



Water for Development Management Institute
ARTICLES OF ASSOCIATION

ARTICLE 1 – DEFINITION

The Association "Water for Development Management Institute" (hereafter abbreviated to "HYDROAID" or the "Association") is established.

ARTICLE 2 – OBJECT

Hydroaid is a non-profit Association, is entitled to operate both in Italy and abroad and solely pursues objectives of solidarity and assistance in the field of training and capacity building in the sector of management and protection of the water resources and related topics. Hydroaid operates in favor of unprivileged areas, countries and regions and of populations in need of support for development.

The Association organizes theoretical and practical training courses on the management of the water resources and related aspects such as: the management of the water services, the safeguard of both the environment and the territory as referred to water and relevant training.

Such courses are intended for engineers and managers of developing countries and are offered them free of charge.

Nevertheless, beneficiary countries may be requested to pay a contribution (in an amount to be determined) should the HYDROAID bodies deem it appropriate.

The Board of Directors may resolve to admit paying students to courses if any countries or persons who are willing to bear the relevant costs (the amount of the related fee shall then be established) and compatibly with the regular development of the training courses.

Furthermore, the association promotes and actively participates to capacity building programs with reference to the themes of water service management, environment and territory safeguard as related to water issues aimed at solidarity and assistance in favor of the emerging and/or developing countries or unprivileged areas and/or regions.

Furthermore, the Association may:

- a) organize conferences, shows and events related to its purposes;
- b) set up relationships with other private and public parties as deemed useful for the optimum achievement of HYDROAID's object;
- c) issue publications which are functional to its purposes;
- d) organize ancillary no-profit activities;
- e) undertake any initiative that the Board of Directors may deem appropriate and useful for the optimum achievement of the Association's objects.

ARTICLE 3 – DURATION

HYDROAID is established for an unlimited length of time, unless otherwise resolved upon by the Members' Meeting.

ARTICLE 4 – REGISTERED OFFICE

HYDROAID's registered office is in Turin, Via Pomba 29. Such address may be changed – within the municipality of Turin – by resolution of the Board of Directors.

ARTICLE 5 – MEMBERS

Members of the Association shall be the subjects who adhere to it as a result of their competent bodies passing a resolution to do so, and who offer significant support to its activities on a permanent basis.

A member shall be accepted pursuant to an undisputable decision and resolution by the Board of Directors.

The qualification of Member shall be revoked in the case that the reasons which originally justified acceptance (including, in particular, support to the Association's activities) no longer apply.

In this case, the Board of Directors shall irrevocably assess and resolve upon the revocation of the qualification of Member according to a statement of the reasons which led to revocation.

The revocation of membership shall automatically cause the immediate exclusion of the disqualified Member from the Board of the Directors.

All the documents and information relevant to every and any Hydroaid's initiative and/or procedure are provided to the Members, upon written request formulated to the Chairman of the Association through the Director appointed by them.

ARTICLE 6 – SUPPORTING MEMBERS

The qualification of Supporting Members is granted – by resolution of the Members' Meeting – to natural persons, associations, universities, centers, research institutes, enterprises and institutions of any kind which – because of their sharing the aims of the Association – contribute without any lucrative purposes to the life of the Association itself and to the fulfillment of its objectives through yearly or multi-year contributions in the modalities and in amounts no lower than established – also on a yearly basis – by the Meeting itself, or through a professional activity of particular significance, or also through a contribution in tangible and/or intangible assets.

The Supporting Members may allocate their contribution to specific projects within the Association's scope of activities.

The qualification of Supporting Member shall last the whole period for which the contribution has been regularly paid.

ARTICLE 7 – ESTATE

The Association's estate consists of an imprest fund made by the contributions in cash paid to this purpose by the Associates as well as by the assets which shall become – either directly or indirectly – property of the Association; by endowments, donations and legacies – if any – made to this purpose.

To achieve its own objectives, the Association shall also resort to amounts which come from the Membership Fees, public and private contributions and proceeds – if any – which may derive from initiatives undertaken by the Association.

HYDROAID shall pursue its aims using available funds in the amount and according to the methods defined by the Board of Directors at any time as instructed by the Members' Meeting.

ARTICLE 8 – FISCAL YEAR

The fiscal year starts on January 1st and ends on December 31st of each year.

The final balance is to be approved by April 30th of the subsequent fiscal year.

The budget is to be approved by November 30th of the previous fiscal year and is to define the maximum amount of expenditure by the Association, together with a document containing the guidelines for its activities the following year.

ARTICLE 9 – BODIES OF THE ASSOCIATION

The bodies of the Association are:

- a) The Member's Meeting
- b) The Board of Directors
- c) The Chairman
- d) The Deputy Chairman
- e) The Board of Statutory Auditors.

ARTICLE 10 – THE MEMBERS' MEETING

The Members' Meeting is composed by the members of the Association. It is called by registered letter with return receipt, facsimile or email at least five days prior to the scheduled date with attachment of the documents which will be discussed. It is chaired by the Chairman or, in the case of his or her impediment, by the Deputy Chairman. Should both be unable to attend the Meeting, the Meeting shall be chaired by the eldest member of the Board of Directors.

The Meeting shall meet at least twice a year, by November, to approve the budget and the activity guidelines of the following fiscal year; by April to approve the final balance, evaluate the results of the activities developed and establish the objectives for the future. Each Member is entitled to one vote in the Meeting.

At Ordinary Meetings, resolutions shall be passed on first call by the majority of votes providing that at least half the Members are in attendance. Resolutions shall be passed on second call regardless of the number of Members in attendance.

In the case of Extraordinary Meetings, resolutions shall be passed by the majority of the attendees, providing that at least two thirds of the Members are in attendance.

