

Rules for the Institutional Activities

Approved by the “Consiglio Generale” in the assembly on 12th June 2017

1. Article 1: purpose

1.1 These Rules govern the criteria and methods for pursuing the goals of Compagnia di San Paolo as provided for in its Statutes, with particular attention to the criteria for the allocation of resources to institutional activities, to the rules concerning planning, decision-making, managing and evaluating such activities, and to the forms of public information about them. The operational outline of the criteria and principles mentioned herein is explicitly indicated in the document “Application Guidelines for the Rules for the Compagnia di San Paolo’s Institutional Activities”, approved by the Management Committee and communicated to the “Consiglio Generale”.

1.2 Institutional activities are subject to the application of the Leg. Decree 231/2001 and its subsequent adjustments according to the control and risk prevention model adopted by the Compagnia di San Paolo.

2. Article 2: areas of intervention and organisation of the offices

2.1 According to the Statutes, Art. 3, paragraph 1, the following are the areas in which the Compagnia operates:

- a) research and education;
- b) art, cultural activities and heritage;
- c) public health;
- d) social policies.

2.2 For reasons of operational practicality, the organisation of the Compagnia di San Paolo offices intended to carry out the institutional activity may differ from the breakup of the intervention areas, as defined by the Statutes.

3. Article 3: activity planning

3.1. During the first year of office, the Consiglio Generale of Compagnia di San Paolo discusses and approves the Multi-year Planning Document. This document determines, for the period in which the Consiglio Generale is in charge, the guidelines for the institutional activity; furthermore, it indicates, according to art. 3, paragraph 1, of the Statutes, the significant sectors in which the Compagnia intends to operate in the following three years. During its mandate, the Consiglio Generale can update the Multi-year Planning Document and, with respect to the three-year deadline provided for by the law, it reviews and confirms the choice of the significant sectors. The draft of the Multi-year Planning Document is submitted to the examination of the Consiglio Generale at least one month prior to the date set for its approval.

3.2. Each year, prior to 31st October, the Consiglio Generale, coherently with the Multi-year Planning Document, if approved, issues the Annual Planning Document that provides the intervention guidelines for the subsequent calendar year. The deadline for presenting the draft of the Document to be examined by the Consiglio Generale is ten days prior to the assembly in which its approval is on the agenda.

3.3. The Annual Planning Document establishes the total amount of resources destined to the institutional activities and divides them between the theme areas. Moreover, it indicates the guidelines for the allocations to operational departments, programmes, and special projects.

3.4. During the financial year, the Management Committee may modify, in light of reasonable evaluations, the allocation of the resources intended for institutional activities. This change may take place within the limits of the total amount allocated, for amounts that are not higher or lower than 10% of the initial allocation.

3.5. In view of the drafting, examination, and approval of the Annual Planning Document for the following year, the Consiglio Generale receives, prior to the month of July, a report by the Commissions of the Consiglio Generale concerning their respective sectors.

3.6. The projects for the Multi-year Planning Document and the Annual Planning Document are prepared by the Secretary-General with the help of the offices. To this purpose, the Secretary-General can carry out any necessary in-depth investigations.

3.7. The Planning Documents are published through means that allow for an adequate public knowledge.

4. Article 4: tools of the institutional activity

4.1. Within the scope of the institutional activity, the Compagnia operates through:

a) Instrumental, non-commercial bodies, having legal personality, through which the Compagnia pursues its statutory goals. The qualification “Instrumental body” is awarded or revoked by the Consiglio Generale upon motivated proposal by the Management Committee, with particular reference to the body’s mission and purposes, having heard the interested body and, in case of partnership, the members or the other founding partners. Their list is kept updated by the Bodies’ Secretary;

b) the participation to non-profit entities, including the “social enterprises” as defined in the legislative decree 24 March 2006, no. 155, or consortiums and similar structures, that operate exclusively within the scope of the Compagnia di San Paolo intervention areas in coherence with its planning guidelines and that have particular significance in their sector and territory. Their list is kept updated by the Bodies’ Secretary;

c) programmes and special projects, including multi-year ones, aimed at reaching one or more coordinated targets, that may provide for the integration of directly managed initiatives, the support to projects or even to the institutional activity of third parties, as long as admissible by law and by Compagnia di San Paolo’s Statutes and regulations. The intervention guidelines and the methods of operation and evaluation for each programme and special project are detailed and defined by the Management Committee according to the general guidelines submitted to the attention of the Consiglio Generale, which also approves them;

d) conventions, that is, formal agreements, normally lasting many years, entered into between the Compagnia and entities of high complexity and large dimensions. They provide for the purposes of the agreement, the allocation flows by the Compagnia and their distribution in time, their specific destination, and the mechanisms for governing and controlling their use and for evaluating the process and its outcome;

e) support for the institutional activity (SAI) of entities having a high scientific, cultural or social-economic value in the sector and territory in which they operate and that offer guarantees of continuity of their work in time;

f) calls for proposals and structured selection forms, that provide for pre-defined access modes, evaluation and selection on the basis of specific requirements published by the Compagnia di San Paolo;

g) allocations to projects presented by third parties. This is the financial support in the form of contributions and, wherever possible and expedient, of technical and organisational support, with the inclusion of pre-planning and experimenting activities. Also single projects conceived and managed by the Compagnia di San Paolo can be the subject of such form of contribution.

4.2. Through a resolution by the Management Committee, Compagnia di San Paolo can earmark part of the resources allocated to institutional activities to the total or partial coverage of any lower earnings performance due to mission-related investments.

4.3. The Compagnia carries out, directly or indirectly, the documentation, study and research, training, and evaluation needed to better perform its activities, as well as the communication and spreading of the results of said activities. The Secretary-General is in charge of using the resources earmarked for this purpose in the Annual Planning Document.

