

CONSORZIO ERP ITALIA - ARTICLES OF ASSOCIATION

Article 1

Legal form and registered office

1. Under the provisions of Articles 8 and 10 of Legislative Decree 14 March 2014, no. 49, the compliance scheme is formed as a Consortium (hereafter "**Consortium**") called **Consortio ERP Italia** or **ERP Italia**, which is part of the pan-European ERP - European Recycling Platform system.
2. The **Consortium** has its registered office in **Cassina de' Pecchi (MI)**. A change of venue within the same Municipality does not imply a change in the Articles of Association.
3. The Consortium is a legal non-profit entity under private law. Everything that is not regulated by these Articles of Association is governed by Article 10 of Legislative Decree 14 March 2014, no. 49, and the provisions contained in articles 2602 et seq. of the civil code as applicable.

Article 2

Duration

1. The Consortium duration is set until 31 December 2050.
2. The Consortium duration may be extended beyond the expiry date referred to in paragraph 1, if the legal requirements for its establishment remain unchanged at that time. This takes place following a resolution of the Extraordinary Members' Meeting. If there is an extension, the right of withdrawal of absent or dissenting Members is without prejudice. The withdrawal must be communicated within 60 (sixty) days from the date of the adoption of the extension resolution.
3. The Consortium may be early terminated and placed into liquidation before its expiry referred to in paragraph 1, by resolution of the Extraordinary Members' Meeting and using the method indicated in Article 22.

Article 3

Purpose and subject

1. The Consortium carries out the management of waste electrical and electronic equipment (hereafter WEEE) in compliance with the principles set out in articles 178 and 237 of Legislative Decree 3 April 2006, no. 152.
2. The Consortium rationalises, organises and manages WEEE collection and processing based on protecting the environment, human health, the preservation of raw materials to recycle valuable resources contained in electrical and electronic equipment (hereafter referred to as EEE).
3. The Consortium, based on the indication of the WEEE Coordination Centre referred to in Article 33 of Legislative Decree 14 March 2014, no.49 (hereafter WEEE Coordination Centre), fulfils the obligation to collect B2C WEEE from waste sorting systems, using distributor-managed collection points and from any other place that the WEEE Coordination Centre indicates using the methods and criteria provided for by legislation and the WEEE Coordination

Centre regulations. The Consortium organises the collection of B2C WEEE at the additional collection points required by law.

4. In its Members' interests, and other subjects which entrust it with the collection of this type of waste, the Consortium organises and manages a waste sorting system of B2B WEEE referred to in Article 13 of Legislative Decree 49/2014.

5. The Consortium contributes to the achievement of the nationwide recovery and recycling objectives for waste managed and produced. The Consortium rationalises, organises, guarantees, promotes and encourages the collective management of transport, reuse and preparation for the reuse, treatment, recovery, recycling and disposal of WEEE, their components, sub-assemblies and consumables.

6. The Consortium determines the environmental contribution, necessary to fulfil the obligations during a calendar year. This includes the obligation for collection, treatment, recovery and disposal which does not exceed the best estimate of the costs incurred. It shall notify the Ministry of environment and protection of land and sea and the Supervisory and Control Committee referred to in Article 35 of Legislative Decree 49/2014 (hereafter the Supervisory and Control Committee) within 30 (thirty) days from the ordinary Members' meeting approval.

7. The Consortium provides adequate financial guarantees under Article 25 of Legislative Decree 49/2014 and establishes adequate burden-sharing criteria proportional to the share of products placed on the market by each producer Member.

8. The Consortium may stipulate, under Article 206 of Legislative Decree 152/2006, and Article 33 of Legislative Decree 49/2014, agreements, programme contracts, memoranda of intent, even if these are experimental.

9. The Consortium prepares and sends the following to the Ministry of the environment and protection of land and sea, within 30 (thirty) days from their approval:

- a) a specific prevention plan and WEEE management scheme for the following calendar year, including a statement of the financial resources that will be used;
- b) a copy of the financial statements together with explanatory notes, a management report for the previous calendar year indicating the objectives achieved, and a balance sheet report.

10. The Consortium annually submits to the Supervisory and Control Committee a self-certifying document on tax and contributions compliance.

11. The Consortium annually shall submit data for products placed on the market by its Consortium Members and the financial guarantees referred to in Annex X of Legislative Decree 49/2014 to the National Register of EEE producers, following its regulations.