The Meeting may resolve to wind up the Association with the favorable vote of three quarters of the Members, appointing a liquidator and establishing his or her powers, with the obligation of allocating any residual assets to institutions having similar purposes.

ARTICLE 11 – THE BOARD OF DIRECTORS

Each Member shall be represented at the Board by a Director to be appointed by the legal representative of the related Member.

Since the Association is developing an activity having an international impact and receives a special support by the Ministry of Foreign Affairs, said Ministry is entitled to appoint its representative at the Board of Directors.

The Directors are appointed for three years (except in case of resignations), more precisely until the approval of the balance relevant to the last year of

mandate, and can be reappointed. In case of replacement – because of either annulment or resignation – of a Director by one of the Associates, the newly appointed Director shall remain in office for the residual duration of the Board office.

The Board Meeting is called in compliance with the same modalities which are established for the Members' Meeting.

It is allowed that the Board Meetings are held by video/audio conference, upon condition that all the participants can be identified and are allowed to both follow the discussion and intervene in real time to the debate on the items of the agenda.

Once these conditions are fulfilled, the Meeting is considered to be held at the place the Chairman of the Meeting is, and where the Secretary is to be as well.

For the Board resolutions to be held as valid, the presence of the majority of the members and favorable vote by the majority of the attendees are required.

In case of an equal number of votes, the vote of the Chairman – or, in any case of him/her who is chairing the meeting – shall prevail.

The Board of Directors is given the broadest powers as related to both the routine and extraordinary business of the Association and can undertake all the acts it may deem as appropriate for the implementation and achievement of the statutory objectives, with the sole exception of those proceedings the Articles of Association expressly reserve to the Members'.

The Board of Directors is to resort to a Scientific Committee for advice and recommendations.

The Board of Directors can also appoint an Executive Committee composed by some of its members, determining its relevant competences, powers and modalities of operation.

The Board of Directors can receive public and private contributions in support to the activities of the Association and can stipulate agreements with subjects interested in offering contributions to be allocated to the training of engineers and managers of specific countries. The Board of Directors may also enter into cooperation agreements with any parties whose activity is relevant to the association purposes, and resolve upon the involvement of the Association in similar bodies or association structures should it be considered useful for said purposes.

ARTICLE 12 – THE CHAIRMAN

The Chairman is the legal representative of the Association; he or she shall call and chair the Members' Meeting and the meetings of the Board of Directors, of which he or she shall be a legitimate member entitled to vote.

The Chairman shall be appointed by the Meeting by secret vote with a two-thirds majority, and shall remain in office as long as the Board of Directors, with the possibility of being re-appointed in compliance with appointment procedures.

In the case of his or her absence or impediment, the Chairman shall be temporarily replaced by the Deputy Chairman or, in the case of the latter's impediment, by the eldest member of the Board of Directors.

ARTICLE 13 – THE DEPUTY CHAIRMAN

The Deputy Chairman shall be appointed by the Meeting from amongst the members of the Board by secret vote with a two-thirds majority. The Deputy Chairman shall remain in office as long as the Board of Directors and may be re-appointed in compliance with appointment procedures.

The Deputy Chairman shall replace the Chairman in all the cases of the latter's impediment by taking over the Chairman's same functions and powers on a temporary basis.

ARTICLE 14 – THE SCIENTIFIC COMMITTEE

The Board of Directors appoints a Scientific Committee, composed by prominent scholars and engineers of proven experience in Italy and worldwide, chooses its Chairman and determines its set of operational rules, composition, aim, tasks and operational modalities.

ARTICLE 15 – THE CEO

The Chief Executive Officer shall be appointed by the Board of Directors by secret vote with simple majority. The Board of Directors shall also establish his or her remuneration, the duration of appointment and the nature of his or her professional relationship with the Association. The CEO shall attend the Member's Meeting and the meetings of the Board of Directors without being entitled to vote.

The Chief Executive Officer shall manage the business of the Association, its activities and personnel, supervise the administration and bookkeeping, drafts the budget and balance proposals to be submitted to the Board of Directors for approval by the Members' Meeting, exerts all the powers entrusted to him/her by the Board of Directors and/or the Chairman.

ARTICLE 16 – THE BOARD OF STATUTORY AUDITORS

The Board of Auditors shall be composed by three members, who shall remain in office for the same period of time as the Board of Directors.

The members of the Board of Auditors shall be appointed by the Meeting from amongst those enrolled in the *Albo dei Dottori Commercialisti* (Register of Chartered Accountants) or in the Register of Auditors. The Meeting shall also appoint the Chairman of the Board.

The Board of Auditors exerts the powers and functions as stated in Articles no. 2403 and following of the Italian Civil Code, including the accounting control functions mentioned in Article 2409-bis and may proceed with acts of inspection and checking at any time.

The Board of Statutory Auditors attends the Members' Meetings, the meetings of the Board of Directors and – where established – of the Executive Committee, with no right to vote but with the power of including any statement in the minutes.

ARTICLE 17 – WINDING UP OF THE ASSOCIATION

Should the association stop its activities for any reason and decide to dissolve by way of a resolution of the Extraordinary Meeting, any residual assets concerned with liquidation shall be allocated to those parties which develop similar activities for public purposes. Such parties shall be identified by the Meeting.

ARTICLE 18 – TRANSITORY PROVISIONS

The current fiscal year at the date of the amendment of this Statute shall be extended up to the date of December 31st and shall therefore last seventeen months. The current Board of Directors shall remain in office until the meeting scheduled for the approval of the balance to December 31st 2007.

ARTICLE 19 – FINAL PROVISIONS

For any issue that is not expressly governed by these Articles of Association, reference shall be made to general legal principles, and to the provisions set forth in the Italian Civil Code governing ordinary management, if any.