5. Article 5: subjective and objective requirements for the submission of applications

5.1. The Statutes peremptorily indicate the entities excluded from any form of allocation or funding. The Management Committee establishes the subjective requirements for the eligibility of those who propose initiatives, and the objective requirements of the proposals; said requirements are indicated in the Guidelines for the Application of the Rules for the Institutional Activities (Linee applicative del Regolamento delle Attività istituzionali). The requirements can be reviewed periodically.

6. Article 6: submission of the applications for contributions and selection activity

6.1. The method for submitting the applications for intervention is defined by the Management Committee that can delegate such function to the Secretary-General, so as to guarantee the transparency of the access conditions and the best progress of the selection process; it is communicated to the public.

6.2 The requests are normally sent to the Compagnia di San Paolo through the ROL system (Online Requests) for online submissions; no sending of hard copies of the applications or the accompanying materials is requested. Programmes and special projects managed by Compagnia di San Paolo may not require applications to be forwarded through the ROL system for online submissions, as both these instruments are characterised by a significant experimental part and an intense co-planning activity with bodies and institutions in the territory.

6.3. Enquiries regarding subjective and objective eligibility of the applications is carried out under the responsibility of the Secretary-General by the Compagnia di San Paolo offices that can avail themselves of the instrumental bodies or specially appointed experts for the relative fields of competence.

6.4. Once the existence of the requirements for eligibility is ascertained, the offices proceed with evaluating the proposals, verifying their consistency with respect to Compagnia di San Paolo planning guidelines and interest and their inner coherence and the general compatibility with the resources allocated during the year; subsequently, the offices compare the applications and, in case of calls for proposals, establish a ranking.

6.5. The entities that can receive contributions to support their institutional activity (SAI) are selected on the basis of their significance in the sector and territory in which they operate. The Management Committee has the power to establish general criteria to govern the contributions supporting the institutional activity, in particular with reference to the definition of ceilings (in absolute terms and/or with respect to each sector), and to rules that establish the discontinuity and/or rotation of the receiving entities. These criteria are communicated to the Consiglio Generale.

6.6 The Management Committee, in deliberating the allocation of the contribution intended to support the institutional activity, can establish conditional clauses with respect to the use of the allocated funds or, more in general, to the activity of the

beneficiary, the observance of which is the dividing line with respect to the granting of any subsequent contributions of the same kind;

6.7. The offices report annually to the Management Committee concerning the advisability of wholly or partially renewing the contribution intended to support the institutional activity to the recipient organisations.

7. Article 7: decision-making powers in managing the institutional activity

7.1. The following fall within the competence of the Consiglio Generale:

a) the approval of the general guidelines for programmes and special projects within the scope of the multi-year and annual planning documents, upon proposal by the Management Committee. The Management Committee's competence, on the other hand, concerns the management of programmes and special projects, and the Committee specifies their intervention guidelines and the methods for their operation and evaluation;

b) the granting of the qualification "instrumental body" and the approval, with a special Deed of Regulation, of the documents that specify the strategic and organisational method for coordinating the Compagnia with the Instrumental bodies, both upon proposal by the Management Committee. The coordination methods must respect the autonomy of the instrumental bodies, especially with reference to their scientific and cultural activity.

7.2. Every other decision-making power with respect to the management of the Compagnia di San Paolo institutional activities falls within the competence of the Management Committee, that exercises it in coherence with the Planning Documents.

7.3. In order to ensure adequate coordination between the Compagnia's activity and the activity of the other entities in which the Compagnia has the power of appointing representatives, board members, or equivalent offices, the Management Committee defines the periodical reporting by the above-mentioned appointees.

7.4.

The offices of Compagnia di San Paolo verify the coherence and quality in the implementation, as well as the outcome of projects or other financed activities with

respect to the goals evaluated during the preliminary investigation and approval phase. The monitoring normally takes place through the use of standard tools made available online. Programmes and special projects managed by Compagnia di San Paolo can provide for different forms of monitoring and for the use of dedicated instruments.

Article 8: technical-scientific entities and their contact persons

8.1. The Consiglio Generale can appoint one or more Scientific Committees and determine, through special regulations and having consulted with the Board of Auditors, its duration, operating modes, and the remuneration of its members. The Scientific Committees, characterised by international openness, assist the Consiglio in the analysis and planning of activities. If the Consiglio establishes more Committees, the field of operation of each of them must be clearly identified at the moment of its establishment, in order to avoid any conflicts of authority.

8.2. The Management Committee can appoint Technical Evaluation Committees composed of experts, determining their powers, operating modes and remunerations, having heard the Board of Auditors. The Technical Committees assist the Management Committee and help the Secretary-General and the offices in defining and evaluating the programmes and other specific initiatives. The Management Committee can assign similar functions to specialised entities or enterprises. For the selection of the members of Technical Committees, the Management Committee can consult with the Commissione Consigliare having competence on the subject-matter.

3. The Chair, having consulted with the Board of Auditors for the determination of their remuneration, can appoint experts with the task of assisting the offices through the formulation of opinions within the scope of the Compagnia di San Paolo institutional activities.

Article 9: Circulation of information

9.1. On a six-monthly basis, the Secretary-General submits to the Management Committee a concise report relevant to the rejected applications.

9.2. In order to guarantee that the Consiglio Generale has the necessary information to exercise its policy-making, at least every six months the Management Committee submits an account of its deliberations relevant to the institutional activity.

9.3. The final balance sheet of Compagnia di San Paolo must be completed with a report on the institutional activity carried out during the relevant year. This report is widely circulated.