

E.S.E. Consortium's Articles of Association



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".

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.

Article 3 **Duration**

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

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.

Articles of Association and Technical Attachments no.No.1. / 2. / 3. / 4. / 5.
Version approved by the Extraordinary General Meeting of the E.S.E. Members
on 16th February 2009



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 no.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.

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:

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



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.

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.



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.

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.



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.

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.;
- 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;
- e) the producers of raw materials used for the production of coffee servings and espresso machines;
- f) the large scale distribution for the sales of coffee servings with private labels.

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.

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.



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.

Article 15 **Resources**

The resources of the Consortium are the following:

1. annual contribution, as these are established each year by the Meeting of Associates;
2. earnings that may be generated from the various enterprises approved by the Board of Directors and ratified by the Meeting of Associates.

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.

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.

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 associate cannot represent more than 2 (two) other associates by proxy. Proxies shall be in writing and signed by a legal representative of the associate's 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.

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 attending associates.

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

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.

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 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.



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.

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.

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.



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

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.

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.

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.

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.



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.

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.

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;

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- 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.

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.

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

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.

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.

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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Attachments no. 1-2-3-4-5 to the E.S.E. Consortium Articles of Association

Attachment no. 1 – “Technical specifications”

1. Technical specifications for the E.S.E. serving and relative packagings

1.A DEFINITION

The E.S.E. serving is a disk-shaped dose of roasted coffee correctly ground, tamped and filled in an espresso serving of filter paper or of any other material fit to contain coffee powder and to allow the passing of water during the percolation. The dose of ground roasted coffee must reach at least 6.5 (six point five) grams.

1.B GEOMETRICAL FORM

The geometrical form of the serving must correspond to the design of the “middle section of the serving” which is herewith enclosed as design no.1. The values and ranges are the following:

nominal diameter 43,5 mm. range -0/+1,0 mm

nominal thickness 9,6 mm. range -0,5/+1,0 mm.

Measurements are carried out as specified in the E.S.E. Instructions “Preparation of the serving and relative dimensions”.

1.C COFFEE

Dose of 100% roasted and ground coffee for espresso; soluble, aromatised or coffees with additives cannot be used.

1.D FITNESS OF THE PACKAGINGS

The packagings must be such to guarantee that the serving reaches the final consumer:

- with an intact structure and without fractures (shape, integrity of paper, etc.)
- properly conserved until their expiration date written on the packaging.

The guarantee of the shelf life will be controlled by the inspector, verifying the existence of process statistical controls or the presence of automatic systems detecting the content of residual oxygen inside the packagings or at the conditioning equipment. In the moment when the bags or the rigid packagings are sealed, the oxygen residual inside them will have to be lower than 2%, for a shelf life up to 24 months.

Furthermore, it will be verified the existence of product statistical controls relevant to the integrity of the weldings and the perfect airtight sealing of the packagings..

1.E INSTRUCTIONS FOR USE

The packaging of the serving shall contain at least the below indications:

- the servings are for utilisation with the E.S.E. machines
- to prepare as espresso coffee follow the instructions for use enclosed to the E.S.E. espresso machine



2. Technical specifications for the E.S.E. espresso machine

2.A FOREWORD

The E.S.E. standard system is meant to prepare an espresso coffee. The basis requirements for the espresso machines are:

- I) a machine equipped with a pump
- II) a heating system for the supply of warm water with a certain temperature range
- III) an extraction chamber built to optimize the utilisation of the serving
- IV) a machine capable of using hot water pre-heated by an autonomous system not depending on the machine itself (ex.: kettle)

2.B TEMPERATURE OF THE BEVERAGE

- (i) The temperature is measured in a plastic cup normally used in automatic vending machines.
- (ii) The temperature of the first espresso coffee (reference volume 30 ml), percolated according to the manufacturer's advice, must be in between 72° and 86°C.
- (iii) After the first espresso coffee, prepare a series of ten (10) espresso in succession, measuring the temperature of each.

Temperatures must be in between 76° and 86°C.

Optimal temperature: between 78° and 84°C

The operational details are described in the E.S.E. manual “Conformity check for E.S.E. espresso machines”.

2.C TEMPERATURE OF THE PERCOLATION WATER

The water temperature strongly influences the result in the cup. The manufacturer of the machine should minimize possible variations of the temperature of the water coming out from the heating system (boiler, termoblock, etc.), so that a constant result can be guaranteed to the final consumer.

The temperature of the water that arrives on the serving during the percolation must be in between 85° and 110°C.

