

CONSORZIO PER LO SVILUPPO
E LA TUTELA DELLO STANDARD E.S.E.



CONSORTIUM FOR THE DEVELOPMENT
AND THE PROTECTION OF THE E.S.E. STANDARD

Articles of Association of the E.S.E. Consortium

Translation from original in Italian
Amended and approved by the General Extraordinary Meeting
of the E.S.E. Members on October 25th, 2004

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Articles of Association of the E.S.E. Consortium

Article 1

Incorporation and name

According to art. 2 of the "Legge Marchi" - (Italian Trademarks Law - Law 21.6.1942, n. 929 and modified by Law Decree 4.12.1992, n. 480) a Consortium is incorporated of which are members persons and/or companies performing business activities. The name of the Consortium is "Consorzio per lo sviluppo e la tutela dello Standard Easy Serving Espresso - E.S.E." (Consortium for the Development and the Protection of the Easy Serving Espresso Standard - E.S.E.); hereinafter called "E.S.E. Consortium".

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Article 2

Registered Office

The E.S.E. Consortium has no territorial limits: its registered office will be in the Council of Milan, by the address resulting in the registration done by the company's registration office as per article 111-ter of the civil code, but can operate in the entire world.

The registered office can be moved in any place within Milan's Council by means of the simple decision of the administrative body in charge of communications to the Company's registration office; in case the moving takes place outside Milans' Council, the associates will have to decide upon.

Provincial offices, affiliates or representatives may be opened, changed or closed both in Italy and abroad, in accordance with the Law.

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Article 3

Duration

The duration of the Consortium shall be until December 31, 2050.

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Article 4

Purposes

The E.S.E. Consortium has non-profit purposes.

The object of the Consortium is to act in order to:

a) protect the production and commercialisation of the E.S.E. servings, of the espresso machines built to work with the E.S.E. servings, and of the industrial equipment producing E.S.E. servings and to guarantee a correct use of the collective trademark "Easy Serving Espresso" (E.S.E.);



- b) increase the consumption of the E.S.E. servings and the E.S.E. espresso machines, and to promote the manufacturing of industrial equipment producing the E.S.E. servings;
- c) promote the constant improvement of the production and the quality of the E.S.E. servings, of the E.S.E. espresso machines and the industrial equipments producing the E.S.E. servings, by providing the associates of the Consortium with all the necessary instructions and technical assistance;
- d) continually supervise the production and commercialisation of the E.S.E. servings and espresso machines and especially to control the correct use of the name "Easy Serving Espresso", of the signs and trademarks of the Consortium and to take any (legal) action necessary or solely convenient to avoid or repress any infringements or unauthorised use of these;
- e) guarantee that the product bearing the trademark "E.S.E." purchased and/or consumed by the consumers has the characteristics and the technical specifications of the E.S.E. Standard as specified in the present Articles of Association.

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Article 5 **Collective Trademark**

For the purposes of achieving the previously mentioned objectives, the E.S.E. Consortium may create from scratch, acquire by way of a licensing agreement or acquire direct ownership of, trademarks already registered or due to be registered in Italy and abroad, as trademarks based on the name E.S.E. or equivalent name, associated with other graphic and/or figurative symbols and/or acoustic elements.

The collective trademark of the trademarks registered in Italy and abroad in such way have the purpose to guarantee the consumers that:

- a) the servings comply with the E.S.E. standard and the related technical specification;
- b) the espresso machines comply with the E.S.E. standard and the related technical specifications;
- c) the original technical specification are contained in the regulation attached to the registration in Italy of the collective trademark "Easy Serving Espresso - E.S.E." (Regulation of the Technical Specifications, Attachment 1).

Any amendment to the technical specifications of the E.S.E. trademark, as well as the technical specifications and relevant modifications of other new trademarks registered by the Consortium may be made, provided that:

1. Amendments have been unanimously approved by the Board of Directors;
2. Approval of the amendments has been carried by a majority (two-thirds) of members entitled to vote at an extraordinary Meeting convened for such purpose.