12. In the interests of its Members and Associates (as defined below), the Consortium organises a compliance scheme for the management of Waste Batteries and Accumulators (hereafter WBA). This is in compliance with Legislative Decree 188/2008 and Legislative Decree 152/2006, by the relevant implementation legislation, the indications received from the Supervisory and Control Committee, and the rules established by the National Coordination Centre for Batteries and Accumulators (CDCNPA).

13. To achieve its purposes, the Consortium can establish institutions and companies and acquire shares in existing companies, with the approval of the Ministry of the environment and protection of land and sea and the Ministry of Economic Development. Establishing institutions and companies and acquiring shares in other companies is not permitted if the Consortium's objectives and purposes under these Articles of Association are substantially changed. The activities of the companies established or participated by the Consortium comply with competition rules and principles. Any income and profits deriving from such investments must be used exclusively for the purposes in these Articles of Association.

14. The Consortium may carry out any connected and ancillary activity to optimise its pursuit of the Consortium's purpose.

The Consortium may enter into procurement, supply and administration, general agency or mandate contracts, with or without representation, commission and concession, with or without deposits, with commercial and industrial, national and foreign companies, in the WEEE and WBA management sector.

This must take place within the legal limits and with the exclusion of activities which are illegal for the Consortium legal form, and the activities reserved for members of professional registers and boards.

Provided that it is not its main activity and complies with current regulations, the Consortium may perform all commercial, securities and real estate, economic, financial, industrial transactions deemed instrumental, accessory, connected, necessary, useful or appropriate for the achievement of the Consortium's purpose. This includes hiring and granting financing, buying, selling and exchanging, granting and/or leasing movable and immovable property, securities, issuing guarantees, endorsements, deposits, mortgages and other real estate or collateral guarantees, including those for third parties, even when they are free of charge, taking out mortgage loans, mortgages, promissory notes and establish mortgages.

Article 4

Consortium Members and Associates, participation fees and right of withdrawal

1. The Consortium includes Italian EEE and Batteries and Accumulators Producers who do not fulfil their obligations through an individual scheme, or who place EEE and/or batteries and accumulators on the national market. If a Producer is established in another European Union Member State, Consortium membership may take place through an Authorised Representative referred to in art. 30 of legislative decree no. 49 of 2014 or tax representative.

2. The legal entities referred to in the previous paragraph may apply to join the Consortium by sending a written request to the Board of Directors. In this application they must declare that they possess the requirements and are aware of the provisions of these Articles of Association, Consortium Regulations and all other binding provisions.

3. After receiving the request, the Board of Directors decides on the membership based on the data and information that the Candidate referred to in paragraph 1 must provide at the same time or after the application. Membership application can be rejected if the applicant does not meet the requirements for Consortium membership, or if there are justified and proven reasons. Application rejections for membership must be communicated to the WEEE Coordinating Centre.

4. The Consortium is open to EEE distributors, collectors, transporters, logistics operators, WEEE recovery and recycling companies. This is subject to agreement with the EEE producers which is expressed in the Member's Meeting as defined in these Articles of Association.

5. The founding ERP SAS partner takes part in the Consortium to carry out the organisation and the Pan-European Compliance Scheme coordination functions which is represented in Italy by the Consortium. ERP SAS also takes part in the Consortium as an EEE Producer. ERP SAS is prohibited from distributing profits and operating surpluses under Article 6 paragraph 2 of these Articles of Association.

6. Producers of batteries and accumulators may contractually join the Consortium (so-called "Associates"); such membership does not confer voting rights, unlike Consortium membership. The admission of new Associates is the Director General's responsibility, if appointed, or an attorney, who is responsible for stipulating the related Contract in compliance with the directives issued by the Board of Directors.

7. Within each Consortium Member category, the allocation of shares among the individual Member companies is governed by Regulations adopted under Article 21.

8. The right of withdrawal of the Consortium Members referred to in paragraphs 1 and 4 for joining another Consortium or for fulfilling the obligations through an individual scheme may be exercised upon prior notice to be sent to the Board of Directors. This right may not be hindered and is without prejudice to the fulfilment of the obligations, including funding obligations, assumed by the withdrawing party for the current and previous operating years or the management activities already performed by the Consortium in the withdrawing party's interest.

9. The Board of Directors may decide to exclude a participant from the Consortium if it loses the requirements for admission. It may do so if it is subject to bankruptcy procedures that even temporarily forbid the continuation of the year for the company, in cases of non-compliance with the Consortium Regulations adopted under art. 21 or when it can no longer participate in the Consortium's purpose. This is without prejudice to the Meeting's right to resolve by a majority to exclude the Consortium Member for further serious reasons.

