

STATUTE of the BEEFMASTER BREEDERS ASSOCIATION ITALY (AABI)

TITLE I

CONSTITUTION HEADQUARTERS DURATION OBJECTIVES

ARTICLE 1 CONSTITUTION AND HEADQUARTERS

The Beefmaster Breeders Association Italy (AABI) is based in Civitavecchia 00053 (RM) and is governed by this Statute, by the norms of the civil code, and by special laws where applicable.

ARTICLE 2 OBJECTIVES

The Association is a non-profit entity and operates throughout the national territory and, where necessary, also abroad. In respect of its organizational autonomy and legal, economic, and financial independence, as well as the regulatory and normative provisions that govern animal reproduction, where allowed by the framework of community and national projects in which it participates, the Association may join other national, foreign, and international Organizations with similar purposes and functional to the pursuit of the social object.

ARTICLE 3 DURATION

Its duration is unlimited.

ARTICLE 4 OBJECTIVES

The Association aims to promote and implement all initiatives that can usefully contribute to the improvement, enhancement, and dissemination of Beefmaster breed cattle. Specifically:

- a) In compliance with current regulations on animal reproduction, it manages the Beefmaster Breed Herd Book, acts as a Selection Body, and prepares genetic programs to be submitted for approval to the Competent Authority;
- b) In compliance with current regulations on animal reproduction, it aims to manage a register for Beefmaster Breed crosses with other pure breeds, with the goal of collecting as much data as possible for the improvement and evaluation of the qualitative characteristics of the carcasses;
- c) Promotes and conducts studies, analyses, and research aimed at solving specific technical problems, also in collaboration and agreement with national and foreign bodies and organizations and with the competent public administrations;
- d) Fulfills the tasks and functions delegated by the Public Administration;

- e) Promotes and collaborates in the organization of events, zootechnical shows, and auctions, aimed at highlighting the progress made through selection, integrating and developing them also for economic purposes;
- f) Carries out, for the above purposes, as well as for the enhancement of livestock and related genetic material, and to protect its activity and reputation, all those actions that are useful to this end, including the registration of the trademark;
- g) Encourages the establishment of collateral bodies or entities that complement the realization of the Association's purposes;
- h) Promotes and implements meat certification, including registering the related trademark;
- i) Manages the editing and dissemination of technical press;
- j) Conducts promotional activities for the dissemination of the breed also abroad and for this purpose promotes and participates in the establishment of bodies aimed at the same goal;
- k) May purchase and breed livestock, run farms, Genetic Centers, and Centers for the production of semen and embryos, to promote selection, genetic evaluations, and the dissemination of the breed and its crosses;
- l) Provides and promotes technical assistance, dissemination of knowledge, and training for breeders;
- m) Promotes initiatives that can usefully contribute to the dissemination of Beefmaster breed livestock and new breeding techniques;
- n) Promotes and organizes courses and conferences for training in agricultural, zootechnical, and environmental matters;
- o) May carry out specific projects that may involve breed crosses;
- p) Can design and promote the implementation of insurance forms against accidents, diseases, and mortality of livestock, as well as for the personnel involved, risks against third parties, and everything related to livestock farming activity;
- q) Can promote and sign agreements in favor of members and their families that provide benefits for the purchase of goods and services;
- r) Can participate in Bodies or Associations with similar purposes and can take on shareholdings also aimed at pursuing social objectives;

s) May use external professionals to achieve institutional goals and carry out the activities in question.

Art. 5 VOLUNTEERS AND EMPLOYEES

The Association may use, in accordance with applicable regulations, employees and volunteers.

TITLE II

Art. 6 THE MEMBERS

The following may be part of the Association:

- a) breeders, whether individual or associated, provided they own at least one large head of cattle regularly registered in the Beefmaster breed Genealogical Book, as determined according to the equivalent table referred to in the following art. 7;
- b) breeders, whether individual or associated, provided they own at least 10 Beefmaster breed embryos, with an obligation to implant within 12 months of purchase.
- c) Cooperatives and Organizations aimed at enhancing the results of the selective breeding of the breed, that do not carry out selection and genetic improvement activities;
- d) supporting members

ART. 7 ABOUT THE HEADS

For the purposes of determining the minimum number of heads owned as per art. 6, the livestock assets are equated to large heads and calculated based on the following equivalent table:

bull, cow, heifer, bull calves, steers, young heifers = 1 (one) large head;

calves 0-6 months = $\frac{1}{2}$ (half) a large head;

n° 1 (one) embryo = $\frac{1}{4}$ (one quarter) of a large head with an obligation to implant within 12 months of purchase

ARTICLE 8 MEMBERSHIP PROCEDURE

Breeders, Cooperatives, and Organizations referred to in Article 6 that did not participate in the founding act of the Association and wish to join must submit an application to the Association's Board of Directors, declaring unconditional acceptance of the Statute and, in the case of Cooperatives and organizations, attaching a copy of their founding act and Statute. The Board of Directors decides on the admission of members.