The provisions of the above clause are required for the deposit of technical specifications of any new trademark registered by the E.S.E. Consortium or any modification thereof.

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Article 6

The "Easy Serving Espresso" (E.S.E.) system

a) Definition

The E.S.E. standard is a new system for the preparation of good-quality espresso coffee. It is based on the use of a correctly equipped E.S.E. espresso machine together with pre-packed single use doses of coffee called "E.S.E. servings".

b) Purposes

The purpose of the E.S.E. standard is to make the preparation of a good-quality espresso coffee easier.

This can be achieved through.

- the standardisation of the technical parameters and the construction geometry of the single use doses of coffee and of the espresso machines;
- the reduction of the manual expertise needed for the preparation of an espresso and through a cleaner system, since no loose ground coffee is used.

The elements of the E.S.E. system are:

- I. the single use dose of coffee called "serving" E.S.E. and their packages
- II. the E.S.E. espresso machine
- III. the plant for the production of the E.S.E. servings.

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Article 7

Technical specification

The technical specifications particularly refer to the E.S.E. servings and to the other packagings, to the E.S.E. espresso machines and industrial equipment for the production of E.S.E. servings.

The original technical specifications are contained in the regulations attached to the registration in Italy of the collective trademark "Easy serving Espresso - E.S.E." and a copy is enclosed hereto as Attachment 1. It shall be updated each time the Board of Directors decides any amendment to it.

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Article 8

License for the use of the collective trademark

The "E.S.E." collective trademark and other equivalents registered by the Consortium may be used:

to mark

- a) the E.S.E. servings and relative packagings that comply with the technical specifications mentioned at point 1. of the "Regulations of the Technical Specifications";
- b) the espresso machines that comply with the technical specifications mentioned at point 2. of said Regulations;
- c) the industrial equipment for the production of E.S.E. servings that is equipped to manufacture E.S.E. servings complying with the technical specifications mentioned at point 3. of the Regulations. In any case, the users of serving manufacturing machines bearing the E.S.E. trademark, should they decide to produce E.S.E. servings, they have to undergo the controls specified in the Articles of Association.

To advertise and promote the E.S.E. standard.

Use of the collective trademark is authorised exclusively by way of Board of Directors approval once the outcome of conformity checks is known and any other information relating to the products in question has been assessed.

The associates of the Consortium are not allowed to authorise any person to use the collective trademark.

The associates that operate through OEM are directly responsible for the quality of the products marked with the E.S.E. trademark.

Members operating as OEM outside contractors may not use the E.S.E. trademark on products introduced to the market without the trademark of the member who is in turn authorised to use it.

Any associate of the Consortium shall stop the use of the collective trademark from the moment it ceases to be its associate and in any case also on products in stock, even if such products conform to the qualitative characteristics of the E.S.E. standard.

The instruction for the use of the collective E.S.E. trademark are contained in the Regulations attached to the registration in Italy of the collective trademark ("Regulations for the use of the collective trademark - E.S.E."). They are an integral part of these Articles of Association (enclosed as attachment no.2) and may be modified according to the Regulations of the Technical Specifications. The Board of Directors shall keep the Regulations for the Use of the collective trademark regularly updated.

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Article 9 Controls

The Consortium has to perform all controls necessary to check that the trademarks are used in a correct way, that they guarantee quality to the consumers and they are not deceitful for the public.

1. Inspectors of the Consortium

The Consortium shall avail itself of experts and qualified controlling bodies elected by the Board of Directors on the basis of their technological and professional expertise and who shall in any case be independent from the Consortium's associates.

The above persons or controlling bodies, called "Inspectors of the Consortium", may visit the below listed locations with a notice of at least 24 hours in advance:

- location(s) where the production and warehousing of the E.S.E. servings and relative packagings are done;
- location(s) where manufacturing and stocking of E.S.E. espresso machines take place;
- location(s) where the manufacturing of industrial equipment for the production of E.S.E. serving is done.

The inspectors may visit the locations where products marked with the E.S.E. collective trademark or with other trademarks are sold and perform relative controls.