Optimal temperature range: between 90° and 100°C.

The operational details are described in the E.S.E. manual “Conformity check for E.S.E. espresso machines”.

2.D PRESSURE IN THE EXTRACTION HEAD

The water pressure measured in the extraction head on the serving during the extraction process must not be inferior to 7 bar.

Optimal pressure range: between 9 and 13 bar. (*minimum value: 7 bar; maximum value: 15 bar*).

The manufacturer must supply the adequate instructions and/or the specific devices to allow the execution of the conformity checks.



Attachment no. 1 – “Technical specifications”

2.E WORKING OF THE SYSTEM

With the objective of:

1. controlling both elements that constitute the E.S.E. system, servings and espresso machines;
 2. ensuring the conformity of the extraction head and excluding the lateral passage of water;
- the inspectors can rely on silicon rubber shapes mocking the smallest serving (thickness 9,1 mm. and diameter of 43,5 mm.) and the largest serving (thickness 11 mm and diameter 45 mm).

During the inspectors' visits, two controls will be carried out on the espresso machines:

1. the first one, using the smallest shape to close the top of the machine to avoid the water leaking;
2. the second one, the largest one, to verify the mechanical compatibility minimum and maximum of the servings inside the espresso machines and to close any device in which the serving is lodged.

The Consortium manages the handling and the distribution of the shapes to the Members.

I. Seal

During the percolation no water leakages from the gasket of the percolation chamber must occur between superior and lower head. If the filter paper comes out of the extraction head - this can happen with a flat filter holder - a wet circle around the serving can appear at the end of the extraction. If the circle is only a few millimeters, this can be accepted.

The presence of water on the serving after the opening of the extraction chamber cannot be accepted.



Attachment no. 1 – “Technical specifications”

3. Technical specifications relevant to the result in the cup for E.S.E. servings and E.S.E. espresso machines

3.A FOREWORD

The measures relevant to the specifications included in this paragraph are valid for both the E.S.E. servings and the E.S.E. espresso machines.

3.B EXTRACTION TIME

The extraction time of an E.S.E. espresso obtained from an E.S.E. serving using an E.S.E. espresso machine must be included between 15 and 25 seconds, measured starting from the first coffee drop on the tip (reference volume of 30 ml).

3.C VOLUME OF THE BEVERAGE

I. Volume in the cup

The application range for the volume in the cup of the E.S.E. serving has to refer to the attachment no. 4 “Classification tables of E.S.E. coffee beverages” respectively for:

- *Ristretto*
- *Espresso*
- *Long Espresso*
- *Extra Long Espresso*

Also including the related graphic icons. (see Attachment no. 2 of the Articles of Association).

II. Variability of the volume in the cup

The volumes in the cup, percolating a series of 10 (ten) homogeneous servings, must not differ from their medium value over $\pm 35\%$.

The operational details are described in the E.S.E. manual “Conformity checks for E.S.E. espresso machines”.

3.D PRESENCE OF THE CREAM IN THE CUP

The just-made espresso coffee has - as a definition – an emulsion phase called “cream” whose thickness and duration depend on the serving, on the operational conditions and on the type of cup filled with the beverage.

I. Thickness of the cream

With standard conditions, the relation between the height of the emulsion phase and the height of the liquid phase obtained through the serving percolation, *for the Ristretto, the Espresso, the Long Espresso, the Extra Long Espresso*, must be over or equal to 10%, *except for the Extra Long Espresso that is fixed at 5%*.

4. Technical Specifications for the industrial equipment for the production of E.S.E. servings

The plant for the production of the E.S.E servings must be equipped to produce the servings with the technical specifications mentioned at points 1.A, 1.B and 1.C.



Attachment no. 2 – “Regulations for the use of the E.S.E. Trademark”

Layout and colour of the E.S.E. trademark

The colour of the trademark must be uniform and contrasting with the background colour (white on dark or black on light background), with the below layout.

Graphic icons for the coffee beverages classification

The logo relevant to the kind of beverage obtained and checked during the inspectors' visits, must be on a transparent support (packaging background colour), with graphic outline white or black, depending on the contrast.



Position of the trademark on the products

The E.S.E. trademark must be placed onto the products in such a way that it is immediately clear that the products (servings and espresso machine) are E.S.E. standard products.

The trademark shall be placed on the most visible side of the product and of the relative packaging and shall be placed near the producer's trademark.

