members in accordance with legal provisions.

Chapter 4: Management Boards Meetings and Co-ordination

Article 18) Meetings of the Management Boards are the tool through which the Board of Directors implements consultation of assignee members; these meetings may also be attended by non-assignee members. It is also required that the Board of Directors convene this body at least twice per year.



The Management Boards' Meeting shall nominate a Co-ordination Committee composed of the head of each Management Board or their delegate.

Article 19) The Co-ordination Committee is the advisory body of the Co-operative's Board of Directors and is chaired by a Director delegated by the Board of Directors itself.

Meetings of the Co-ordination Committee are called by the delegated Director or on the request of at least a third of their members.

The Directors may participate in the meetings of the Co-ordination Committee. Meetings of the Co-ordination Committee may have minutes taken and, where applicable, sent to the Chairman of the Co-operative's Board of Directors.

Any proposals and suggestions which must in any case be sent to the Co-operative in writing, shall be illustrated at the first available meeting of the Board of Directors.

Co-ordination meetings shall preferably be held at the Co-operative's headquarters.

Chapter 5: Accommodation Assignment Committee

Article 20) The committee for the assignment of accommodation or real-estate units has the following tasks:

- a) Examining the requests for assignment of new accommodation or those freed up by its prior occupants and requests for changes in accommodation submitted by members in accordance with the Charter and Internal Regulations, along with supporting documentation, in order to ascertain the formal correctness of the same
- b) Requesting, where necessary, correction of the above requests and additions to the supporting documentation
- c) Assigning scores to each requestor in accordance with the criteria set by the Board of Directors and on the basis of the procedures laid out in the Charter and the Internal Regulations
- d) Preparing a waiting list of requestors on the basis of the assigned scores and submitting it for the approval of the Board of Directors

Article 21) The Committee is composed of 5 (five) or 7 (seven) members of the Co-operative, nominated by the Board of Directors, of whom at least 1 (one) must be a member of the Board itself who chairs it.

Article 22) The Committee shall meet and operate in accordance with the terms and methods established from time to time by the Board of Directors. The sessions of the Committee shall be considered valid when more than half of its members are present. Minutes shall be drafted for each meeting of the committee, to be signed by the Chairman of the Committee itself and kept in the records.

Chapter 6: Maintenance Committee

Article 23) The Maintenance Committee has the following tasks:

- a) Working with the Co-operative's technicians to draft the multi-year maintenance plan to be submitted for the approval of the Board of Directors
- b) Examining and checking the performance of and status of the maintenance provided for by the multi-year plan, through the support of the Co-operative's technicians



Article 24) The Committee is composed a variable number of members of the Co-operative, between 9 (nine) and 13 (thirteen), nominated by the Board of Directors, of whom at least 1 (one) must be a member of the Board itself who chairs it.

The Committee shall be composed of at most 6 (six) members covering the Modena area, 2 (two) members for the municipalities of the northern area, 2 (two) members for the municipalities in the foothills, and 2 (two) members for the eastern municipalities.

Article 25) The Committee shall meet and operate in accordance with the terms and methods established from time to time by the Board of Directors.

The sessions of the Committee shall be considered valid when more than half of its members are present, or when the consultation and acceptance of the same on the decisions to be taken is certain.

Minutes shall be drafted for each meeting of the committee, to be signed by the Chairman of the Committee itself and kept in the records.

Chapter 7: Member Relationships and Members' Committee

Article 26) The Members' Committee is responsible for examining and investigating any conflict between members or in any case situations which cause problems and difficulties with living together inside a building.

The Committee is also responsible for gathering any information, pursuant to privacy and confidentiality legislation, from the relevant institutional bodies or which can be of assistance in assessing particular problematic situations, and where applicable proposing support or mediation measures to the Board of Directors. The Committee, nominated by the Board of Directors, is composed of the Chairman of the Co-operative and two Directors. The committee may decide, on a case-by-case basis, to invite the head of the Management Committee of the building concerned to its meetings.

Chapter 8: Member Exclusion

Article 27) The Board of Directors shall determine exclusion of members who:

- a) Do not comply with the provisions of the Co-operative's Charter and Internal Regulations, the decisions legally adopted by the Co-operative's bodies, and any other legal agreement made with the Co-operative
- b) Fall into arrears, after a formal reminder by the President of the Co-operative, in the payment of the subscribed share or in fulfilment of the obligations under Article 7 para. 2 b) of the Charter, and as provided for by Article 54 of the Internal Regulations
- c) Perform actions which are nevertheless prejudicial to the interests of the Co-operative

Title III: Reservation and Assignment of the Social Housing and/or Real-Estate Units

Chapter 1: General Regulations

Article 28) The following regulations set the formal and legal criteria with which the Co-operative assigns the use of its available accommodation and/or real-estate units to members.



Chapter 2: Assignment Announcement

Article 29) It is the responsibility of the Board of Directors to approve the Co-operative's building works plans.

These plans are drafted on a mandate from the Board of Directors and shall be supported by, in addition to an explanatory report detailing the characteristics of the work, a detailed financial plan with a breakdown of expected costs and coverage for each building work. This financial plan must specifically indicate the following: the total costs for acquiring the building, area or lease for the area affected by the proposed building work; the planning costs for the work itself; the total construction costs, including the finishing work for each building; the works management/supervision costs; the finance costs and any other costs relating to the work.

Article 30) At the foot of the provisional financing plan specified in the foregoing article, the Board of Directors shall highlight the global cost overruns in the project's construction compared to the financing granted to the Co-operative and/or self-financing for its construction.

This overrun must be divided between the various social housing units which together form the building work, in proportion to the square metreage of each.

Article 31) The excess cost share for each new-build social housing unit under the preceding article represents a non-interest bearing payment to the accommodation rental account which each member must pay to the Co-operative, in the manner set by the Board of Directors, in order to obtain the assignment of the accommodation itself.

These methods must essentially take into account the principle of equality of all members by the Co-operative, as well as equality of treatment of members and, only in exceptional cases as determined by the Board of Directors, may take into account the specific financial and family situations of the individual assignees.

The non-interest bearing payment into the rental account for new-build construction as specified above must be repaid by the Co-operative to the member should they give up the assignment and/or reservation, without interest or other increase in value, with the specified methods and without any possibility of exceptions by the Board of Directors.

Should the costs of the construction work be greater than those identified in the financial planning, the Board of Directors may determine that each member who is an assignee of the specific building work must pay additional amounts in non-interest bearing payments to the accommodation rental account, in the manner set by the Board of Directors.

In the event that assignees of the accommodation should not make the non-interest bearing payments to the accommodation rental account, the Board of Directors, subject to a formal reminder by the Chairman and, where applicable granting of a maximum term of three months in which to make the payment, must proceed to exclude the member and consequently simultaneously request the immediate return of the accommodation.

In the event of legitimate reasons of serious family financial hardship, the Board of Directors may grant assistance in the non-interest bearing payments to the accommodation rental account for the social housing.

In no case may assignees request that the non-interest bearing payment be offset, even partially, with the sums due to the Co-operative.

Even outside the provisions of article 42, para. 5 hereunder, and in the case of existence of a rental assignment contract, the Co-operative may offset its credits towards the assignee member resulting



from enforceable title or sentence by the judicial authorities with the non-interest bearing payment. In these cases, the member is required to reinstate the non-interest bearing payment within a maximum period of three months or else face exclusion.

Members leaving the accommodation assigned to them for any reason have the right to repayment by the Co-operative of the non-interest bearing payment made by them to the rental account for the accommodation, within the term set in the deed of assignment.

The new assignee member replacing the previous assignee in terms of all rights and obligations must make another non-interest bearing payment into the social housing rental account payable to the Co-operative, in an amount equal to that of the previous assignee, increased by an amount equal to the change in I.S.T.A.T. national consumer-price index for the families of factory and office workers from the day that possession of the same accommodation was given to the previous assignee.