The inspectors shall keep relative information confidential and shall not disclose such information to third parties, with the exception of the Board of Directors.

2. Controlling procedures

Controls for admittance to the Consortium and relative to the compliance with its regulation on part of its associates, shall be made on the basis of regulations that are an integral part of these Articles and attached as enclosure no.3 "Regulations of Controls". These regulations may be modified according to the same procedures as these are stated for the modification to the Attachment no. 1 "Regulations of the Technical Specifications". The Board of Directors shall regularly update the Regulations for Controls and shall keep the results of the controls confidential, also towards the other associates of the Consortium.

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Article 10 Sanctions

In case the Inspectors of the Consortium find non-compliance with the technical specifications on the part of an associate of the Consortium, the Board of Controls, according to the seriousness of the detected infringement in question (delay in carrying out the access-maintenance controls; delay or non-payment of controls, etc.), suggests to the Board of Directors that the following penalties be applied:

- cautionary warning;
- temporary suspension of the use of collective trademark;
- definitive termination of the use of collective trademark.

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Article 11 Protection of collective trademark

Each associate of the Consortium shall undertake to inform the Consortium of any non authorised use or any use not complying with the instructions for use of the collective trademark.

The Consortium is the only entity that may take legal action against non authorised use of the collective trademark.

The costs related to such legal action shall be on account of the Consortium. The Consortium may use the resources of a special Fund created with the contributions of all associates. The Board of Directors establishes the amount of such contributions.

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Article 12 Membership

The Associates of the Consortium may be among:

- a) coffee roasters manufacturing and/or commercialising servings of roasted coffee complying with the E.S.E. standard;
- b) companies producing and/or commercialising E.S.E. espresso machines;
- c) companies manufacturing industrial equipments for the production of E.S.E. servings;
- d) trade associations that are directly or indirectly interested in the development of the E.S.E. standard with possible residence both in Italy and abroad.

The founding associates are those who founded the Consortium.

The admittance of new associates is reserved to fair and correct business partners after relative request has been made to the Board of Directors. Upon examination of compliance with the provisions of the present article, after evaluation of the opportunities with respect to the purposes of the Consortium, the Board of Directors will take a decision.

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Article 13

Rights and obligations of the associates

Associate of the Consortium have the right to use the collective trademark according to the agreed modes and may benefit from conveniences decided by the bodies of the Consortium to promote the development of economic activities connected with the consumption of the servings.

The associates have the following obligations.

- a) to conform with the Articles of association and with the decisions by the bodies of the Consortium;
- b) to pay the shares, the admittance fees and the contributions established in these Articles;
- c) to allow the Consortium to carry out any controls that it shall deem necessary to check the compliance with the technical specifications and agreed modes for the use of the collective trademark.

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Article 14

Membership – withdrawal – exclusion from right to membership – exclusion

The minimum term of the membership is 3 (three) years from the date of the decision of the Board of Directors to admit the new associate, unless otherwise stated below.

Upon expiration of the 3 (three) years term, the membership is automatically extended for additional 3 (three) year periods, unless the associate gives the Consortium written notice of non-renewal of its membership addressed to legal seat of the Consortium at least 90 (ninety) days prior to the expiration of the term.

Withdrawal of the associate is allowed before the expiration of the 3 (three) years term, only in case the associate ceases its business activities connected with the purposes of the Consortium, of which it shall notice within 30 (thirty) days from the date of such cessation.

Exclusion from right to membership is decided by the Board of Directors towards an associate not belonging anymore to any of the categories stated at article 12. Such decision shall be taken within 6 (six) months from the date of the notice, stating that the associate does not belong to any of the above categories.

Notices of withdrawal and exclusion from right to membership shall be valid from the December 31st of the year in which the withdrawal was communicated and the exclusion from membership was proclaimed. Associates who withdrew or were excluded shall pay their shares and contributions accrued until December 31st of the same year.