Dimensions of the trademark

- use of the E.S.E. trademark alone: the dimension can be decided in view of the use and the context, provided that it can be easily read
- use of the E.S.E. trademark together with one or two trademarks of the companies that use the E.S.E. standard: the dimension of the E.S.E. trademark shall not be larger than 1/3 (one third) of the dimension of the smallest trademark
- use of the E.S.E. trademark together with three or more trademarks of companies that use the E.S.E. standard: the dimensions of the E.S.E. trademark must allow enough visibility to the other trademarks

Advertising

The use of the E.S.E. trademark for advertising purposes must be in line with the goals of the Consortium and respect the other associates of the Consortium.



CONTROL PROCEDURES

To ensure the constant conformity of the products (espresso machines, servings with relevant packagings and serving manufacturing plants) to the E.S.E. standard, the Consortium will have recourse to Consortium's Inspectors which will carry out the foreseen controls by the associated companies verifying:

- I. the conformity of the products according to the specifications described in the Articles of Association, Attachment no. 1 (Technical specifications); Attachment no. 2 (Regulations for the use of the E.S.E. trademark); Attachment no. 4 (Classification tables of E.S.E. coffee beverages) and in the Attachment no.5 (Extension of the E.S.E. system quality);
- II. the control procedures carried out by the associates to ensure the constant conformity of the product to the E.S.E. standard.

The operational details are specified in the "Operative regulations for the controls relative to the check of the conformity of the products to the E.S.E. standard".

The controls, carried out according to the above described indications, are divided into:

A. ADMITTANCE CONTROLS

These controls will prove the conformity to the E.S.E. standard technical specifications of the products the associates intends to commercialise and that previously indicate. Upon termination of controls and inspections, a conformity report will be issued stating the approval of the product.

B. MAINTENANCE CONTROLS

In order to periodically check the conformity of the associate's commercialised products, periodical controls will have to take place at least once a year. These maintenance controls will be carried out by the Consortium's inspectors by the associate according to the procedures above described. Upon termination of the controls and inspections, a verification report will be issued stating the conformity of the product.

These controls are not for the serving production plants as these equipments are placed on the Market..



Attachment no. 4 - Classification tables of E.S.E. coffee beverages

A. FOREWORD

The four (4) tables prepared by the Consortium have been compiled considering those historically used for the E.S.E. product conformity testing. They clearly contain the parameters to facilitate the application and recognition of the new coffee beverage classification by the manufacturers and by the final consumers:

ristretto / espresso / long espresso / extra long espresso

The tables report the indication of the kind of test, of the measure unit, of the used method and of the reference parameters / limits to allow the classification of the E.S.E. coffee beverages, with reference to the flux (ml/sec) or to the average delivered volume in 20" extraction.

The four tables highlight the flow calculated in milliliters/seconds (when the beverage is weighted, the milliliter is matched to the corresponding grams).

The flux values are determined by dividing the minimum or maximum allowable volume for the class of beverage being tested by a fixed interval of 20", measured from the first drop of coffee from the filter holder.

Protection of the E.S.E. Standard remains unchanged (see Attachment 1. Technical Specifications; 1.B Geometrical form), but with the application of the new classification, there are two compatibility levels:

- 1°level – dimension only
- 2°level – more investigation on espresso extraction and on the result in the cup

The roasters Members can choose to use these new definitions to enrich the packaging to better define their own production for the final consumer through a graphic change of the present E.S.E. trademark that will indicate the beverage kind (see graphic proposal Attachment no. 3 Regulations for controls).

B. THE NEW VALUES:

1. Ristretto

- Average extraction time for 16ml: from 16 to 32 seconds equivalent to a flux from 1 ml/sec to 0.5 ml/sec

2. Espresso

- Average extraction time for 30ml: from 17 to 30 seconds equivalent to a flux from 1.75 ml/sec to 1 ml/sec

3. Long Espresso

- Average extraction time for 50ml: from 20 to 29 seconds equivalent to a flux from 2.5 ml/sec to 1.75 ml/sec

4. Extra Long Espresso

- Average extraction time for 75ml: from 16 to 30 seconds equivalent to a flux from 4.5 ml/sec to 2.5 ml/sec