Pursuant to, and for the attainment of, the purposes of the Co-operative and equality of treatment of members, whenever the value of the non-interest bearing payments should become excessively high or significantly reduced, the Board of Directors may:

- a) Set a maximum limit on the non-interest bearing amount, beyond which to suspend the above-mentioned ISTAT update
- b) Also establish, with reference to residences for which there is a relatively low non-interest bearing amount (and in any case less than the maximum limit of the previous clause) and in which the Co-operative has carried out significant work and renovation, a non-interest bearing payment amount from the members in relation to the work and improvement performed on the assigned accommodation, even in addition to what already paid

In any case, the decisions made must meet the criteria of consistency within the scope of each real-estate initiative.

Article 32) The Board of Directors shall notify its members of the plan of building works during the course of each financial year through a dedicated communication, which shall explicitly state:

- a) The administrative details
- b) Indication of the municipality in which the Co-operative is carrying out the building work
- c) A summary description of the technical and living characteristics of the work itself
- d) Indication of the available accommodation
- e) A detailed list of the requirements of members entitled to apply for assignment of the available accommodation
- f) Indication of the advance non-interest bearing payment amount to be made by each assignee toward the accommodation rental account and the methods of payment
- g) Indication of the provisional and initial rental fee with reference to a standardised square metrage for each social housing unit available
- h) Details of the formalities required to apply for assignment
- i) Any other information considered useful for members

The Board of Directors shall notify members, with the same formalities as outlined in the previous clause, of the availability of previously reserved and/or assigned accommodation which should become free before its final handover.

The Board of Directors shall also define the criteria, methods, terms and requirements for the creation of a special list of members requesting a change of accommodation, known as the “Accommodation Change List”, with two-year validity. Members may be requested to contribute to the renovation costs of the accommodation, on the basis of the criteria established by the Co-operative’s Board of Directors.



Article 32 a) In the event that two or more assignee members agree amongst themselves an exchange in assigned accommodation, they shall make a corresponding request for authorisation to the Co-operative. The Board of Directors, upon proposal of the Accommodation Change Assessment Committee, shall decide on authorisation for the reciprocal exchange within the non-mandatory term of 60 (sixty) days from receipt of the request, assessing the pre-eminent interests of the Co-operative and correct, effective and fair management of the real-estate assets.

In the case of reciprocal exchanges, the non-interest bearing payments shall not be subject to index-linked changes but may be adjusted for individual members on the basis of the relative change in accommodation. It shall also not lead to the application of the “new co-operative fee”.

The accommodations shall be reciprocally exchanged in the conditions in which they are found, which the members must expressly declare to be known to and accepted by them in the request specified in the first clause, without any responsibilities for the Co-operative.

Article 33) The Co-operative, subject to a corresponding decision to be taken by the Board of Directors, may reserve a share of the accommodation in the municipalities in which it plans to build residential units to be assigned to persons that the municipality indicates in a corresponding list, supported by the necessary documentation; these persons shall be required to become members. This list shall be sent to the Co-operative by the municipality within the term set by the corresponding agreement.

The relationships relating to the above-mentioned portion between the Co-operative and the municipalities in whose territory the residential units are to be built shall be regulated by the same agreement.

Article 34) Each member interested in applying for the assignment of available accommodation must:

- a) Have met the Co-operative’s requirements
- b) Be in possession of the requirements imposed by the different legislation establishing public financing for each building work
- c) Not be the owner or beneficiary of other habitable accommodation, or unproductive land greater than one hectare
- d) Prove, under their own responsibility, and notwithstanding the provisions of facilitated building legislation: 1) That the household's income is sufficient to meet the commitments to be taken on towards the Co-operative; 2) Their living situation; 3) The composition of their household; 4) Provide, when specifically requested, any other item useful for evaluation of their need of accommodation.

The requirement under point c) may also be held by a cohabiting spouse.

Article 35) The Board of Directors, for the purposes of ascertaining the requirements specified in the foregoing article, has the power to request deeds, documents and certifications issued by the public administration from any member, or those containing relevant content, as well as performing direct checks.

In the event that the member requesting the assignment of available accommodation makes a false declaration, they may be excluded from the waiting list. Should this false information come to light after the member has taken possession of the assigned accommodation, the Board of Directors may cancel the assignment and require immediate return of the assigned accommodation.



Article 36) Any member interested in receiving the assignment of accommodation which is available must make an application on the corresponding form, in accordance with the terms and methods established by the Board of Directors.

One application may be made per household, with the exception of the cases in which the household contains pensioners or young members of both genders, in which multiple applications per household are permitted.

Article 37) Assignment of available accommodation is performed on the basis of a waiting list of entitled members who have applied for it, for which the Board of Directors must provide final approval by the date of formalisation of the assignment. A variable portion between 10% and 40% of new-built accommodations may be assigned to members on the “accommodation change list” waiting list.

In drafting the waiting list, the Board of Directors must take into account, in addition to the requirements for assignment, the qualifications for assignment of the score, contained in a corresponding table approved by the Board itself and proposed by the Accommodation Assignment Committee as defined in the foregoing Article 20.

This committee examines in advance the assignment applications and makes any investigations it deems appropriate.

After performing these investigations, the committee formulates a proposed waiting list to undergo examination by the Board of Directors.

The Board, having approved the waiting list, publishes it by affixing it to the dedicated notice board at the Co-operative’s headquarters and the town hall of the municipalities in question.

The members concerned may raise objections to the Board of Directors within thirty days of the publication of the waiting list.

Such appeals shall be drafted on plain paper and must be accompanied by any documentation considered relevant by the complainant.

Having examined all objections, the Board of Directors shall make its final decision on the definitive waiting list and communicate this to the members concerned.

Article 38) The waiting list, as defined in the foregoing article, shall have a validity of no less than 12 months and no greater than 36 months. The duration, within the above limits, is set by the Board of Directors upon the opening of the terms for the forwarding of applications.

The Board of Directors shall proceed to assign the social housing accommodation on the basis of the waiting list. In the event of tied scores, accommodation shall be given first to the most senior member in terms of their association with the Co-operative.

Assignee members who do not accept their assigned accommodation shall be replaced by members who have not been assigned accommodation, in the order established by the waiting list.

Members who reject assignments on the basis of purely subjective assessments, or those considered unjustified by the Board of Directors, shall be automatically placed at the bottom of the applicable waiting list. This may also lead to negative assessments when drawing up future waiting lists, for example through the assignment of a negative score to be established in the dedicated table under the preceding article.

The choice of assigned accommodation, with floor area being equal, shall be given to assignee members on the basis of their order in the waiting list.



Article 39) The Board of Directors has the right to make periodic checks in order to ensure that the requirements for continued use of the accommodation remain. The Board of Directors follows investigatory criteria determined on a case-by-case basis and may also request documents and certifications from members.

In the event that even one of the requirements for assignment is determined to have been lost by an assignee member, the Board of Directors may request the immediate return of the accommodation assigned to them.

Article 40) Each assignee member has the right, within the limits of availability, to a social housing unit of sufficient size for their household, taking into account applicable sector legislation.

Article 41) Members, following notification by the Board of Directors of assignment of social housing to them, must draw up the assignment contract with the Co-operative and must physically occupy the accommodation within the mandatory terms indicated in the notification.

In the event that even one of these terms is not followed, the defaulting member shall lose their right to the assignment of the social housing unit awarded to them, which shall then be assigned to the first member on the waiting list not to have been assigned accommodation, pursuant to the provisions of this Regulation I.

The Board of Directors is responsible for establishing the clauses to insert in the assignment contract specified above, which must also be signed by the Chairman of the Co-operative.

The rental assignment contract is permanent, with no time limitations, insofar as this is compatible with the terms and restrictions established from time to time by legislation governing transfer of areas for public, economic and social construction and the relative conventions.

The contract registration expenses are payable by the assignee member and must be settled in advance.

At the time of signing the deed of assignment, the assignee member must pay the Co-operative the advance rental account payment set in advance by the Board of Directors, notwithstanding adjustments to the final amount of the cost of the initiative. In the event that this advance payment is made in instalments, the member must pay the agreed instalment(s) when the deed of assignment is drawn up.