10. Once approved by the Board of Directors, an exclusion is immediate and must be communicated to the Consortium Member and the WEEE Coordination Centre within 30 (thirty) days.

11. The Consortium communicates to the Supervisory and Control Committee the names of the Consortium Members that are no longer part of the Consortium, for the purposes of verifying the fulfilment of the obligations set out in Article 23 of Legislative Decree 49/2014.

12. There is no liquidation of the share, nor any return of contributions or guarantees given, and nothing is owed by the Consortium to the withdrawn or excluded Member. The consequences of withdrawal and exclusion for the allocation of votes in the Members' Meeting are governed by Regulations adopted under Article 21. The share value of the withdrawn or excluded Consortium Member is allocated to the reserve under to the provisions of article 6 paragraph 5).

Article 5

Rights and obligations

1. Consortium Members have the right to participate in the Consortium to adopt the statutory objectives using the methods provided for in these Articles of Association. The Consortium Members and Associates can benefit from the Consortium services.

2. The Consortium Members are required to fulfil the obligations deriving from the provisions of legislative decree 49/2014.

3. The Consortium Members are required to fulfil the obligations deriving from participation in the Consortium and are obliged to:

- a) contribute to the establishment of the Consortium fund;
- b) pay the environmental contribution and the additional contributions under art. 7 as resolved by the ordinary Meeting;
- c) transmit to the Board all the data and information requested concerning the Consortium's objective;
- d) submit to all Board of Directors' verifications to ascertain the exact fulfilment of the Consortium obligations. This is without prejudice to Members' data confidentiality;
- e) comply with the Articles of Association, regulations and resolutions of the Consortium bodies, which are binding for all Members;
- f) favour Consortium interests and not carry out activities contrary to its objectives.

4. The Consortium ensures Members compliance with the obligations referred to in paragraph 3 and takes any action necessary to verify and restrain any violations of these obligations.

5. If there is a non-fulfilment of the Consortium obligations referred to in paragraph 3, the Board of Directors may impose a pecuniary sanction proportionate to the seriousness of the breach and resolve for the exclusion of the Consortium Member where applicable. Consortium Regulations which will be adopted under Article 21 detail the minimum and maximum penalty for the breach and the related proceedings. A Member sanctioned may not exercise the right to vote in a Members' Meeting until payment of the sanction. The same regulation establishes the venue and procedures for the settlement of any disputes between the Consortium Members or between the Consortium Members and the Consortium.

Article 6

Consortium fund

1. The Consortium fund is composed of:

- a) a share paid by the Consortium Members upon their membership, to the extent established by the Consortium Articles of Association and by Regulations adopted under article 21;
- b) intangible assets, movable and immovable property purchased by the Consortium, including donations or assignments made by third parties as donations;
- c) any management surpluses;
- d) any penalties paid by the Consortium Members;
- e) capital increases deriving from the Consortium fund management.

2. The Consortium fund remains indivisible for the Consortium's entire duration. It is forbidden to distribute any profits and management surpluses to the Consortium Members. Any operating surplus is not part of the income, provided that the prohibition of distribution to the Consortium Members and Associates of the surplus and reserves is respected, even if the company is dissolved.

Each management surplus constitutes an advance for the following financial years and, if it comes from the environmental contribution, it is destined to reduce the contribution amount in the following financial year.

The management surpluses cannot be used to reduce the environmental contribution due by producers who did not contribute to it or did not participate in the Consortium system during the two previous years.

3. Each Consortium Member is required to contribute to establish the fund by paying a sum corresponding to the number of shares assigned according to the previous article 4.

4. Without prejudice to the provisions of paragraph 2 regarding the restriction on operating surplus use from the environmental contribution, the fund component referred to in paragraph 1, letter a) may be used in the consortium system management, following a Board of Directors resolution approved by the Member's Meeting, where the other sources of financial provisions are insufficient, but it must be reinstated in the following year.

5. The Board of Directors may constitute additional reserve funds, without prejudice to the principle of pursuing financial balance.

