

ANNEX 1

EXAMPLE OF A STATUTE OF AN EXPORT CONSORTIUM¹

Title I

Art. 1

(Name - Head Office)

Hereby, a Consortium for the promotion of exports, for the development and commercialisation abroad, of: ... [e.g. all production related or linked to the textile industry of clothing, accessories, and machines], with the name "...", is constituted.

The legal office is located in [city and address]. The Board of Directors may set up agencies and decide the transfer of the legal office, branch offices and representative offices.

Art. 2

(Purposes)

The Consortium is a non-profit association.

The purpose of the Consortium is to promote exports as well as to export the products of the associated enterprises, which must be small or medium-sized [according to law...], also through the acquisition of orders, and the import on demand of the associates of raw materials and of the semi-manufactured goods to be used by the associates, which must operate with all due respect of the professional ethics.

In particular, the Consortium intends:

- a) To develop exports and to offer the associates suitable assistance for any related needs, also through organizational structures located abroad;
- b) To institute a common distribution network;
- c) To promote, organize and regulate the collective participation of enterprises in exhibitions and industrial fairs taking place abroad and providing the necessary assistance;
- d) To promote the participation of delegates of associated enterprises to economic missions in foreign countries and to receive groups of operators;
- e) To institute a Consortium trade mark (or a brandname) and support it with promotional actions;

¹ Adapted from UNIDO (1998).

- f) To collect information on customers and exchange knowledge among enterprises, the final goal being to foster export growth;
- g) To select sources for the purchasing of raw materials and of semi-manufactured goods to be utilised by the associated firms; to collect data and knowledge on these sources to be distributed to the associates.
- h) To guarantee the professional ethics of the associated enterprises;

The consortium may also:

- i) Handle the elaboration of common catalogues;
- j) Conduct market research to find out where the consortium's commercial activity could best be developed and to undertake collective advertising;
- k) Develop any other activity strictly linked to those mentioned above and take all the initiatives necessary or helpful for the consortium's purposes including joining organizations and entities and the participation in [local] or foreign companies having similar purposes to those of the Consortium, also through the constitution of operative structures abroad.

The consortium is entitled to sign all the financial operations, personal and real, necessary or useful for the realisation of the above-mentioned purposes, including the contracting of loans with credit institutes and the taking out of a mortgage on the consortium's goods. The Consortium may pursue any other activity strictly linked to the above mentioned in pursuit of the Consortium's goals.

For the achievement of its ends, the Consortium shall rely on external cooperation and agree with external collaborators on forms of cooperation.

Art. 3

(Obligations of the Consortium)

For obligations assumed in the name of the Consortium by those persons that, according to the stipulations of this Statute, are granted that authority, a third party can claim their exclusive rights to the Consortium's fund.

For obligations assumed by the Consortium in the name of a single associate, under their specific authorisation and on their behalf, the associates are responsible, while the Consortium guarantees the accomplishment of those obligations.

Art. 4

(Prohibition of the distribution of operating profits)

It is forbidden to distribute the operating surplus of the Consortium in any form to the comprising member enterprises, even in the case of the dissolution of the Consortium.

Art. 5

(Duration of the Consortium)

The duration of the Consortium will be ... years, i.e. until ...; the duration can be extended and the Consortium can be dissolved in advance by the Extraordinary Meeting.

Title II

Art. 6

(Members of the Consortium)

The requirements for members are specified in art. 6b.

Art. 6 b

(Requirements and number of associates)

The associates must be small and medium enterprises working in the ... sector as specified in art. 1 of this Statute, adhering to a territorial association and who perform their activities with the utmost respect for professional ethics and in particular:

- work with respect for the laws of their sectors;
- assure good relationships with their clients, suppliers and middlemen.

By "small" and "medium" size, it is specified that an enterprise not exceed the dimensions fixed by ... and that they are not already included under the definition of entrepreneurial group specified in

Art. 7

(Admission of the associates)

Anyone who proposes to be admitted as an associate must apply to the Board of Directors.

The candidate must demonstrate that he meets all the requirements listed in art. 6b. In the application, the candidate must declare to be fully aware of the present Statute, of the internal rules and of the deliberations already adopted by the Consortium, and to accept them without reservation.

Admission is made as a result of deliberations at the Extraordinary Meeting of the associates once a year, preferably before the tenth of December.

Admission is offered if the application is met with a favourable vote by two-thirds of the associates, be it in the first or second convocation and in accordance with article 16.