Failure to pay even one of the subsequent instalments shall allow the Co-operative, and the Board of Directors for it, to request that the defaulting member immediately return the accommodation assigned to them.

Article 42) Assignee members may vacate the accommodation assigned to them at any time. In this case, they must provide written notification to the Co-operative via recorded delivery with return receipt with at least six (6) months' notice.

Assignee members who vacate their accommodation shall be required to pay the rental fees for the entire notice period.

In the event of death and those with beneficiary rights not taking over the accommodation, the heirs are required to return it within (60) days of the date of death, ensuring the rental fees are paid during this period along with any management fees, unless otherwise agreed by the Board of Directors. Beyond this period, the Co-operative will take action to recover possession of the accommodation and to recover the costs for its unauthorised occupation.

It is permitted to use the credit represented by the non-interest bearing payment to the accommodation rental account to offset any amounts due for rental fees and any other unpaid fees deriving from use of the accommodation.

In any case, upon vacation of the accommodation, whether spontaneous or enforced, the Co-operative shall draft an accommodation vacation report, reserving twenty days to check the operation of the



systems and cost any damage, which will be notified to the assignee via registered letter with return receipt within the sixty days thereafter.

The non-interest bearing payment to the accommodation rental account made at the time by the assignee member shall be reimbursed by the Co-operative, minus any amounts chargeable by the Co-operative for anything, specifically:

- Unpaid overall rental fees
- Unpaid management charges
- Unpaid administration fees
- Unpaid real-estate taxes/rates (e.g. I.C.I.), where applicable
- Compensation for damage to the accommodation, as evidenced in the above-mentioned accommodation vacation reports and subsequently notified via registered letter
- Interest due for late payment of the fees outlined above
- Any legal expenses borne
- Finance costs for delayed rental collection

Title IV: Management of the Social Housing and/or Real-Estate Units

Chapter 1: General Regulations

Article 43) The following regulations aim to improve attainment of the Co-operative's purpose by regulating the relationship between the members and the Co-operative itself with regard to management of the social housing units.

Chapter 2: Destination of the assigned social housing and/or real-estate unit and any modifications to the same

Article 44) Members assigned social housing accommodation defined hereunder as a residential unit, or more generally real estate or a real-estate unit, including those not destined for residential use, may not modify the use of the accommodation they have been assigned under any circumstances and for any reason.

Article 45) Assignee members may not make changes or modifications to the social housing real estate, either internal or external, with respect to the design annexed to the deed of assignment, without the prior written authorisation of the Board of Directors.

The above authorisation will not be possible in the event that such proposed changes or improvements could negatively affect other social housing real estate or its use.

Such authorisation is not essential, however, when the improvements or modifications do not affect the accommodation's structure or systems, but solely aesthetic aspects such as the paint, decorations, plasterwork, skirting board etc.

Improvements or modifications authorised by the Board of Directors or those under the foregoing clause must be carried out at the expense of the assignee member concerned, without the right to any reimbursement even in the event that they give up the accommodation, and under the discretionary control of the Co-operative's technical bodies. Modifications and improvements may, in any case, not be made or requested before formal inspection of the social housing real-estate unit.



Chapter 3: Use of the Social Housing and/or Real-Estate Units

Article 46) Members are required to regularly occupy the accommodation or real-estate unit assigned to them. Regular occupation shall mean that the member must reside and live in the assigned accommodation habitually, personally and with the household declared in the deed of assignment and as declared to the Co-operative.

The assigned accommodation must be their official residence, but this condition is not sufficient for compliance with the regular occupation requirement. Members who are prevented from residing in the assigned accommodation due to serious, proven and legitimate reasons, despite being normally resident there, must notify the Board of Directors of the circumstances and receive clearance from the same.

Members who are prevented from regularly living in the assigned accommodation due to proven and legitimate family, work or health reasons for a period greater than six months per calendar year (also a non-consecutive period), must notify the Board of Directors of the circumstances and receive clearance from the same.

Members wishing to host persons not reported as cohabiting upon assignment of the accommodation, whether temporarily or permanently, must request prior authorisation from the Board of Directors.

Upon assignment, the assignee member must make a truthful declaration of the persons making up their household, which must match their “family status certificate”. They must then notify the Board of Directors in a timely manner of all changes occurring in their family status.

Transferring the use of the assigned accommodation, whether fully or partially, is expressly and absolutely prohibited.

The Board of Directors is authorised to carry out checks to ensure that the present article is complied with, both through requests for official documents and by acquiring elements proving the actual occupation of the accommodation such as, for instance, checking utility usage, receipt of correspondence, absence following repeated visits etc.

Violation of the provisions of the present article shall lead to withdrawal of the assigned accommodation and exclusion of the member. In consideration of particular social, family and/or financial conditions of the member and their household, the Board of Directors may issue a demand to the member to rectify the violations within an appropriate term before proceeding with the adoption of the above-mentioned sanctions; this grace period shall be granted once only.

Article 47) With regard to use of the accommodation, the assignee member is required to comply not only with the provisions of the Charter and the Internal Regulations, but also with the decisions made by the Co-operative’s Shareholders’ Meeting and Board of Directors.

In particular, assignee members are required to ensure full compliance with the following conditions:

- a) Maintain proper behaviour and reciprocal respect and tolerance, as an essential condition for civil cohabitation in the building, ensuring that other assignees are not subjected to damages, disturbance or inconvenience.
- b) Ensure that the common areas, as well as the assigned accommodation, are kept thoroughly clean and tidy.
- c) Ensure that children and adolescents do not cause damage or disturb others with raised voices and other annoying noises, for instance while playing, particularly during the night.
- d) Report any fault or defect in the social housing that they should become aware of to the management board so that the appropriate action can be taken.



e) Follow the regulations issued by the Co-operative regarding management of the social housing, and allow those assigned by the Co-operative's management committees, as well as those accompanying them, to make inspections in the social housing, when necessary.

Conversely, the following actions by assignees and their family members are strictly prohibited:

- a) Displaying, beating or shaking clothing, linen, mattresses, cushions, rugs, mats, towels etc. from windows, balconies or landings. These operations are permitted only from windows and balconies facing onto courtyards, between 7 and 9 a.m. from the 1st of April to the 31st of October, and from 8 to 10 a.m. from the 1st of November to the 31st of March
- b) Hanging linen or any other laundry out to dry on the balconies and windows in such a way that it is visible from the roads or courtyard, not using the dedicated structures for the purpose
- c) Soiling, obstructing or occupying in any manner the landings, stairways, thresholds and other passages and common areas
- d) Placing material of significant weight, such as to represent a danger to the stability of the building, in the social housing, including terraces, walkways and lofts for individual use
- e) Keeping materials/chemicals which are flammable and/or harmful to human health, such as fuel, acids, poison etc., in the social housing, cellars, parking areas and lofts
- f) Affixing brackets for hanging baskets or drapes either inside the social housing or externally, on balconies or below the windows
- g) Creating disturbances to the other assignee members with shouting, noise, singing, music, dancing etc. The use of music playback equipment (e.g. hi-fi) is left to the discretion of the assignee members living in the social housing, but they must use it in a measured and respectful manner; for singing and other noise, the applicable municipal provisions shall be followed
- h) Dragging heavy objects and furniture removals between 10 p.m. and 7 a.m.
- i) Throwing water or anything else from the balconies and walkways into the courtyard, the street etc.
- j) Flushing or draining material liable to block the drainage pipes into toilets, sinks basins etc. All objects must be placed directly in the corresponding bins or recycling containers
- k) Placing plates, discs, indicators or anything else outside the building's main door, on the door itself, in the stairwells, on the floors and at reception, in compliance of separate waste collection, where implemented
- l) Keeping animals which could cause a disturbance to other assignee members
- m) Accessing and occupying the courtyard areas with materials of any nature, even temporarily
- n) Using the lift and platform lift as goods hoists; use of the lift is also prohibited for unaccompanied children under the age of 12; performing any other actions which could cause a disturbance to the Co-operative, to its assignees and to third parties

Article 48) In the event of death of the assignee member, their surviving spouse shall replace them as member and assignee, or if there is none their minor children or separated spouse to whom the residence of the deceased member has been assigned by court order.