An associate may be excluded upon decision by the Board of Directors in case:

- a) it commits a serious breach or violation of the Articles and attached regulations;
- b) it does not pay shares, contributions or any other payments due to the Consortium within 6 (six) months from the date on which the payment is due;



c) it receives the order to definitely cease the use of the collective trademark, or it received 3 (three) warnings.

Such associate may appeal against the decision of withdrawal or exclusion from right to membership proclaimed by the Board of Directors within 30 (thirty) days from such decision to the Board of Arbitrators, which decision shall be final.

The associate excluded is not entitled to any return of the shares paid and shall indemnify damages caused by the above mentioned violations.

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Article 15 **Resources**

The resources of the Consortium are the following:

- a) subscription shares paid by the associates at the moment of the incorporation of the Consortium;
- b) admission fees paid by new associates at their subscription to the Consortium, as these are established by the Board of Directors;
- c) annual contribution, as these are established each year by the Meeting of Associates;
- d) earnings that may be generated from the various enterprises approved by the Board of Directors and ratified by the Meeting.

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Article 16 **Financial year**

The financial year of the Consortium shall be from 1 (first) January until 31 (thirty-first) December of each year.

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Article 17 **Bodies of the Consortium**

Bodies of the Consortium:

- a) Meeting of Associates;
- b) Board of Directors;
- c) President of the Board of Directors;
- d) Board of Auditors;
- e) Board of Arbitrators;
- f) Board of Control.

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Article 18

Meeting of the Associates

A Meeting of the Associates legally convened and held, represents the Associates' general vote and decisions. Such decisions shall be taken in conformity with the Law and with the present Articles and are binding on all Associates, even if not present or dissenting.

The Meeting may be ordinary and extraordinary.

The ordinary Meeting performs the following:

- a) approves the annual accounts;
- b) appoints the members of the Board of Directors and of the Board of Auditors;
- c) appoints the President of the Board of Auditors and the Arbitrators;
- d) establishes the yearly association fees;
- e) establishes the contributions due by the associates for the use of the collective trademark;
- f) votes other issues submitted to its examination by the Directors.

The ordinary Meeting of Associates shall be held at least once a year within 120 (one hundred and twenty) days from the closing of the financial year and whenever demanded by the Board of Auditors or by at least one third (1/3) of the associates. Such demands shall be accompanied with the indication of the points to be handled.

The extraordinary Meeting is called by the Board of Directors and whenever demanded by the Board of Auditors or by one third (1/3) of the associates. The points to be handled shall be in any case communicated.

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Article 19

Notice of the Meeting

Both the ordinary and extraordinary Meeting shall be called by the Board of Directors by letters specifying date, time and place of the Meeting, which may be different from the legal seat of the Consortium and the list of points to be handled, fixed for the first and the eventual second call of the meeting.

The notice will have to be sent in such a way to guarantee a fast communication to the interested persons: one of the following communications means can be chosen (one instead of the other or together):

- a) registered letter to be sent at least 8 (eight) days prior to the meeting date by means of postal service or equal means;
- b) normal letter, received at least 5 (five) days before the meeting day, which will have to be returned within the date and the time fixed for the meeting, as a copy stating the receipt and the receipt date;



c) telefax or e:mail message (providing the associate register reports the fax number or e:mail address of all those members entitled to participate to the meeting) to be received at least 5 (five) days prior to the meeting date by all the members entitled to participate; in their turn and within the meeting date, they will give written confirmation (also using the same means) of notice receipt, specifying the receipt date.

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Article 20

Presence of the associates

Associated members recorded in the register of members are entitled to attend the meeting and to place their own vote.

Associates that are not present may be represented by other associates; an associates cannot represent more than 2 (two) other associate by proxy. Proxies shall be in writing and signed by a legal representative of the associates company or by a person designated to do so in the request for the admittance to the Consortium. Such proxy shall reach the President of the Meeting prior to the start of the discussions of the points on the agenda.

Each associate shall have one written vote.

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Article 21

President

The chairman of the Meeting is the President of the Board of Directors, or in his/her absence the Vice President or in his/her absence as well, a chairman appointed by the Meeting among the attendine associates.