The new associates must contribute the dues to the consortium within 15 days of the date of the announcement of their admission and the total will be €... plus the initiation fee which will be determined annually.

Art. 8

(Obligations of the associates)

Beyond the initiation fee described in Article 7, the associates must contribute an annual fee, the amount of which will be determined for each financial year by the Ordinary Meeting on the basis of the provisional budget. The associate is also obliged to:

- a) transmit to the Board of Directors all information required for the application.
- b) submit oneself to all the checks required by the Board of Directors and by the Committee formed of 3 members, of which 2 are nominated by the Council and chosen from amongst the professional ranks, and one nominated directly by the subject in question, with the end goal of ascertaining the exact execution of the obligations laid out by the present Statute and by these rules including:
- c) reimburse the expenses taken on by the Consortium on the associate's behalf and refund the damages and losses sustained;
- d) observe the Statute, the internal rules, the social deliberations and work to further the interests of the Consortium.

Art. 9

(Withdrawal of the associates)

An associate may withdraw from the consortium, but the declaration of withdrawal must be communicated to the Consortium at least 3 months before the closure of each financial year.

The withdrawal has effect from the date of closure of the enterprise or, if not communicated according to the terms indicated in the preceding section, from the closure of the successive financial year.

If the associate has assumed responsibilities which last beyond the period during which he will be an active member, these responsibilities must be regularly acknowledged.

Art. 10

(Exclusion of the associates)

The Extraordinary Meeting, with a majority provided for under art.7, IV of this Statute, deliberates at any time the exclusion of an associate in the following cases, when the associate:

- a) no longer meets at least one of the admission requirements;
- b) is declared bankrupt or subject to other proceedings;
- c) has not paid all or part of the contribution to the Consortium's subscribed capital, the membership fee or annual quota;
- d) has defaulted against the Consortium for obligations assumed by the associate, on behalf and according to the requirements of the Consortium;
- e) has not complied with other obligations contracted with the Consortium;
- f) has committed acts which constitute non-compliance with the dispositions of this Statute, of the bylaws or of the deliberations of the Consortium's Bodies or has interests contrary to those of the Consortium;
- g) can no longer participate in the attainment of the corporate objectives;

Exclusion must be communicated to the associate within 15 days by the President of the Board of Directors by registered letter, return receipt requested.

The exclusion may be contested, causing its suspension, in front of the Board of Arbitrators (according to art. 29 of this statute); if by the 10th day the decision of the Board of Arbitrators is not contested or rejected, the deliberation becomes binding.

The Board of Directors may suspend the associate from all activities of the Consortium, in the time elapsing before the Meeting's deliberation, for a period not exceeding 6 months. The suspension does not exempt the associate from the payment of ordinary annual fees or the extraordinary quotas deliberated by the Consortium.

The suspension must be communicated within 5 days of the Board's deliberation by registered letter, return receipt requested.

TITLE III

Art. 11

(Consortium's fund)

The Consortium's fund consists of:

- a) the participating shares subscribed by each associate (corporate capital). No associate can subscribe more than a participating quota of the value fixed by art. 7 of this statute;
- b) the subscription fees;
- c) operating surplus which is not destined to the Ordinary Meeting for specific reserve funds.

If the Consortium's capital undergoes a reduction caused by losses, the Meeting, after having excluded the responsibility of single administrators and/or the Director, may deliberate the reintegration at the expense of the associates, stating modalities and terms.

Art. 12

(Corporate year - Working Balance Sheet)

(Provisional Budget)

The accounting period goes from the 1st of January to the 31st of December of each year.

At the end of every period, the Board of Directors must report the financial position of the Consortium, with the profit and loss accounts, which constitute the Consortium's Balance Sheet.

Two months after the closing of the accounting period the Ordinary Meeting is convened, within the same time period, the Board of Directors must deposit the Balance Sheet, approved by the Ordinary Meeting, to the chancellery of the Court.

The provisional budget is drawn up by the Board of Directors and presented to the Meeting for its approval together with the previous year's working balance. The provisional budget must provide for a specific chapter related to fixed operating expenses (overheads). For this chapter a percentage of tolerance of 20% is allowed. To exceed the tolerated limit, the Board requires ad hoc authorisation of the Meeting, without which all the members of the Board will be held responsible for reimbursing excess expenses, with exception made for those who verbalize their dissent.