In the event that there is no spouse or minor children, the same rights apply to a partner cohabiting "more uxorio" and other members of the household, as long as they were cohabiting as at the date of the member's death and in possession of the current requirements for assignment of accommodation.

Cohabitation as at the date of death must have been ongoing for at least two years and be documented by official records or be declared publicly by affidavit by the person living with the deceased member.

In the event of separation of the spouses, where the accommodation is awarded by the court to the non-member spouse, they shall have the right to replace them in the assignment, as long as they become a member of the Co-operative and are in possession of the current requirements for



assignment of accommodation. The non-interest bearing payment shall remain in place and shall be returned to the assignee member who has taken over the accommodation only when it is vacated and returned to the Co-operative.

In the event that the assignee abandons the household and accommodation, even if no marital residence award is made by the judicial authorities, the accommodation shall be assigned to the spouse or partner cohabiting “more uxorio” for more than two years.

Article 49) Assignee members must use the rental accommodation assigned to them in a careful and diligent manner. They shall be responsible for any damage caused either to the social housing or real-estate unit and its appurtenances by their own actions or those of other members of their household. They are also required to vacate the property in the same condition in which it was provided to them, e.g. freshly painted and in perfect condition, notwithstanding normal wear and tear from use.

Article 50) Subject to express authorisation of the Board of Directors and without a change of use of the accommodation or real-estate unit assigned to them, assignee members may carry out their business in it as long as this is performed with limited technical equipment to run only on electricity, and which in any case must not create noise or use harmful or foul-smelling substances.

The performance of such work activity must not exceed eight hours per day over the morning and afternoon, in accordance with the provisions adopted by the Building Meeting.

On an exceptional basis, and subject to full and strict compliance with the prior provisions of this article, the Board of Directors may, at its discretion, require the assignee member to install soundproofing measures, at their own expense, in order to contain the noise generated by such work activities.

The Board of Directors also retains the right not to authorise business or work being carried on in the social housing as specified above if it should consider, at its sole discretion, that this would create even a minimum of disturbance to the building’s assignees.

Chapter 4: Total Rental Fees and Rebates

Article 51) All assignee members are required to pay the Co-operative the total rental fee and any other applicable fees and charges according to the methods established by the Board of Directors.

Article 52) The total rental fee is calculated on the basis of the square metreage of the assigned accommodation or real-estate unit.

It is composed of the rental fee, in other words the fee for assignment of the accommodation relating to the financial cost for the construction of the property and accessory costs represented by the management costs for running the Co-operative itself, the costs of regular and extraordinary maintenance and improvements to be made to the housing stock, and the development and solidarity costs decided on by the Co-operative’s relevant bodies.

All expenses required for correct management, and in any case designed to help achieve the Co-operative’s purpose, fall under the Co-operative running costs.

All expenses not included in the list given in Article 57 hereunder fall under regular and extraordinary maintenance costs for the housing stock.

For the regular and extraordinary maintenance and improvements to be made to the housing stock, the resources set out in the specific Maintenance Plan drawn up and approved by the Co-operative’s Board of Directors at the beginning of each year are usually drawn on. The Board of Directors may, in



specific cases, decide to increase the resources provided for by this plan, drawing on other resources provided for in the annual budget.

Article 53) The overall rental fee is set by the Board of Directors and assignee members are notified of it in a timely manner.

It must be approved by the Ordinary Shareholders' Meeting at the time of approval of the Co-operative's Budget.

Article 54) In cases of significant arrears in the payment of the overall rental fee and the building management costs, as well as the payment, even partial, of the non-interest bearing payment and any other sum due for use of the accommodation, the procedure outlined in the following clause shall be adopted. Significant arrears shall be taken to mean three months' arrears in the overall rental fee or building management fees, and one (monthly) payment only in the event of the non-interest bearing payment being paid in instalments.

In the event that the conditions specified in the foregoing clause should occur, the following procedure shall be set in motion:

- 1) Demand to pay off the arrears within twenty days, in which case no further consequences shall apply
- 2) Within twenty (20) days of the above-mentioned demand, the member may put forward an instalment plan to pay off their arrears, and the Board of Directors may, at its discretion and taking into account all relevant circumstances, grant an instalment payment plan once only during the rental relationship, specifying the timeframes and methods for this; failure to make even a single one of these payments will lead to the cancellation of this agreement, with consequent legal action to recover the sums and regain possession of the accommodation
- 3) In the event that the payment demand is unsuccessful, the Board of Directors shall proceed, at its discretion, taking into full account the extent of the arrears and the member's prior situation, to exclude the member and take legal action to recover the sums due and/or regain possession of the property
- 4) Members shall, in any case, be liable for interest due to delays to the payments for which they are in arrears (such as rent, administration fees, management charges, non-interest bearing payment etc.):
 - a) The finance costs for delayed rental collection at an annual rate, calculated for each day the payment is delayed, generally set annually by the Board of Directors; as a guideline, this rate will correspond to the annual remuneration rate for "member loans"
 - b) Legal expenses
 - c) Sums due as compensation for damage to the accommodation, as evidenced in the accommodation vacation report and subsequently notified via registered letter with return receipt

Article 55) The Board of Directors, in the event that the total rental fee set turns out not to be sufficient to cover the costs actually borne by the Co-operative during the year, may adapt the total rental fee.

Title V: Maintenance of the Social Housing and/or Real-Estate Units

Chapter 1: General Regulations

Article 56) The following are common to all assignees of each building:



- a) The ground on which the building rests, the internal courtyard, the reinforced concrete framework, the perimeter walls, the cornice, the cladding/façade in general, the water pipes, and the external parameters of the building
- b) The entrance halls, the stairs and stairwells, the access doors and gates and their hardware
- c) The drying racks with the systems installed in them
- d) The entire height of the flue stack, the expansion vessels room
- e) The district heating systems, hot water production system, gas and electricity networks up to the meters for the individual residences
- f) The water main up to the junction points to the individual apartments, including the autoclave with corresponding equipment and the water softening system
- g) The intercom, doorbell and remote door opening systems, up to the junction boxes for the individual apartment connections
- h) The lighting systems in the common areas
- i) The centralised radio-TV reception systems, with corresponding antennas and equipment
- j) The waste collection equipment
- k) The lift and its systems and plant components
- l) The common areas (meeting room, shared bathrooms etc.)
- m) The appurtenant green areas
- n) The platform lift and its systems and plant components

Chapter 2: Expenses Payable Solely by the Assignee

Article 57) Expenses borne within the social housing unit for the following items are payable solely by the assignee member, and do not fall under the maintenance costs applicable to the Extraordinary Maintenance and Improvement Fund or the Building Fund:

- a) General maintenance, e.g. for:
 - Repair and replacement for sanitaryware and fittings broken or rendered inoperable due to age and negligence or the fault of the assignee
 - Repair of windows rendered defective or ineffective due to use, negligence or the fault of the assignee
 - Repair and replacement of belts, springs and cords in the roller shutter mechanisms, whether due to age, negligence or the fault of the assignee
 - Repair and replacement of electrical fittings (switches, socket outlets etc.) rendered defective or non-operational due to age, negligence or the fault of the assignee
 - Repair and replacement of flooring damaged not due to age but because of negligence or the fault of the assignee
 - Repair or replacement of the boiler and heating elements of the independent heating system (single apartment central heating, not district heating) not due to age but because of negligence, failure to perform annual servicing in accordance with applicable legislation/procedures laid out by the Co-operative's Board of Directors or otherwise the fault of the assignee
 - Should the member fail to have cleaning and a flue test performed in accordance with applicable legislation/procedures laid out by the Co-operative's Board of Directors for three (3) consecutive periods, this may lead to their exclusion
 - Failure to carry out annual boiler servicing may also lead to the assignee member being charged any costs borne by the Co-operative for its repair and replacement