The Meeting appoints a secretary who need not to be an associate, and 3 (three) scrutineers.

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Article 22

Quorum

The ordinary as well as the extraordinary Meeting of Associates takes resolution in first call with the majority of the associates; in second call the majority of those present shall take resolutions.

Voting by two-thirds (2/3) of the associates present or represented in the Meeting is needed to change the present Articles of Association.

Minutes of the Meetings of Associates shall be written and these shall be signed by the President and the Secretary. In cases provided by the Law or whenever the president deems it appropriate, the minutes shall be written by a notary.



The Meetings of Associates shall be validly constituted also if held by video-conference or conference call, therefore with attendees located in different places, nearby or distant, video/audio connected, providing there is the substantial respect of the collective method and the principles of good faith and the equal treatment of the associates. In particular it is necessary that:

- the Chairman of the meeting can make sure about the identity and the legitimation of the attendees; can manage the meeting roll-out; can check and communicate the results of the vote;
- the secretary can perceive in an adequate way the meeting events that have to be reported in the minutes;
- the persons allowed by the Chairman to participate to the meeting must be able to participate to the discussion and to the simultaneous vote about the topics included in the agenda of the meeting;
- the call notice must contain the places of the audio/video connections done by the company, that the attendees can reach.

The meeting will be considered held in the place where the secretary of the meeting is.

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Article 23

Board of Directors

The Consortium is managed by a Board of Directors elected by the Assembly and must have at least 3 (three) and not more than 9 (nine) directors.

Each director shall serve for a term of 3 (three) years and may be re-elected.

Should one or more directors become absent during the financial year, the other directors shall replace them upon decision approved by the Board of Auditors and submitted to ratification during the first Meeting. Directors appointed in the above way shall serve until the end of the service of the entire Board.

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Article 24

Meetings of the Board of Directors and relative acts

The Board shall meet any time that its Chairman deems it appropriate; meetings may also be called when a request is made by at least 3 (three) Directors or by the Board of Auditors.

The notice of call shall be made by letter specifying date, time, venue and items to be discussed. It shall be sent at least 8 (eight) days before the meeting; in case of emergency, the notice of call may be sent by telegram or fax e:mail to be sent 1 (one) days before the date fixed for the meeting to the address of each Director and possibly to each Regular Auditors.

The Meetings of the Board shall be validly constituted also if held by video-conference or conference call, provided that all the participants may be identified by the Chairman and by other persons taking part in the meeting, that they are enabled to follow and intervene in real time in the discussion of the items in



agenda, that they are enabled to exchange documents relating to the said items and that all the above is acknowledged in the relevant minutes. If the above conditions are met, the Meeting of the Board shall be deemed held in the place where the Chairman is located as well as the Secretary of the Meeting of the Board, for the purposes of drawing up and signing the minutes on the relevant Minutes Book.

When all the members of the Board of Directors are present, the Meeting of the Board shall be deemed duly called even if the above formalities have not been complied with.

The resolutions approved by the majority of the Directors attending shall be considered valid. In case of equal votes, the vote of the Chairman shall prevail.

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Article 25

Boards of Directors – Compensation

The members of the Board of Directors are entitled to a reimbursement for expenses reasonably sustained for account of the Consortium during the year of their service.

The Meeting of Associates may decide compensations or attendance fees.

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Article 26

Powers of the Board

The Board of Directors is the executive body of the Consortium and has large powers for its managing. The Board of Directors shall:

- a) decide the calling of the ordinary and extraordinary Meeting of the Associates;
- b) follow the execution of the acts by the Meeting;
- c) take decisions relative to the admittance, the withdrawal, or the exclusion from membership of any associates;
- d) authorise associated members to use the collective E.S.E. trademark;
- e) prepare the annual accounts;
- f) hire or dismiss personnel and decide relative functions and compensations;
- g) appoint members of the Board of Control
- h) appoint the Inspectors of the Consortium;
- i) take decisions on the admission of new associates and propose to the Meeting the annual associative contributions and the possible contributions for the use of the collective trademark;
- j) prepare and update the Regulations;
- k) submit to the Meeting of Associates special initiatives of the Consortium as per article 15 d), collect the adhesions; carry out all operations and the acts deemed appropriate in relation to the purposes of the Consortium;