TITLE IV

Art. 13

(Bodies of the Consortium)

The Bodies of the Consortium are:

- a) the General Meeting;
- b) the Board of Directors;
- c) the President and the two Vice-Presidents;
- d) the Board of Auditors.

Art. 14

(General Meeting)

The Meeting is constituted by all associates who have met all requirements in terms of participating shares, the subscription fees, the annual quotas and of the other amounts owed, in any form, to the Consortium.

Each associate has the right to one vote.

The Meeting is convened at the Head Office of the Consortium (or in an alternative place) by the President, whenever he considers it necessary. The Meeting can also be convened under requirement of at least one fifth of the associates, or in other cases provided for by law, although a notice of convocation must be sent, by registered letter, at least 15 days before the day fixed for the Meeting.

The agenda, the date, the hour and the meeting place must be reported in the notice of convocation.

In case of urgency, the convocation may occur by telegram or telex to be sent at least three days before the day fixed for the meeting.

The President of the Consortium chairs the Meeting. In case of his absence or impediment, the Meeting itself will vote its own temporary President. The function of Secretary will be carried out by the Director, if nominated, otherwise the President of the Meeting will nominate a Secretary. The report should be signed by the President of the Meeting and by the Secretary.

The Meeting can be ordinary or extraordinary.

Art.15

(The Ordinary General Meeting)

The Ordinary General Meeting:

- a) approves the financial position, profit and loss accounts;
- b) appoints the members of the Board of Directors, the Auditors and the President of the Board of Auditors;
- c) determines the membership fee according to art.7, last sub-section;
- d) establishes an annual contribution according to art.8, first sub-section;
- e) gives the general directives (or guiding principles) of the Consortium and deliberates on other matters regarding the management of the Consortium under its jurisdiction as established by this Statute, the bylaws or by law. It also deliberates on those matters submitted for examination by the Board of Directors.

The Ordinary General Meeting must be convened at least once a year within the deadline stated in art.12, 3rd sub-section, of this Statute.

The Ordinary General Meeting is constituted as valid when at least one more than half of the associated enterprises are present or represented.

In case the number of associates present or represented does not reach the number indicated in the previous sub-paragraph, the Meeting, in second call, is constituted as valid regardless of the number of associates present or represented.

Be it the first or the second call, the deliberations are made by a majority vote of those present.

Art. 16

(Extraordinary Meeting)

The Extraordinary Meeting deliberates on alterations in the Articles of Association, in the Statute and in the bylaws, in the extension and in the event of anticipated dissolution of the Consortium, in the nomination of the Liquidators and the extent of their powers, and on any other matter explicitly requested by associates.

The Extraordinary Meeting in first call deliberates with a favourable vote of at least two thirds of the associates; in second call, it deliberates with a favourable vote of the majority (plus one), with the exception of dispositions under art. 7, 4th sub-section and art.10, 1st sub-section.

Art. 17

(Representation in the Meeting)

The associate may be represented in case of impediment by another associate, save in the case of his membership on the Board of Directors, with a written proxy to be preserved by the Consortium.

No member of the Consortium may represent more than two other associates.

Art. 18

(Board of Directors)

The Board of Directors is composed of:

- 5 to 9 members appointed by the Ordinary Meeting and chosen from the associates.

The members of the Board meet at the Consortium's Head Office, or elsewhere, every time the President judges it necessary or when the majority of the members asks for it.

The calling of the Board is executed by the President with a letter written at least five days in advance and, in case of urgency, with a telegram or telex at least one day in advance, sent to the home address of each Member of the Board. The Board of Directors meeting is valid if the majority of the members is present at the meeting.

Deliberations are made by majority of the members of the Board. Votes being equal, the vote of the Chair prevails. The Board of Directors has all the powers for the ordinary and extraordinary management of the Consortium, save those reserved to the Ordinary Meeting by law or according to the Statute; in addition, the Board may constitute commissions aimed at studying and realising special programmes. Commissions, when instituted, propose to the Board of Directors work programmes and the related expense and financial plans. Commissions supervise the implementation of the programmes approved by the Board of Directors.

The report of the meeting of the Board is written by the Director, if nominated, otherwise by a member of the Board assigned by the President. The President signs the report.

Proxy is not admitted under any circumstance.

The Directors hold office for 2 years and may be re-elected. The first Board of Directors stays in office for three years. If during a financial year one or more Members of the Board passes away, the Board is to proceed according to the Civil Code on this matter. Directors do not pay any guarantee deposit and are not entitled to a salary.