- In the event that the maintenance has been performed in a timely and correct manner, in addition to the provisions of these regulations, the Co-operative shall cover costs for replacement of the expansion vessel, safety valve and air release valve, and also the electronic board and pump within the first five years of installation
 - Cleaning of the flue and vapour vent ducts within the social housing
 - Painting of the walls, woodwork and metalwork
- b) The electrical system, e.g. for:
- Repairs of the electrical system due to short circuits or overloads and corresponding replacements of the equipment (switches, socket outlets, surge protectors, buttons and warning buzzers/lights)
- c) Plumbing, waste and gas systems, e.g. for:
- Repair and replacement of sanitaryware, sinks, taps etc. (bathroom and kitchen)
 - Installation of hot and cold water meters, maintenance of split cold-hot water meters as a consequence of use, including shut-off gate valves inside the housings
 - Repair of internal pipes and conduit in the event of damage (traps, hoses, bidet washing machine and sink drains)
 - Checking and replacing the meter-hob gas connection
 - Replacing wall-hung toilet frames and cisterns, including any masonry work
- d) Heating and DHW production for independent systems, i.e. for:
- All maintenance of the heating system
 - Boiler scale cleaning
 - Maintenance and replacement, where applicable, of radiator TRVs and lockshields
 - With the exception of complete replacement of the boiler
- e) The walls and ceilings - plaster, paint, drapes, i.e. for:
- Repair of plaster due to damage caused by the user
 - Periodic renewal of wall and ceiling finishes during the course of the rental period
 - Changes and improvements during the course of the assignment relationship agreed with the Co-operative
- f) Floors and tiles, i.e. for:
- Repair of floors, wall tiles etc.
- g) Windows, doors etc., i.e. for:
- Repair of doors, window frames, shutters, blinds and replacement of hardware, accessories, glass, locks etc.
 - Repair and replacement of cords and hooks for roller shutters, as well as garage door accessories
 - Painting, to be performed at least once every three years, of interior doors and windows
- h) The extraction and room ventilation systems, i.e. for:
- Maintenance and cleaning of room ventilation and extraction systems
- i) Administrative fees, represented by:
- Taxes and fees on driveways
- j) For appurtenant gardens and courtyards of ground-floor properties, maintenance of hedges, bushes, lawns, shrubs etc. including feeding, pruning, watering, cleaning and replacement is the responsibility of the assignee member and therefore does not come out of the Building Fund.



Chapter 3: Expenses Payable by the Building Fund

Article 58) Regular maintenance expenses of the common areas of the social housing are payable by the Building Fund.

Article 59) The maintenance expenses of the common areas of the social housing payable by the Building Fund are those relating to:

a) Wall, stair and hallway structures, i.e.:

- Refurbishment of finishes to parts damaged by users or third parties for services provided to the same
- Repairs to common windows damaged through use
- Installation and replacement of mats and guides
- Charging and replacement of fire extinguishers and keeping the fire hoses located in the common areas in good working order
- Six-monthly check of the fire-fighting system, including fire hoses and extinguishers
- Quarterly check on the operation of the emergency lights
- Checking that the fire doors close properly
- Keeping and updating the inspection register
- Painting of the internal common areas (stairways, washing rooms, corridors, cellars, common window fixtures)
- Replacement of glass in common areas (windows, stairwells, meeting rooms, laundry room etc.), with the exception of damage caused by extreme weather and natural disasters, as well as installation defects

b) Roofing, i.e.:

- Repairs of roofs, terraces, roof lights due to damage caused by negligence and fault

c) Drains and sewerage, i.e.:

- Repair of soil stacks due to faults caused by negligent or faulty use
- Periodic pumping out of septic tanks, unblocking of soil stacks, common sewers and corresponding inspection chambers to prevent faults from occurring

d) Courtyards and gardens, i.e.:

- Maintenance of trees and lawns consisting of feeding, watering, hoeing, pruning etc.
- Replacement of trees, bushes, shrubs, lawns and rough pruning
- Laying of gravel for maintenance of courtyard paved areas
- Consumption of water and electricity for common services and their efficient maintenance
- Purchase of common equipment for ordinary maintenance of green areas
- General pest control (cockroaches, ants, bedbugs etc.)
- Labour and salt/grit for removal of snow from roofs and ground areas

e) District heating and DHW production system, i.e.:

- Cleaning of the boiler, flues, burners, descaling of heat exchangers, renewal of refractory and insulation

f) Lift, i.e.:

- Overhauling of the reduction unit-winch, replacement of the stuffing gland, gaskets, oil seals, ring nuts, nut and bolt shims, unblocking of lubrication lines
- Adjustment of thrust bearing, overhauling of thrust bearing, overhauling of the control panel with replacement of worn parts, contacts, capacitors, relays etc.



- Overhauling of the brake system with replacement of blocks and eccentrics, adjustment of the brake supply circuit
 - Overhauling of the door carriages for the floors and cabin with replacement of the control contacts Voltage regulation (reduction to 50 V) at the electrical contacts of the locks on the floors Motor rewinding at 50%
 - Replacement of lino flooring in the cab Repair of cab and shaft lighting Maintenance of ENPI plate, capacity plate, out-of-order signs, instructions, manual controls and glass-covered emergency switch Replacement of door mechanism belts
 - Overhauling and replacing the locks of the shaft doors, overhauling of the self-closing mechanism of the doors for the floors, replacement of the sliding shoe gaskets
 - Power
 - Subscription maintenance
 - Periodic checks of the government licensing bodies
 - Replacement of the lift cables due to broken strands on the opinion of the testing engineer regarding their safety with new ones complete with tension regulator, including replacement or repair of the drive pulley: at 50%
- g) Water lifting pumps and autoclave, i.e.:
- Repair and minor replacement parts: safety valves, membranes, pressure switches, electrical components, bearings, water seal, float, check valve etc.
 - Charging autoclave tank pressure and maintenance of the air compressors
 - Periodic inspection and testing by the organisations responsible and corresponding fees
 - Cleaning, washing and disinfection of the autoclave tank
 - Power
 - Maintenance and repair of submersible pumps
 - For buildings with district heating: power, maintenance and repair of submersible pumps
- h) Water softening system, i.e.:
- Repairs and replacement of minor parts, filters etc., periodic calibration, replacement and maintenance of control solenoid valves
 - Power and operation
 - Salt and resin
 - Maintenance of seals
 - For buildings with district heating: power, operation, salt and resin
- i) Lighting and sound system for common areas, i.e.:
- Repair of electrical system: buzzers, door opener and gates control, lighting of common areas, intercom system including relays, soldering and timers, including replacement of equipment due to improper use
 - Maintenance of automatic closing devices (door closers) with corresponding keys, including replacement of equipment due to improper use
 - Repairs and minor replacement of parts due to wear and tear: lamps, switches, luminaires, lamp holders etc.
 - Electricity
- j) Centralised TV system, i.e.:
- Modifications/additions to the centralised TV system for the reception of additional channels, where applicable
 - Repair of the centralised TV system for the reception of national programming, including the replacement of individual components



- Replacement of cables, sockets and other accessories for expanding reception
- k) Platform lift, i.e.:
- Maintenance as per contract
 - Periodic checks of the control bodies and government concession fees.

Article 60) Regular maintenance of the common areas of the social housing buildings shall draw on a specific fund to be set up in each building.

Assignee members are required to contribute to this fund in proportion to the floor area of the dwelling assigned to them, unless decided otherwise by the Building Meeting.

Article 61) The Building Management Board shall make collections for this fund with the methods established by the Board itself, which all assignees must follow.

Article 62) The amount of the fund is calculated at the beginning of each calendar year on the basis of the forecast expenses for the common areas of the building, made by the Management Board and approved by the Meeting of Assignees of the building itself. This amount may be increased at any time during the year upon proposal of the Management Board, approved by the Meeting of Assignees of the building.

Any additional amount must be paid in accordance with the methods established by the Meeting of Assignees of the building and approved by the Co-operative's Board of Directors.

Any surplus remaining in the Building Fund at the end of each year must be retained in the fund for use the following year.