Article 7 **Financing of activities**

1. The financial resources for the operation of the Consortium derive from:

a) the environmental annual contribution paid by EEE producers. The environmental contribution is used to comply with the collection, treatment, recovery and disposal obligations imposed by legislative decree 49/2014 in the reference calendar year or in subsequent financial years in accordance with article 6, paragraph 2;

) the proceeds of the activities carried out to implement laws and legal standards, particularly from sale proceeds, according to the competition principles and proper environmental management of WEEE and WBA and their parts taken back or collected, and the supply of services connected;

c) the proceeds of the asset management including donations;

d) participation fees paid by the Consortium Members or third parties, and the annual contribution;

e) the use of the reserve funds referred to in Article 6, paragraph 5;

f) the possible use of the Consortium fund component referred to in Article 6, paragraph 1, letter a) with the methods indicated in Article 6, paragraph 4;

g) any contributions paid by non-EEE producer Members;

h) any contributions and funding from public or private bodies;

i) the annual environmental contribution for the management of the WBA paid by the Members and Associates to the extent established by the Contract;

l) contributions other than those referred to in the previous letters a) and i), possibly paid by the Consortium Members and Associates including extraordinary contributions, following the Members' Meeting resolution;

m) any pecuniary sanctions paid by the Consortium Members under article 6, paragraph 1, letter d) of these Articles of Association.

Article 8 **Bodies**

1. The Consortium bodies are:
 - a) the Members' Meeting;
 - b) the Board of Directors;
 - c) the Chairman or, in their absence or impediment, the Vice-chairman;
 - d) the Board of Statutory Auditors;
 - e) the Director General (if any).

Article 9

Composition and functions of the Ordinary Members' Meeting

1. Each Consortium Member has the right to a number of votes in the Members' Meeting equal to the number of their shares. This is without prejudice to the provisions of article 10, paragraph 7 of these Articles of Association. Consortium Members who are up to date with their Consortium obligations set out in Article 5 may exercise their right to vote.

2. The ordinary Members' Meeting exercises the following functions:

- a) elects an odd number from 3 (three) to 9 (nine) members of the Board of Directors;
- b) elects three statutory and two substitute members of the Board of Auditors;
- c) resolves to entrust the task of statutory auditing to the Board of Statutory Auditors or independent auditing Company under Article 17;
- d) approves the annual budget, accompanied by the documents referred to in Article 20, paragraph 4, and the annual financial statements, accompanied by the documents referred to in Article 20, paragraph 6;
- e) approves the Consortium activities and investment programmes;
- f) decides possible grants to the Chairman and Vice-Chairman, members of the Board of Directors and the Board of Auditors for annual compensation and reimbursement of expenses;
- G) decides on all other matters relating to Consortium management under this legal standard and laws, and on those submitted by the Board of Directors;
- h) resolves on the annual contribution required by article 7, paragraph 1, letter d) for the pursuit of the statutory purposes;
- i) approves the environmental contribution provided for in article 7, paragraph 1, letter a), for the pursuit of the statutory purposes;
- l) approves the management report, including the specific prevention and management plan, and the results achieved in recycling and recovery of WEEE, as referred to in Article 3, paragraph 9;
- m) resolves all appropriate measures regarding financial resources under Article 7;
- n) approves the use of the Consortium fund component referred to in Article 6, paragraph 1, letter a) of these Articles of Association in the Consortium system management, when other financial sources are insufficient;
- o) resolves on the admission of non-EEE producer Candidates under Article 4, paragraph 4 according to the regulation referred to in Article 21;
- p) resolves on the exclusion of the Consortium Members, except for the cases provided for by art. 4, paragraph 9.

Article 10

Ordinary Meeting Functioning

1. The Ordinary Members' Meeting is convened by the Board of Directors at least once a year to approve the budget and the financial statements.

2. The convocation may take place by registered letter or certified e-mail or fax at least 15 (fifteen) days before the meeting, except in cases of urgency which must still follow the minimum 5 (five) day period. The notice shall state the agenda, the place and date of the first convocation and a second convocation possibly at least twenty-four hours later.

3. The Meeting is convened by the Board of Directors when it is deemed necessary. The convocation can be requested by several Consortium Members holding at least 50% (fifty percent) of all shares based on the allocation made during the last Meeting. It must indicate the topics to be discussed.

4. A meeting convocation may take place at the request of the Board of Auditors. In such cases, the Board of Directors shall call the Meeting within 10 (ten) days from the request receipt.

5. Consortium Members may attend the meeting in person, using a legal representative, or a delegate. Consortium Members may be represented by a written proxy which is retained by the Consortium. No person may hold more than 15 (fifteen) proxies. These limits do not apply to trade associations, where delegations are given to their representatives.

6. The Members' Meeting is validly constituted, on first call, when the representatives of the companies present make up 70% (seventy percent) of the Consortium shareholdings. The second call shall be validly constituted if the majority of the Consortium shareholdings is present.