Attachment no. 4 - Classification tables of E.S.E. coffee beverages

1. "SHORT ESPRESSO"

| Analytical test | Measure U. | Test method | Limits |
|---|---------------------------------|-------------|---------------------------------------|
| Serving weight | G | MC-0424/05 | Weight $\geq 6,5$ g |
| Serving dimensions | | MC-0425/05 | |
| Diameter | mm | MC-0425/05 | $43,5 \leq d \leq 44,5$ mm |
| Thickness | mm | MC-0425/05 | $9,1 \leq h \leq 10,6$ mm |
| Average extraction duration on 16 ml | sec | MC-0426/05 | $16 \leq t \leq 32$ sec |
| Average volume in the cup in 20 s: | | MC-0427/05 | |
| Volume | ml | MC-0427/05 | $10 \leq V_m \leq 20$ ml |
| Volume variability (max. difference admitted for each coffee: $\pm 35\%$ from V_m) | - | MC-0427/05 | $V_m \pm 35\%$ |
| Flux of erogation in 20 sec. of percolation | ml/sec | | $0,5 \leq F \leq 1,0$ |
| Volume of the cream in the cup: | | MC-0428/05 | |
| Cream quantity | % (on the total liquid + cream) | MC-0428/05 | Cream $\geq 10\%$ of the total height |
| Persistenza della crema (min. admitted time: 90 sec) | - | MC-0428/05 | Duration ≥ 90 sec |

2. "ESPRESSO"

| Analytical test | Measure U. | Test method | Limits |
|---|---------------------------------|-------------|---------------------------------------|
| Serving weight | G | MC-0424/05 | Weight $\geq 6,5$ g |
| Serving dimensions | | MC-0425/05 | |
| Diameter | mm | MC-0425/05 | $43,5 \leq d \leq 44,5$ mm |
| Thickness | mm | MC-0425/05 | $9,1 \leq h \leq 10,6$ mm |
| Average extraction duration on 16 ml | sec | MC-0426/05 | $17 \leq t \leq 30$ sec |
| Average volume in the cup in 20 s: | | MC-0427/05 | |
| Volume | ml | MC-0427/05 | $20 \leq V_m \leq 35$ ml |
| Volume variability (max. difference admitted for each coffee: $\pm 35\%$ from V_m) | - | MC-0427/05 | $V_m \pm 35\%$ |
| Flux of erogation in 20 sec. of percolation | ml/sec | | $1,0 \leq F \leq 1,75$ |
| Volume of the cream in the cup: | | MC-0428/05 | |
| Cream quantity | % (on the total liquid + cream) | MC-0428/05 | Cream $\geq 10\%$ of the total height |
| Persistenza della crema (min. admitted time: 90 sec) | - | MC-0428/05 | Duration ≥ 90 sec |

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Attachment no. 4 - Classification tables of E.S.E. coffee beverages

3. "LONG ESPRESSO"

| Analytical test | Measure U. | Test method | Limits |
|---|---------------------------------|-------------|---------------------------------------|
| Serving weight | G | MC-0424/05 | Weight $\geq 6,5$ g |
| Serving dimensions | | MC-0425/05 | |
| Diameter | mm | MC-0425/05 | $43,5 \leq d \leq 44,5$ mm |
| Thickness | mm | MC-0425/05 | $9,1 \leq h \leq 10,6$ mm |
| Average extraction duration on 16 ml | sec | MC-0426/05 | $20 \leq t \leq 29$ sec |
| Average volume in the cup in 20 s: | | MC-0427/05 | |
| Volume | ml | MC-0427/05 | $35 \leq V_m \leq 50$ ml |
| Volume variability (max. difference admitted for each coffee: $\pm 35\%$ from V_m) | - | MC-0427/05 | $V_m \pm 35\%$ |
| Flux of erogation in 20 sec. of percolation | ml/sec | | $1,75 \leq F \leq 2,5$ |
| Volume of the cream in the cup: | | MC-0428/05 | |
| Cream quantity | % (on the total liquid + cream) | MC-0428/05 | Cream $\geq 10\%$ of the total height |
| Persistenza della crema (min. admitted time: 90 sec) | - | MC-0428/05 | Duration ≥ 90 sec |