Article 63) The provisions of article 54 of these Internal Regulations shall also apply in the event that an assignee member does not pay their share of the expenses for the building's common areas.

Article 64) Management of the fund defined in article 58 is the responsibility of the Meeting of Assignees of residences making up the building and the Management Board.

In the event that a third-party (external) administrator is chosen, the Management Board shall make a request with reasoning to the Chairman of the Co-operative, who may nominate a qualified professional or company as administrator. The Management Board will continue to provide advisory and co-operative functions to the administrator's work.

The external administrator shall be nominated by the Co-operative's Board of Directors, who may revoke the mandate at any time.

Chapter 4: Management Boards and Building Meetings

Article 65) The Building Meeting makes decisions on the following matters, in conformity with statutory regulations and the Co-operative's regulations:

- a) Approval and modification of the building's regulations
- b) Approval of the budget and final balance sheet and corresponding allocation plan
- c) Nomination and revocation of members of the Management Board
- d) Nomination and revocation of external administrator, where applicable. The nomination of an external administrator must also be approved by the Co-operative's Board of Directors
- e) Proposing improvement and efficiency initiatives for the building and common assets to the Co-operative's bodies



The Building Meeting also exercises supervisory powers over the Management Board and has advisory powers, pursuant to article 30 of the Unicapi Charter, in all areas to be submitted to the Co-operative's Board of Directors on a case-by-case basis.

With regard to spending decisions, the Meeting has the sole jurisdiction over expenses strictly related to building management (e.g. lift, courtyard area, stair cleaning).

In the case of buildings where there are residences owned by Unicapi along with those owned by third parties, the following shall apply:

- The assignee members, each individually on the basis of the proportion assigned to their assigned residence, have voting powers over ordinary management decisions
- The Chairman of the Co-operative or their delegate, subject to a decision by the Board of Directors if necessary, has voting powers in matters of extraordinary management and nomination and revocation of the building administrator.

In any case, the provisions of these Regulations shall apply for determination of the total rental fee and the division of expenses between the assignee members and the Co-operative.

Article 66) An ordinary Building Meeting is to be held at least twice (2 times) per year, no more than 90 (ninety) days from the end of the financial year for the approval of the final accounts, and within 90 (ninety) days of the closing of the financial year for approval of the budget for the following financial year.

Assignee members have the right to participate in the Building Meeting. The Members of Unicapi's Board of Directors are permanently invited, with speaking rights.

All assignee members have the right to representation by another person with written delegation, as long as they are resident in the building. Each attendee can represent one person only through delegation.

The individual members must abstain from making decisions which could represent a conflict of interest.

A Building Meeting may also be called by the Management Board any time this becomes necessary, or upon written request of at least 30% of assignee members.

Building Meetings are called by the Chairman of the Management Board at least one week in advance, via written notice to be sent to each assignee member with the method considered most appropriate, preferably one which allows for proof of receipt. This notification must also be affixed to the building noticeboard within the same term and communicated to the Chairman of Unicapi. Each assignee member must also be given a copy of the expenses summary, budget and division.

The notice of convocation must specify the place and time that the meeting will be held, as well as the agenda up for discussion. It must also contain the time and place of the second calling in the event that the first calling of the meeting is not quorate. The second calling must be held at least 24 hours after the first.

The Building Meeting is quorate in its first calling if over half of the assignee members are present, and in the second calling however many participants are present.

A Chairman and Secretary shall be nominated from amongst the meeting attendees, along with three tellers in the event of secret votes, who will form the polling station alongside the Chairman and Secretary.

Votes at the meeting are ratified with a favourable vote of over half those present. Voting is open, performed by a show of hands, unless the meeting decides to proceed with secret voting, with a favourable vote of over half those present.



Minutes of the meeting's operations and votes are drafted, to be signed by the Chairman and Secretary, and where nominated, the tellers. A copy of the minutes must be sent to the Co-operative's Board of Directors in a timely manner, as well as the building's assignees.

Article 67) In relation to the proposed works pursuant to article 65 para. e), the meeting shall decide with a majority of two thirds of attendees.

In the event that the works are for improvement of the building's energy efficiency or security, reducing architectural barriers and the installation of centralised television reception systems, only a simple majority shall be required.

Article 68) The Co-operative's Board of Directors exercises supervisory powers over the building's bodies, with particular reference to decisions of significant financial import.

Article 69) The Management Board shall be composed of between three and fifteen members, elected from the assignees and their resident, cohabiting family members over the age of eighteen.

The Management Board remains in office for between one and three years. The members can be re-elected without limits to their mandate.

The Committee shall elect a Chairman from its members, who will represent it towards the assignee members and Co-operative Bodies. The Chairman co-ordinates the Committee's activities and is responsible for calling the Council and Building Meetings.

Each assignee member is required to co-operate with the members of the Committee, and each member of the Committee is required to co-operate with the President in performing their respective duties.

For the performance of the management activities, a current account shall be set up in the name of the building, subject to receipt of a tax identification number ("codice fiscale") by the revenue office ("Agenzia delle Entrate"), and drafting of the minutes of the Building Meeting in which the account signees, with separate signature authority, are nominated, being at least two (2) members of the Management Board who are members. Moreover, the Chairman or an official of the Co-operative must be delegated to operate on or authorised to view the movements of the Management Board current account. The above-mentioned current account may not be in the name of one or more members.

Article 70) Management shall preferably run from the 1st of January until the 31st of December each year.

Article 71) The Management Board, as management body, has the following roles in the event there is no external administrator:

- a) Manage the implementation of the Building Meeting's decisions
- b) Draft the final and forecast accounts with corresponding division of costs, to be submitted to the scrutiny of the Building Meeting
- c) Read the meters and sub-meters connected to the utilities in the name of the building
- d) Put forward the nomination chosen for maintenance of the heating plant to the Co-operative's bodies
- e) Request annual boiler servicing certificates from members
- f) Supervise the use of common equipment
- g) Authorise the use of common rooms and areas for meetings



- h) Regulate and assign the car, motorcycle and bicycle parking spaces
- i) Ensure that the Regulations concerning the behaviour of assignees, their families and authorised guests are followed
- j) Establish the times that the heating systems come on, off and slow down, pursuant to applicable legislation
- k) Promote and organise the voluntary work of the assignees and their cohabiting family members, including by setting up dedicated work groups for performing given tasks
- l) Call meetings of the assignee co-operative members for putting forward modifications and improvements relating to the entire living environment (e.g. installation of curtains/blinds, fly screens, gates and security doors, modifications to the TV system etc., taking into account the indications of the technical department. Any decisions made during such meetings must be communicated to the Co-operative by sending minutes of the meeting itself.

Article 72) The Management Board represents the Chairman of the Co-operative in relationships with the building's residents.

It is the role of the Management Board, in partnership with the external administrator, where applicable, to keep the following up-to-date at all times:

- a) Record of Building Meeting minutes
- b) Register of all credit entries for each assignee member
- c) Register of expenses
- d) Register of assignee members and persons cohabiting with them
- e) Inventory of moveable goods for common use of assignee members
- f) The noticeboard located in the building's entrance hall or other location with greater visibility, where notices, warnings and convocations relating solely to the building and the Co-operative are to be posted. Such notices must be approved by the Management Board and carry an indication of the day they were posted.

It is also the responsibility of the Management Board to keep accounts relating to the building activities up to date, sending these to the Co-operative, as well as the credits for each assignee member.

Article 73) All assignee members of the building and their families and/or cohabitants must comply with the legitimate decisions taken by the Management Board.

Article 74) Assignees who do not comply with the decisions laid out in the Regulations and the Charter must be reported by the Management Boards to the Co-operative's Board of Directors, who are responsible for taking action.

The buildings are subject to the supervision of the Board of Directors, through the Management Boards.

Assignees are required to provide access to members of the Board of Directors or persons assigned by the same for any checks on the state of maintenance and functioning of the dwelling, subject to notice being provided and an appointment being made.