7. During the Meeting each participant votes based on the number of their Consortium shares. The operative procedures to ensure compliance with this paragraph are determined by the Consortium Regulations adopted under Article 21. The Extraordinary Meeting may amend regulations referred to in article 21 by assigning the Founding Members special voting rights. These rights cannot grant the Beneficiaries an increase of more than 30% (thirty percent) of the votes to which each Founding Member is entitled based on the Consortium share, upon reaching a total value of new shares of Euro 200,000 (two hundred thousand Euro).

8. The Members make resolutions during the Ordinary Meeting with the majority of votes including proxy votes.

9. The meeting is chaired by the Consortium Chairman or, in their absence or impediment, by the Vice-Chairman. In the absence of the Vice-Chairman it is chaired by the most senior Director or, as alternative, by one of the Members present at the Meeting.

Article 11 Extraordinary Meeting

1. The Extraordinary Members' Meeting is validly constituted on first call when the Consortium Members present represent 70% (seventy percent) of the total Consortium shares, and resolves with two thirds of the votes present, including proxies. On second call and with the same agenda, the Extraordinary Meeting may resolve when there are Consortium Members representing the absolute majority of the shares, and resolves with two thirds of the votes present, including proxies.

2. The Extraordinary Members' Meeting resolves:

- a) on the approval and modification of the Articles of Association. The resolutions on Articles of Association amendments are submitted to the approval of the Ministry of the environment and protection of land and sea and the Ministry of economic development;
- b) on the approval and modification of the regulations and their amendments, as provided for in Article 21;
- c) on an extension of the expiry period referred to in Article 2, paragraph 1 of the Consortium if the legal requirements for its establishment remain unchanged at that time;
- d) on the possible early dissolution of the Consortium.

3. For the rest, the provisions set out in Articles 9 and 10 regarding Ordinary Members' Meetings are applied.

4. Ordinary and extraordinary Meetings can take place at the Consortium registered office or elsewhere if they are in Italy and can be held by teleconference or videoconference, provided that all the participants can be identified and can follow the discussion and participate in real time on the agenda. Once these requirements are verified, the Meeting is considered held in the place where the person chairing under article 10, paragraph 9 and where the secretary are present, to draft and sign the minutes on the book.

Article 12

Composition and functions of the Board of Directors

1. The Board of Directors consists of an odd number comprised between 3 (three) and 9 (nine) members elected by the Ordinary Meeting.

2. The Members' Meeting establishes the membership number of the Board of Directors and proceeds with their appointment according to the methods and voting systems provided for by Regulations adopted under article 21 of these Articles of Association.

3. Those who are in the conditions referred to in Article 2382 of the Civil Code cannot be appointed as directors, and if appointed they are removed from their office.

4. Board of Directors meetings are attended by the members of the Board of Auditors and the Director General of the Consortium who has a consulting role, if any. The Chairman has the right to invite anyone they deem appropriate to the Board of Directors meetings.

5. The Board of Directors has all the powers necessary to fulfil the legal purposes set out in Article 3 of these Articles of Association, except for those expressly reserved by law or by the Articles of Association to the Meeting. For example, the Board of Directors shall:

- a) elect the Chairman and the Vice-Chairman from among its members, without prejudice to the cases provided for in Article 14, paragraph 2 and the first appointment;
- b) determine the functions and assign the operating powers to the Chairman, the Vice-Chairman and the Director General, if any;
- c) convene the Members' Meeting and set the agenda;
- d) retain the Members' book and ensures its continuous updating;
- e) define the shares allocation under these Articles of Association and the relevant Regulations;
- f) prepare the annual budget and the annual financial statements to submit to the Members' Meeting for approval. The budgets and financial statements must be submitted to the Ministry of the environment and protection of land and sea;
- g) draw up the balance sheet under Article 2615-bis of the Civil Code;