A Member of the Board absent three consecutive times is removed; this also holds for one who is absent for more than 5 times within the financial year. In these circumstances, the Board of Directors is reintegrated by nomination. The Member of the Board nominated holds office until the natural expiration of the Board.

Art. 19

(The President and Vice Presidents of the Consortium)

The President of the Consortium, and the Vice-presidents are appointed by the Board of Directors among its members for two-year terms, save the President and the Vice Presidents of the first Board who hold office for three years. Every member of the Board may be re-elected.

The President:

- a) convenes and presides over the General Meeting and over the Board of Directors;
- b) gives the suitable dispositions for the realisation of deliberations made by the Consortium's Bodies;
- c) hires the Consortium's staff and nominates the Executive Director and/or Secretary;
- d) oversees record keeping and the preservation of documents;
- e) ensures the conformity of the operations with the interests of the Consortium.

In case of impediment or absence of the President, his functions will be exercised - save dispositions by art. 14, sixth sub-section, and by art. 20, second sub-section, - by one of the two Vice Presidents, who is likewise nominated by the Board of Directors from among its members.

Art. 20

(Representation of the Consortium - Signature)

It is up to the President to sign for and to represent the Consortium in front of third parties and before a court, having the right to start legal and administrative proceedings and petitions for any instance of judgment.

In case of serious impediment of the President, the representation and the signature fall to one of the two Vice Presidents.

Art. 21

(Board of Auditors)

The Board of Auditors is composed of three permanent members and two deputy-members chosen from chartered public accountants, and elected by the Meeting, which determines their compensation.

The President of the Board of Auditors is elected by the Ordinary Meeting.

Auditors hold office for two years, save the first ones who hold office for three years. Auditors may be re-elected.

They exercise their functions under the rules stated for a public limited company, to the extent that these rules are compatible with the Consortium structure.

TITLE V

Art. 22

(Grants made by Public or Private Entities)

In accordance with the Consortium's objectives, Public or Private Entities may give their support through grants or contributions.

TITLE VI

Art. 23

(Management)

The Executive Director (nominated as per provisions under art.19, second sub-section, letter “c”) is entitled to enforce the deliberations of the consortium and to supervise its management.

The Director participates, without the right to vote, as Secretary at the General Meeting and at the Meeting of the Board of Directors.

TITLE VII

Art. 24

(Transfer of Enterprise)

In case of transfer of an enterprise the relationship with the Consortium continues with the new principal of the enterprise, on the condition that the requirements under art. 6b persist and that the Ordinary meeting approves the new principal’s admission to the Consortium.

In the event of a deliberation of non admittance (according to art.10, second sub-section) counter-action is admitted as provided for by art 10, third sub-section.

Art. 25

(Liquidation of shares)

In case of withdrawal or exclusion of an associate or in case of non-admission of the new principal of a transferred enterprise the association quota quoted in a) of art.11 is returned at its nominal value to the associate who has entirely extinguished his obligations with the Consortium.

Art. 26

(Dissolution of the Consortium)

In case of dissolution, the Extraordinary Meeting is charged with the appointment of one or more

Liquidators and with the determination of related powers.

Once all liabilities have been covered and the associates reimbursed for their subscription fees (not to exceed their nominal value), remaining corporate assets will be transferred (further to the deliberation of the Members’ Meeting) to Entities having corporate goals or social objectives similar or instrumental to those of the Consortium.

Art. 27

(Bylaws)

The Ordinary Meeting approves the bylaws for the implementation of this Statute and that which is necessary to assure the functioning of the Consortium.

Art. 28

(Sanctions)

In case of infractions of the dispositions of this Statute, of the bylaws and of the consortium's deliberations, the President invites the defaulting associate to present written justifications and immediately convenes the Board of Directors to establish possible sanctions.

The President communicates to the associate the deliberation of the Board by registered letter, return receipt requested. Provisions of art.10 of this Statute continue to be valid.

Art. 29

(Settlement of disputes)

Any dispute regarding the interpretation of this Statute and rules thereof, is settled by a Board of Arbitrators composed of three Arbitrators: two appointed by the two parties and the third, assuming the function of President, nominated by the two Arbitrators. In case of variance, the third Arbitrator is nominated by the President of the Court.

Art. 30

(Cross reference to the dispositions of the Civil Code)

Concerning everything not provided for by this Statute, the Civil Code is binding.