Article 75) In residences where no Management Board is formed due to lack of commitment, indifference or free choice of the assignees, or it does not perform the functions provided for it in these Regulations, the Board of Directors shall arrange for these to be carried out, and charge the excess cost to the assignees concerned.



Article 76) The criteria for division of expenses for the building's common areas and for the performance of common services are generally established by laws on condominiums.

Article 77) Cleaning of the common areas of each stairway shall be performed individually by the assignees, or by specialised companies put forward by the Management Committee and approved by the Assignee Co-operative Shareholders' Meeting.

Article 78) The Chairman of the Management Board formally represents the Committee itself in its relations with the assignees and the Co-operative. They call and chair the body. They call and chair the Building Meeting, along with the external administrator, where applicable.

Article 79) No member user may insist work be performed in the common areas, whether these are improvements or simple modifications in the interest of the building, without prior authorisation of the Co-operative's Board of Directors. Failure to comply with this prohibition will require any such modifications to be returned to their previous state and compensation paid for any damage. It is prohibited to extend the radiant heating elements without authorisation from the Board of Directors.

Article 80) No member may refuse to let the Management Board or the external administrator, where applicable, perform repairs or maintenance on common areas located within their residence.

Article 81) The Building Meeting is responsible for deciding on the necessary work to keep the common areas, or those of common use, in good condition, and have it carried out, where there is no external administrator in place.

Article 82) All complaints regarding use of common items must be directed to the Management Board, should no external administrator be in place, who will make an equitable decision based on the provisions of the Co-operative's Regulations and Charter.

Article 83) Assignees who have reason for complaint, objection or requests regarding the application of the contents of these regulations must do so in writing, through the Management Board, to the Co-operative's Board of Directors.

Article 83 a) Any assignee member, along with their cohabiting family members, are invited to assist with the building's activities and management of the common assets in a voluntary manner. Volunteer work cannot be remunerated.

Reimbursement of expenses incurred while carrying out such volunteer work is permitted. Each volunteer must be covered by appropriate insurance policies; volunteer members must be appropriately trained and must be allowed only to perform work for which they are physically suited and have specific skills in.

Chapter 5: Extraordinary maintenance expenses for improvements and for conservation of assets

Article 84) Expenses incurred for improvements and conservation of the residential assets relating to the following items are borne by the extraordinary maintenance fund:

A) COMMON AREAS/STRUCTURES, i.e.:



- A1) Walls, stairs, halls, consisting of:
- Work on the building's structure
 - Renewing of windows within the scope of extraordinary maintenance programmes
 - Renovation of the fixed elements completing the common parts of the building (cornices, external walls, balconies)
 - Periodic inspection and testing by the organisations responsible and corresponding fees
 - Supply of paint for doors, garages and balcony railings
 - Replacement of window bars, gates, windows and window frames when it is not possible to repair them
- A2) Roofing, consisting of:
- Extraordinary repairs to roofs and flat roofs
 - Extraordinary repairs and replacements of gutters and downpipes
- A3) Drainage and sewerage, consisting of:
- Repair and replacement of soil stacks
 - Repair of the sewer network, septic tanks and cesspits
 - Repair and/or replacement of internal pipework
- A4) Autoclaves and lifting pumps, consisting of:
- Replacement of the lifting pumps
 - Extraordinary repairs to the water distribution network
 - Replacement of submersible pumps when it is not possible to repair them
 - For buildings with district heating: repair and replacement of minor parts: safety valves, membranes, pressure switches, electrical components, bearings, water seals, check valves etc.; charging autoclave tank pressure and maintenance of the air compressors; inspection and testing by the organisations responsible and corresponding fees; cleaning, washing and disinfection of the autoclave tank
- A5) Water softening system, consisting of:
- Extraordinary repairs to the system
 - Replacement of main parts when it is not possible to repair them
 - For buildings with district heating: repair and replacement of minor parts, filters etc., periodic calibration, replacement and maintenance of control solenoid valves, maintenance of seals
- A6) Lighting and sound system for common areas, consisting of:
- Extraordinary repairs of chased in systems
 - Replacement of lampposts when it is not possible to repair them
- A7) District heating and DHW production system, consisting of:
- Extraordinary repairs and replacement of radiators when it is not possible to repair them
 - For district heating systems - replacement of heat exchangers and distribution valves
 - Replacement of water circulation pumps when it is not possible to repair them
 - For buildings with district heating: cleaning of boilers, flues, burners, descaling of heat exchangers, renewal of refractory and insulation
- A8) Lift, consisting of:
- Motor replacement at 50%
 - Replacement of cables, at 50%.
- A9) Platform lift, consisting of:
- Replacement of the motor unit at 50%.
- B) PARTS INSIDE THE RESIDENCE, consisting of:
- Replacement of windows and window frames when it is not possible to repair them



- Replacement of roller shutters, pins and rollers when it is not possible to repair them
- Extraordinary repairs to chases in electrical systems
- Replacement of floors and coverings due to wear and tear or manufacturing defects
- Replacement of (decentralised individual apartment) boilers when it is not possible to replace them
- Replacement of water heater when it is not possible to repair it
- Replacement of extraction and ventilation systems when it is not possible to repair them

Article 85) Extraordinary maintenance and improvement expenses can be drawn from a dedicated fund to be set up with the Co-operative.

Article 86) Each assignee member shall contribute to the formation of the fund specified in the foregoing article through the payment of the overall rent fee.



REGULATION II

REGULATION for the collection of co-operative savings

Chapter 1: General Regulations

Article 1) In implementation of article 42 of the Organisation's Charter, the Uni.c.a.p.i. Co-operative has set up a section for the collection of loans made by all members who have been in the shareholders' register for at least three months solely for the pursuit of the Co-operative's purpose under the conditions of article 13 of Italian Presidential Decree 601/73 and article 15 of Italian Law 576/75. This collection does not represent a public savings scheme and is regulated by the instructions issued by Banca d'Italia regarding the collection of savings by parties other than banks. The loan relationship is limited to members of the Co-operative, does not represent a public savings scheme pursuant to applicable legislation, and is generally regulated by "TUB", the Italian consolidated banking and credit legislation, and more specifically by the implementation provisions issued by CICR, Comitato Interministeriale per il Credito e il Risparmio (inter-ministerial committee for savings and credit), as well as the operational instructions issued by Banca d'Italia.

Chapter 2: Member loan collection methods

Article 2) Loans are provided freely and may not exceed the limits set out by applicable regulations governing the collection of savings by co-operatives, both for each individual member and for the global limits. The Board of Directors may set lower limits than those imposed by law, communicating this to the members.

Article 3) The co-operative loan contract must be drawn up in writing to be valid, using standardised forms bearing the information required by paragraph 3, section III of the Banca d'Italia circular of 28/06/1995 clearly and in full. Contracts must be signed by the member, by the legal representative of the Co-operative or by another party duly authorised by the Board of Directors and delivered or handed to the member.

Each member providing a loan shall be provided with a co-operative savings book in their name, which may not be transferred to third parties, issued solely to and in the name of the lending member, on which all operations performed are noted down. This book may not be issued to more than one person, and it may not under any circumstances be transferred. The lending member may authorise other persons to make use of the deposited sum, with written delegation. Conferment of the above-mentioned delegation and any modification or withdrawal of the same must be performed with a deed signed in the presence of at least one of the Co-operative's representatives and kept at the Co-operative.

Article 4) A delegation, issued by the member to a trusted person, becomes immediately invalid upon the death of the lending member, or with a cancellation notice to be sent to the Co-operative in writing.

Article 5) Operations relating to the loan must be noted in the book and signed by the Co-operative's authorised personnel. No other person may apply notes, deletions, abrasions, corrections or additions, which will be considered void and to no effect. The lender or their representative must provide receipts for withdrawals made.



Article 6) Interest is paid on the loans, at a rate established by the Co-operative's Board of Directors. This rate is publicised through information sheets available in the Co-operative's premises and sent to all lender members. Pursuant to article 13 of Italian Presidential Decree no. 601/73 and article 15 of Italian Law 576/75, the interest on the loans may not exceed the maximum interest payable to holders of postal savings bonds.