- h) annually define the Consortium's financial needs and the funding criteria and determine the extent of the Consortium Members and the Associates' contributions established in Article 7;
- i) prepare a specific prevention plan provided for in Article 3, paragraph 9, to be submitted to the Members' Meeting for approval;
- l) adopt Consortium Regulations schemes, and related amendments, to be submitted for approval to an Extraordinary Meeting;
- m) adopt the multi annual and annual Consortium activity programme;
- n) decide on all the deeds and contracts relating to the Consortium activity and employee and professional service relations, without prejudice to the powers of the Chairman and the Director General, if any;
- o) decide on any proposed agreements under Article 3, paragraph 8;
- p) decide all matters under Article 4;
- q) appoint and remove the Consortium Director General and establishes their remuneration;
- r) determine the Consortium personnel and the methods of internal administrative management;
- s) decide on applications for Consortium Membership by verifying the requirements for admission and taking care of the collection of shares and contributions due at the admission. Application rejections for membership must be justified and communicated to the WEEE Coordinating Centre;
- t) supervise the exact fulfilment of the obligations by the Consortium Members and determine the imposition of sanctions and their amounts;
- u) authorise the Chairman or the Vice-Chairman to grant powers of attorney for single deeds or categories of deeds;
- v) carry out all the acts and operations of ordinary and extraordinary administration, except for those which under the law or these Articles of Association are reserved to other Consortium bodies;
- z) decide on appropriate action to ensure the necessary coordination with the public authorities, the WEEE Coordination Centre, other Consortia established and operating under Legislative Decree 49/2014;
- aa) resolves and explains the exclusion of Members and communicates it to the WEEE Coordination Centre;
- bb) annually carry out self-certification as per article 10, paragraph 9, of legislative decree 49/2014 for the Supervisory and Control Committee;
- cc) constitute any reserve funds referred to in Article 6, paragraph 5 and resolve on its use;
- dd) appoint one or more attorneys and representatives for deeds or categories of deeds and grant them powers and signatory powers.

6. The Board of Directors may:

- a) use the advisory support of associations representing the Members' business sectors;
- b) delegate to such organisations referred to in letter a) the right to carry out certain activities.

7. Under this article, the Board of Directors may delegate some of its powers to the Chairman and the Vice-Chairman, the Director General, if any and set the limits of the delegation. The Board of Directors may entrust specific duties to the Chairman or Vice-Chairman or the Director General, where provided for.

8. Preparation of the financial statements and other obligations indicated in paragraph 5, letters e) and f) cannot be delegated.

Article 13

Operation of the Board of Directors

1. The members of the Board of Directors hold office for 3 (three) years. This appointment expires on the date of the Meeting called to approve the financial statements for the last year of their office. The members of the Board of Directors can be re-elected. The termination of the directors' mandate is effective from the date on which the Board of Directors is reconstituted.
2. In case of termination of a member of the Board of Directors for any reason, the other directors shall replace them by co-opting another director representing the category of the predecessor. This will be done by special resolution, after hearing the Board of Auditors. The appointed director shall hold office until the next Members' Meeting.
3. If, for any reason, half or more of the directors cease their role, the remaining directors must convene a Members' Meeting to replace them. If all directors cease their office, the Members' Meeting to reconstitute the body is immediately convened by the Board of Auditors or, failing that, by a single Consortium Member.
4. The Members' Meeting has the right to revoke directors.
5. The Board of Directors shall be convened by written invitation by the Chairman and, in case of absence or impediment, the Vice-Chairman. This must take place at least every quarter, every time there is matter to resolve, or when it is requested by at least 1 (one) director. In the latter case, the Board is convened within 20 (twenty) days from receiving the request.
6. The convocation shall be sent by the director in writing, by means of registered mail, certified e-mail, fax or email upon copy of the receipt. It shall indicate the agenda, the place and date of the meeting. The convocation must be sent to directors at least 7 (seven) days before the meeting or, in urgent cases, at least 2 (two) days before.
7. Meetings of the Board of Directors, if duly convened, are valid when there is the presence of the majority of the members. The meeting is considered valid, even without formal convocation, if all directors and all statutory members of the Board of Auditors are present.
8. Board meetings may take place either at the Consortium registered office or elsewhere provided that it takes place in Italy. Meetings of the Board of Directors may be held by teleconference or video conference, provided that all participants can be identified and can follow the discussion and participate in real time on the agenda. Once these requirements are verified, the Board of Directors is considered held in the place where the person chairing (under paragraph 10 below) and the secretary are present to enable the drafting and signing of the minutes on the book.
9. For the validity of the resolutions the favourable vote of the majority of the participants is required. In case of a tie, the vote of the person chairing shall prevail.
10. Meetings of the Board shall be chaired by the Chairman or, in their absence or impediment, the Vice-Chairman. A director appointed by the Board for the purpose may take the role in the absence of the Vice-Chairman.
11. Directors are entitled for reimbursement of travel expenses and accommodation, if approved by the Members' Meeting under the provisions of Article 9, paragraph 2, letter f).

12. The minutes of the Board meeting are drafted by the Secretary appointed by the Chairman, who shall attend meetings. The minutes of the Board meeting are signed by the Chairman and the Secretary.