- l) carry out all the operations and the acts deemed appropriate to the achievement of the purposes of the E.S.E. Consortium;
- m) take resolutions on legal actions – active and passive, on arbitrations, on purchase and sale of assets, refuse legal mortgages, on subscriptions, cancellations and back signatures of mortgages, on operations with the “Debito Pubblico” (Public Debt), with the “Cassa Depositi e Prestiti” (Fund for Deposits and Financing) and with any other office both public and private;
- n) take resolutions on violations of the present Articles of Association and of Regulations.

The Board of Directors may in any case delegate part of the above mentioned acts to the President, to the Vice Presidents, and one or more directors, if consented by the Law.

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Article 27

President and Vice President of the Board

The Board of Directors shall elect a President and a Vice president among its members at its first constitution and at any renewal.

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Article 28

Legal representation of the Consortium and signature

The Consortium is legally represented toward third parties and in judgement by the President and if he is absent or prevented by the Vice president.

The President shall sign for the Consortium and in case he is prevented, and solely for urgent affairs, the Vice president may sign.

The Board may delegate the signature by the Consortium for certain operations and with the limitations it shall deem convenient, to one or more directors, or to proxy holders both jointly and separately. It may furthermore delegate the execution of acts to its members and to advisers with expertise in the field. The assignments performed for one or more than one single associate shall result from a special mandate.

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Article 29
Management Control

A Board of Auditors of 3 (three) auditors and 2 (two) alternate auditors, appointed by the ordinary Meeting of Associates, shall control the management of the Consortium. The auditors shall serve for a term of 3 (three) years and may be re-elected and need not to be associates. The auditors shall be invited to be present at the Meeting of the Associates and of the Board. They are entitled to a compensation fixed each year by the Board of Directors.

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Article 30
Board of Arbitrators

The Meeting of Associates shall appoint a Board of Arbitrators of 3 (three) members who shall be nor associates, neither mandatory of the associates. The Arbitrators shall serve for a term of 3 (three) years and may be re-elected. They are entitled to a reimbursement for expenses sustained during the year of their service. In case of cessation of service by one of the Arbitrators, the Board of Directors shall decide the substitution of such Arbitrator and the new Arbitrator shall serve until renewal of the Board of Arbitrators, after ratification by the Meeting of Associates.

The Arbitrators shall appoint a President among their members.

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Article 31
Settlement of Disputes

The Consortium and his associates shall submit the settlement of any dispute in relation to the interpretation of the provisions of these Articles, as well as of the acts of the Meeting of Associates or of the provisions of these Articles, as well as of the acts of the Meeting of Associates or of the Board of Directors, to the Board of Arbitrators.

The Board shall furthermore settle any other disputes submitted by the associates of the Consortium, provided that the argument concerns relations with the Consortium, affairs between the Consortium and its associates and that these may be object of an arbitration agreement.

The Board of Arbitrators shall in particular value the seriousness of the infringement by the associate mentioned in article 14 a) of these Articles.

The directors and the personnel employed by the Consortium undertake to give the Arbitrators all the information and details whenever requested. The Arbitrators shall decide on a friendly settlement of disputes, with no need of formalities. They are obliged to submit their decisions to the deposit formalities established by the Civil Procedure Code. Appeal to the Board of Arbitrators is in no way a suspension.



The Board of Arbitrators may neither decide on disputes in connection with the non-compliance with the technical specifications to which the use of the collective E.S.E. trademark is subjected, nor on those originating from the drawing up, the interpretation, and application of the Technical Specifications and the rules for the use of the collective trademark

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Article 32 **Board of Control**

The Board of Control is composed of 5 (five) members appointed by the Board of Directors.

The members of the Board may either be or not be associates. They shall serve for a term of 3 (three) years and may be re-elected. They are entitled to a reimbursement for expenses sustained during the year of their service.