4. "EXTRA LONG ESPRESSO"

| Analytical test | Measure U. | Test method | Limits |
|---|---------------------------------|-------------|--------------------------------------|
| Serving weight | G | MC-0424/05 | Weight $\geq 6,5$ g |
| Serving dimensions | | MC-0425/05 | |
| Diameter | mm | MC-0425/05 | $43,5 \leq d \leq 44,5$ mm |
| Thickness | mm | MC-0425/05 | $9,1 \leq h \leq 10,6$ mm |
| Average extraction duration on 16 ml | sec | MC-0426/05 | $16 \leq t \leq 30$ sec |
| Average volume in the cup in 20 s: | | MC-0427/05 | |
| Volume | ml | MC-0427/05 | $50 \leq V_m \leq 90$ ml |
| Volume variability (max. difference admitted for each coffee: $\pm 35\%$ from V_m) | - | MC-0427/05 | $V_m \pm 35\%$ |
| Flux of erogation in 20 sec. of percolation | ml/sec | | $2,5 \leq F \leq 4,5$ |
| Volume of the cream in the cup: | | MC-0428/05 | |
| Cream quantity | % (on the total liquid + cream) | MC-0428/05 | Cream $\geq 5\%$ of the total height |
| Persistenza della crema (min. admitted time: 90 sec) | - | MC-0428/05 | Duration ≥ 90 sec |

*Note: in the test "serving weight", servings have been weighted including the relevant wrapper containing the coffee.
When inserting servings inside the coffee machines, serving have been placed with the relief dots downwards.*

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Attachment no. 5 - Extension of the E.S.E. system quality

1. FOREWORD

During the control visit, the inspectors will verify the objective evidences of the certification released by third parties, through:

- a) the validity of the certification (as a copy)
- b) final report of certification.

A. AUTHORIZATIONS AND CERTIFICATIONS

It will be required the examination of the documents or updates of the ongoing initiatives relevant to:

- a. ISO 9001/2000 (quality system management)
- b. ISO 14001/2004 (environmental system management)
- c. EMAS Regulations (the production plant has a management of continuous improved environmental impact certified by the Italian Ministry for Environment)
- d. ISO 22000 (management of the safety in the agriculture/food sector)
- e. BRC (British Retail Consortium: British standard on the management of food safety)
- f. IFS (International Food Standard: German standard on the management of the food safety)
- g. Other Product Certifications released by a third party authority

B. MONITORING

It is required information on the regular execution of:

1. specific chemical and microbiological analysis which guarantee the healthiness and compliance of the products in question with the structures laid down by the regulation specific to the food in question;
2. use of transport vehicles which are suitable for containing and transporting foodstuffs in hygienic conditions and at appropriate temperatures (in compliance with the technical specifications of the products themselves).

C. PRIMARY PACKAGINGS

It is required information on the execution internal or by third parties on some of the following:

- a. Analysis of the Risks on the Package (chemical nature)
- b. Technical Data Sheet of the Material/Wrought product
- c. Safety Data Sheet of the Material/Wrought product
- d. Declaration of suitability for coming into contact with foods according to Italian, European and American rules
- e. Any documents corroborating the declaration mentioned relevant to food safety.

D. ENVIRONMENTAL IMPACT

The E.S.E. Consortium, through its inspectors, during the control visit for conformity checks, will collect the indication of possible application of the index most commonly used; will examine the environmental impact studies or specific environmental analysis and will supply consultancy indications. For example:

- a) Life Cycle Assessment
- b) Carbon Foot Print
- c) Disposal index
- d) Information relevant to recycling

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Attachment no. 5 - Extension of the E.S.E. system quality

1. MEMORANDUM OF THE MAIN REGULATIONS RELEVANT TO THE FOOD SECTOR

The Consortium supplies further indications to the member companies, on the application of the main regulations, with the aim of contributing to the alignment towards the concept of global quality.

Below are some suggestions for the members:

- a. D.L. no. 155/97 and subsequent modifications (HACCP)
- b. Regulation 852/2004/CE
- c. Regulation CE 178/2002 and subsequent modifications (sets out the principles and general requirements of food legislation, establishes the European Authority for food safety and lays down procedures in the area of food safety)
- d. Regulation CE 1829/2003 and Regulation CE 1830/2003 ETC and subsequent modifications (genetically modified foods)
- e. Legislative Decree no.114 of 08.02.2006 and subsequent modifications – implementation of the Directive 2003/89/CE, 2004/77/CE and 2005/63/CE and subsequent modifications (indications of ingredients contained in food products, like allergens, etc.)
- f. Directive 90/496/CEE and subsequent modifications (nutrition labelling of food products)
- g. Legislative Decree no. 7 of 31/01/2006 and subsequent modifications (art.4 – expiry date of food product)
- h. Regulation CE no. 1924/2006 and subsequent modifications (health and nutrition claims provided on food products)

NOTE:

With regards to the extension of the Total Quality concept; the E.S.E. Consortium could graphically use a graphic box on the label reporting the certified claims (as it happens for the Product Certification), and next to it the E.S.E. Consortium brand.