13. Directors are required to perform their duties in the interest of the Consortium and in an impartial and independent way.

Article 14 Chairman and Vice-Chairman

1. Chairman and Vice-Chairman of the Consortium are appointed by the majority of the Board of Directors from among its members and remain in office until the expiry of the Board that appointed them.

2. If the Chairman ceases to hold office in advance, a new Chairman is chosen from among the members of the Board of Directors. The new Chairman holds office until the end of the mandate started by their predecessor.

3. The Chairman and Vice-Chairman are responsible:

- a) to legally represent the Consortium before third parties and in court, with the power to carry out legal actions and petitions before any jurisdictional authority, including arbitration, and administrative authorities;
- b) for Consortium signatory powers;
- c) for the chairmanship of the meetings of the Board of Directors and Members' Meeting;
- d) to represent the Consortium in relations with public administrations;
- e) to implement the resolutions adopted by the Board of Directors;
- f) to supervise the retention of documents, particularly keeping the minutes of the Members and the Board of Directors Meetings;
- g) to ensure that it operates in compliance with the Consortium interests;
- h) to confer powers of attorney for individual deeds or categories of deeds, upon approval of the Board of Directors.

4. In extremely urgent cases where there is an inability to convene the Board of Directors, the Chairman or other person delegated may temporarily take the most appropriate measures. In such a case it is required to submit the decision for ratification by the Board of Directors at the next meeting.

5. In case of absence or impediment, the functions assigned to the Chairman will be carried out by the Vice-Chairman.

6. The duties and functions of the Vice-Chairman are established by the Board of Directors.

Article 15 Director General

1. The Director General, if any, shall be appointed by the Board of Directors, upon the proposal of the Chairman to a person who has significant managerial experience.

2. The employment of the Director General is governed by private law contracts.

3. The functions and powers of the Director General are determined by the Board of Directors. The Director General:

- a) assists the Chairman in the execution of the Consortium bodies resolutions;
- b) carries out the current administrative, civil, commercial and tax operations particularly to do with litigation, necessary for the proper functioning of the Consortium;
- c) manages relations with banks and social security agencies;
- d) hires employees including executives, according to the personnel policy established by the Board of Directors. Recruiting and dismissing managers is subject to the prior approval of the Board of Directors;
- e) by agreement with the Chairman, manages ordinary relations with the Consortium Members and Associates, institutions, authorities, the WEEE Coordination Centre, other consortia and operators under Legislative Decree no. 49 of 2014 and other third parties.

4. The Director General participates in the Members' Meetings and the Board of Directors meetings, without voting rights.

5. The Director General signs the Consortium correspondence. This is without prejudice to the opportunity to receive specific powers of attorney for single deeds or categories of deeds from the Chairman, which are authorised by the Board of Directors.

Article 16 **Supervisory bodies**

1. The Consortium control bodies and organisations, under art. 10, paragraph 5-bis, of Legislative Decree 49/2014 are:

- a) the Board of Statutory Auditors, in charge of the statutory audit;
- b) the Supervisory Body under Legislative Decree of 8 June 2001, no. 231;
- c) the independent auditing company for the verification of accounting and tax compliance.

Article 17 **Board of Auditors**

1. The Board of Auditors consists of 3 (three) statutory and 2 (two) substitute members. A statutory member and a substitute member are appointed by the Ministry of environment and protection of land and sea and the Ministry of economic development from among its employees. Until the Ministry of the environment and protection of land and sea and the Ministry of economic development will make available the list of persons to be appointed as members of the Board of Statutory Auditors, the Members' Meeting will appoint the whole Board of Statutory Auditors. Once the lists are made available, the Members' Meeting will promptly co-opt replacement members appointed by the Board of Statutory Auditors within 60 (sixty) working days.

2. The Board of Statutory Auditors:

- a) controls the management of the Consortium system;
- b) monitors legal, Articles of Association and Consortium Regulations compliance and that the Consortium follows the principles of proper administration such as adequate organisational, administrative and accounting structure, and its operation;
- c) annually prepares a report as a commentary on the balance sheet.

3. The statutory auditors attend the Members and the Board of Directors meetings. They may require from the directors information on the Consortium operations or specific business and may, individually, carry out inspections and controls.