In case of cessation of service by one of the members, the Board of Directors shall decide the substitution of such member and the new member shall serve until renewal of the Board of Control.

The Board of Control shall appoint a President and a Vice president among its members.

The Board of Control examines appeals that are submitted to it with regard to the violation of technical requirements by a member or third party, and arising in connection with the use of the collective trademark, and suggests to the Board of Directors that the sanctions described in article 10 of these Articles of Association apply.

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Article 33 **Secretariat, seat and meetings of the Board of Control**

The secretariat of the Consortium shall also perform secretarial activities of the Board of Control.

The Board of Control and the offices of the secretariat shall be at the offices of the Consortium.

The Board of Control or sections of it shall meet whenever necessary and upon call by the President at least 3 (three) days prior to the date of such meeting. In urgent cases this term needs not to be respected. The meetings of the Board of Control are not public.

The Board of Control is valid with the presence of 3 (three) members.

In absence of the President, the Board shall be presided by the Vice president and in his absence by the oldest member in age.

The Board may take acts by the vote of the majority of the members present; in case of parity, the vote of the presiding member shall prevail. An officer of the Consortium shall be present at the meetings of the Board of Control as assistant. He/she shall be bound by official secret and shall leave the meeting at the moment of the Board's decision.

The administrative procedures for the presentation of petition are decided by the Board of Directors.

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Article 34

Procedures – Board of Control

The Inspectors of the Consortium and whoever deems that the Technical Specifications regarding the use of the collective trademark have been breached by an associate or any party that has accepted to comply with such specifications, may request the intervention of the Board of Control.

A petition in writing with indication of the infringement and relative evidence needs to be presented.

Upon receipt of such petition, the President of the Board of Control shall appoint a spokesman, shall order communication of the relative acts to the party against which petition has been made by giving a term for the deposit of its relief and any documentation and shall further call the parties before the Board for discussion at the shortest term possible.

Upon termination of such discussion, the Board of Control shall:

- a) take a decision if it deems that it is sufficiently informed about the infringement;
- b) return the acts to the spokesman, in case it deems that further evidence needs to be acquired. The spokesman shall provide such necessary documentation with no need of any formalities and return the acts to the Board for further proceeding;
- c) in case elements appear during the proceedings that suppose the remaining of any infringement not part of the petition, ascertain, contest and declare such infringement, unless a relative investigation is needed.

The Board of Control, at the close of the discussions, shall take a decision which shall be immediately communicated to the parties.

When a decision establishes that requirements have been infringed, the Board of Control recommends to the Board of Directors which penalties (if any) should be imposed.

Within 10 (ten) days from the decision, the Board shall deposit the judgment at the secretariat which shall transmit copies to the involved.

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Article 35

Compelling effect of the sanctions

The temporary or definitive suspension of the use of the collective trademark is obtained by the Consortium by action to protect the collective trademark, unless such use is interrupted spontaneously.

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Article 36

Books of the Consortium

The books of the Consortium shall be:

- a) Book of the Associates
 - b) Book of the Meeting of Associates
 - c) Book of meetings of the Board of Directors
 - d) Book of the meetings of the Board of Auditors
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Article 37

Final provisions

The instructions for the use of the collective trademark, for the presentation of petitions to the Board of Control, the structure and functions of the Inspectors and any other organisational details of the Consortium shall be ruled by regulations made by the Board of Directors and approved by the ordinary meeting of Associates.

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Article 38

Dissolution and liquidation

At the dissolution of the Consortium, for any reason whatsoever, the Meeting of Associates shall establish the rules for the liquidation, for the appointment of a liquidator or liquidators, and for the modes of liquidation, in accordance with the provisions of the Law.

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Article 39

Reference

For what is not particularly stated in these Articles, references should be made to the provisions at articles 2602 to 2615 of the Italian Civil Code for what concerns the structure and functions of the Consortium and to the rules of the Code of civil procedures for what concerns the proceedings before the Board of Control.

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