Article 7) Interest is calculated on the 31st of December each year and can be withdrawn or capitalised at this point. The gross amount shall be subject to the deductions provided for by law, and the net amount shall be credited to the lender member's account; should the maximum permitted loan amount be exceeded, the excess will be returned immediately. In the event that the deposit is fully withdrawn during the course of the year, interest will be calculated from that date. In the event of withdrawal, exclusion or death of the lender member, the loan amount will remain available to the ex-member or their heirs (in the latter case, subject to inheritance legislation), but interest only be paid up to the date that the co-operative relationship ceases to exist.

Article 8) In the event of a reduction in the interest rate payable or any other condition, the Co-operative shall provide immediate notification of this to members at their last known residence address. In this case, each member may - within two weeks of receiving the above-mentioned notification - withdraw from the contract without penalties and all prior conditions shall be applied to the relationship upon liquidation.

Article 9) No charges apply to lender members for paying in and withdrawals. For sums paid in with cash or cashier's cheque, the amount is credited on the same day that the operation is performed, while payments by cheque will be credited to the account once the cheque has cleared, and in any case on the same day as the funds are made available by the bank. Finally, sums paid by bank transfer will be credited the day that they are applied to the Co-operative's account. Total or partial repayment must be requested by the lender member in writing, using the specific form provided by the Co-operative, with at least 24 hours' notice. The 24-hour period runs from the time that the request is recorded by the Co-operative. The form must be presented in person, or else sent by email or fax. In no case will the Co-operative be able to make repayment to the lender member, even as an exception, before 24 hours have passed from receipt of the written request made by the lender, and in any case from the recording of the request by the Co-operative.

In the event that the savings book is lost, damaged or stolen, the holder must immediately report this to the competent authorities and the Co-operative, providing any information necessary to identify the document and the circumstances of the loss.

Article 10) The Co-operative shall place an immediate hold on the account, rejecting any further operations and confiscating the book should an attempt be made to use it. After two weeks, if the book has not been traced and no objection to reimbursement has been made, the Co-operative shall issue a new book completely identical to the previous one, identified as "duplicate".

Article 11) Upon receipt of the duplicate, the lender member shall provide the Co-operative with a written declaration stating that the lost copy no longer has any value and that the Co-operative is relieved of any responsibility caused by potential circulation of the book itself. This declaration must also be signed by the delegate, where applicable.



Article 12) The Co-operative has the right to offset any debts incurred by the lender member for any reason with the credit deriving from their loan account. Lender members who are assigned accommodation may, upon request, pay their overall rental fees by offsetting with the credit shown in their savings book.

Article 13) The Co-operative guarantees complete confidentiality of the service governed by these Regulations and is responsible for the management of the service.

Article 14) Lender members are sent a communication at the end of their contract, and at least once a year, detailing the development of the relationship, containing all elements required to understand it, as well as a prospectus which indicates the reimbursement limits, methods and timeframes in the event that the guarantees provided for by applicable legislation are set in motion.

In this annual communication, the Board shall also illustrate the following to the members: the results of the supervisory activities performed pursuant to article 18 hereunder; the performance of the Co-operative, as evidenced by its financial statements and investment programmes.

No account fees are chargeable.

Article 15) The Co-operative is not a registered credit institution. It is registered in the Albo Cooperative a mutualità prevalente (register of prevalently mutual co-operatives), no. A104699, and the Albo Nazionale Soc. Cooperative edilizie di abitazione e loro consorzi (national register of housing association co-operatives and their consortia) no. 08/036/023/6386, and observance of the mutual benefit clauses of article 2514 of the Italian Civil Code is binding on it.

Article 16) The following documents must be available to members for consultation in the location where loan deposits are collected: C.I.C.R. (interministerial committee on credit and savings) decisions on collection of co-operative savings and relative instructions from Banca d'Italia; decisions and framework regulations adopted on the matter by the co-operative associations to which UNI.C.A.P.I. belongs; the Co-operative's Charter; these Regulations; the information sheet; the communication specified in article 15 providing general information. The excerpt from the note specified in article 17, a prospectus indicating the reimbursement limits, methods and times in the event that the guarantees provided for by the regulations are implemented.

Article 17) The directors shall highlight the results of the loan collection and management in the note. The note must indicate at least the following each year:

- ✓ The amount collected from members, including in relationship to the co-operative's equity
- ✓ Should the loan amounts collected exceed 300,000.00 Euros and be greater than the Co-operative's net equity, an indication of the form of guarantee adopted from those provided for by applicable legislation, as well as of the guarantor
- ✓ A prospectus illustrating the value of the equity adjusted by the effects of any transactions with investee companies, where applicable
- ✓ Debt ratios and leverage indicators, given by the relationship between equity and medium- and long-term debts, and fixed assets $(Pat + Dm-l)/Ai$, with the following statement: "A number < 1 denotes a potentially problematic financial equilibrium due to the lack of time correlation between the sources of financing and the Co-operative's investments".



Chapter 3: Controls

Article 18) The Co-operative commits to guarantee the following:

- Supervision that these regulations are implemented, and in particular supervision of constant compliance and monitoring of the limits specified in articles 1 and 2
- Supervision of the warning indices outlined in article 4 of the Legacoop framework regulations, understood as required, with the exception of the liquidity obligation, when the legal prerequisites for the purposes of adopting the guarantees provided for by applicable legislation on co-operative savings are met
- Periodic checks that the restrictions on the uses of the liquidity provided for by applicable legislation are complied with

In the event the warning indices outlined in article 4 of the Legacoop framework regulations are present, the Board of Directors must adopt the measures specified in article 5 of the same framework regulations.

The supervisory body shall perform monitoring to ensure that the management of the Co-operative does not diverge from the indices, within the field of its duties as defined in article 2403 of the Italian Civil Code. Where this monitoring finds a deviation from the indices, the Supervisory Body shall request information pursuant to article 2403 a) para. 2 of the Italian Civil Code from the Management Body, if the latter has not already independently taken action, requesting that they outline a plan or the prepared measures. The Supervisory Body shall assess the suitability of the plan with regard to its own ends and monitor the deadlines contained in it to ensure the progress of its effective implementation, also for the purposes of the report pursuant to article 3 of the Legacoop framework regulations.

The Supervisory Body shall acknowledge these supervision points, as well as their outcome where relevant elements exist for the purposes of the report, in its report attached to the financial statement, so that members are made aware of them, without prejudice to the Supervisory Body's possibility to make use of the powers assigned to it by the last paragraph of article 2406 of the Italian Civil Code.

In the most serious cases, the powers outlined in article 2409 of the Italian civil code shall apply, or a request by the Supervisory Body for the adoption of appropriate provisions by the Management Supervisory Bodies as provided for by Italian Legislative Decree 220/2002.

Should the Supervisory Body decide that the contents of the Plan or the corrective measures adopted by the Management are insufficient, the relative disparities may be submitted to the auditing firm for evaluation in order to identify the most coherent decisions to be made in the presence of the warning indices outlined in article 4 of the Legacoop framework regulations.

Article 19) If the auditing company performs the certification activities provided for by Italian Law no. 59 of 31 January 1992, and Italian Legislative Decree 220/2002, shall perform independent checks with regard to co-operative savings.

Article 20) Newly elected board members are required to undergo training in co-operative savings and financial reporting, organised by the Co-operative at given intervals. The Board of Directors shall certify the training with specific decision.



Chapter 4: Final Regulations

Article 21) The Board of Directors is authorised to make all changes to these Regulations required by the coming into force of new legislation and/or implementing provisions issued by the competent authorities.

Article 22) For anything not provided for by these Regulations, applicable sector legislation and the provisions of the C.I.C.R. (interministerial committee on credit and savings) decision of 19 July 2005 and the provisions issued by Banca d'Italia - in particular that of 8/11/2016 containing instructions for the collection of savings by parties other than banks - shall apply.

This Regulation II has been approved by the Ordinary Shareholders' Meeting of 07 December 2019 and comes into force on 01 January 2020.