Article 18

Supervisory body

1. The supervisory body is appointed by the Consortium Board of Directors at the same time as the approval of the organisation, management and control system, defined under Legislative Decree of 8 June 2001, no. 231 and remains in office for 3 (three) years. The members of the supervisory body may be revoked by the Board of Directors only for serious reasons specified in the revocation resolution. The Supervisory Board is composed of at least 3 (three) members, one appointed by the Ministry of Environment, protection of Land and Sea and the Ministry of Economic Development among its employees. Pending the choice of names appointed by the supervising Ministries, the Board of Directors will elect the supervisory body. It can revoke and reappoint the body once the names from the Ministry are received, within a maximum of 60 (sixty) days from the communication.

2. The Supervisory body has autonomous powers of initiative and control and operates in compliance with the principles and purposes set out in the legislative decree of 8 June 2001, no. 231.

Article 19

Statutory audit

1. Periodic verification of accounting and tax compliance is entrusted to an auditing company.

Article 20

Annual financial statements

1. The Consortium financial year begins on 1 January and ends on 31 December.

2. The Consortium adopts separate accounting and administrative systems for waste management activities belonging to the different sectors. The financial statements are prepared in accordance with the civil law provisions, they should disclose the financial position regarding the environmental contribution referred to in Article 8 of Legislative Decree 49/2014.

3. Within 3 (three) months from the end of each financial year, the Board of Directors must convene the ordinary Members' Meeting to approve the financial statements and the annual budget. The convocation can take place in the broader term of 5 (five) months from the end of the financial year, if required. In this latter case, the directors are required to communicate the reasons.

4. The annual budget is accompanied by:
 - a) an explanatory report on the activities to be implemented during the year;
 - b) a report on the differences in estimates in relation to the previous year.

5. The documents referred to in paragraphs 3 and 4 must be filed at the Consortium registered office to allow each member to read them at least 15 (fifteen) days before the Meeting.

6. The financial statements consist of Consortium's income statement, balance sheet and cash flow statement and is accompanied by the explanatory notes and the management report, as required by article 2423 of the Civil Code.

7. The balance sheet is drawn up observing the rules on the annual financial statements for joint-stock companies and is filed with the Companies Register within 2 (two) months from the end of the financial year under Article 2615-bis of the Civil Code.

8. The draft budget must be communicated to the Company appointed to carry out the statutory audit and the Board of Auditors at least 30 (thirty) days before the General Meeting convened for its approval.

9. Specific rules for administration, finance and accounting are defined in Regulations adopted under Article 21.

10. Self-certification attesting the tax and social security compliance referred to in article 10, paragraph 9, of legislative decree 49/2014, provides evidence of the audits of the independent auditing company.

11. The annual budget and financial statements are transferred to the Ministry of environment and protection of land and sea and the Ministry of economic development.

Article 21 Consortium Regulations

1. In the cases provided for by the Articles of Association, the extraordinary Members' Meeting approves Consortium Regulations, upon the Board of Directors' suggestion.

2. The regulations approved by the extraordinary Meeting, and any amendments, shall be communicated to the Ministry of the environment and protection of land and sea and the Ministry of economic development. If the Ministries determine that the regulations are inconsistent with the provisions of these Articles of Association, they may request the Consortium to adopt the necessary amendments.

Article 22 Dissolution and liquidation

1. Any early dissolution must be communicated to the National Register of entities obliged to finance the WEEE management systems, the Supervisory and Control Committee, and the WEEE Coordination Centre within 30 (thirty) days. It is sent to the National Register of entities obliged to finance waste batteries and accumulators management systems and the National coordination centre for batteries and accumulators (CDCNPA).

2. Any remaining liquidation assets, for the part deriving from any management surpluses from the environmental contribution, will be allocated to the WEEE Coordination Centre. It shall use the surpluses for the purposes listed in Articles 15 par. 3 letter d) and 16 par. 2 letter A) of Legislative Decree no. 49 of 14 March 2014, and to cover the financial guarantee referred to in Article 25 of the decree, if unpaid. This is subject to the supervisory Ministries' favourable opinion.

Article 23 Supervision

1. The Consortium operates under the supervision of the Ministry of the environment and protection of land and sea and the Ministry of economic development.

2. In addition to the reporting obligations imposed on the Consortium deriving from the provisions of these Articles of Association, at any time the Supervising Ministries may ask the Consortium a copy of the documents adopted by the Consortium bodies.

3. In case of serious irregularities in the Consortium management or inability of normal operation of the Consortium bodies, the Ministry of the environment and protection of land and sea, and the Ministry of economic development can order the dissolution of one or more bodies. They may also appoint an external examiner to organise their restoration. If this is impossible, they may appoint an examiner to manage the Consortium.