ARTICLE 9 MEMBERSHIP FEE AND CONTRIBUTIONS

Every member must pay:

- a) a one-time membership fee equal for all members, the amount of which is decided by the Board of Directors;
- b) an annual membership fee proportional to the number of heads or the interests represented, the amount and payment terms of which will be established by the Board of Directors;
- c) additional non-interest-bearing contributions to meet financial needs related to the ordinary or extraordinary activities, to be set always with the criteria established by the Board of Directors, as approved by the General Assembly. The participation fees and contributions mentioned above are non-transferable by inter vivos act, are not revaluable, nor refundable to members in case of withdrawal;

ARTICLE 10 SOCIAL RIGHTS

The exercise of social rights is granted to members duly registered and in compliance with the payment of contributions referred to in Article 9. The Assembly of members approves its own Regulation, which members must comply with, containing rules related to the organizational, technical, accounting operation of the Association. The regulation, previously subject to the binding examination of the Ministry of Agricultural, Food, Forestry Policies, and Tourism, establishes, among other things, the rights and obligations of breeders participating in genetic programs, the procedures for resolving any disputes between them and the Association, establishes the voting procedures, and the procedures for the election of the Associative bodies.

ARTICLE 11 OBLIGATIONS OF MEMBERS

Membership in the Association entails:

- a) compliance with the statutory norms, the Regulation, the resolutions adopted by the Association's bodies, and the applicable laws and norms;
- b) abstention from any initiative in contrast with the resolutions of the Association's bodies;
- c) compliance with the regulations of the Genealogical Book and the selection programs.

ARTICLE 12 LOSS OF MEMBERSHIP STATUS

Membership status is lost:

- a) by resignation, which must be communicated with at least three months' notice before the end of the calendar year, via registered letter or certified email (PEC) to the Association's Board of Directors;
- b) for failure to pay the contributions/fees referred to in Article 9 within the specified times;
- c) by expulsion due to violation of the provisions contained in this Statute, the Regulation, and the resolutions of the Association;
- d) for the loss of one or more of the requirements established for admission;
- e) by death;
- f) the loss of membership status will be decided by the Board of Directors in cases referred to in points a) b) d) and e); by the General Assembly in the case referred to in point c), after hearing the opinion of the Probitari, if the Assembly deems it appropriate to appoint them. Members who have ceased to belong to the Association have no rights to its assets or to the refund of shares or contributions paid. Withdrawal from the Association takes effect: - at the end of the calendar year in which the communication referred to in point a) was made and does not exempt from the payment of due contributions; - at the end of the year in which it is decided for the case referred to in point b); - immediately for cases referred to in points c) d) and e).

TITLE III

ASSOCIATION BODIES

The bodies of the Association are:

- a) the General Assembly;
- b) the Board of Directors;
- c) the President;
- d) the Director;
- e) the Board of Auditors or the Monocratic Supervisory Body;
- f) the Supervisory Body;
- g) the Arbitrator;

ARTICLE 13 GENERAL ASSEMBLY

The General Assembly consists of the Breeder Members referred to in Article 6.

In the General Assembly, no member can represent, by proxy, more than one other member.

Every member has the right to one vote in addition to a number of votes proportional to the interests represented in the Genealogical Book, precisely one additional vote for every 10 (ten) heads of reproductive age.

ARTICLE 14 QUORUM FOR CONSTITUTION AND DECISIONS OF THE GENERAL ASSEMBLY

The General Assembly, convened in ordinary session and for the acts referred to in the subsequent Article 16, is validly constituted on the first call when at least half plus one of those entitled to vote are present or represented, on the second call regardless of the number of those present or represented and with the favorable vote of the majority of the participants.

The General Assembly, convened in extraordinary session and for the acts referred to in the subsequent Article ART.

15 GENERAL ASSEMBLY PROCEEDINGS

The General Assembly is chaired by the President of the Association or by a member of the Executive Council delegated by the President.

The role of Secretary is assumed by the Director of the Association or, in their absence, a person designated by the President.

The General Assembly also includes, as advisors, a representative designated by the Ministry of Agricultural, Food, and Forestry Policies, and individuals of particular expertise whom the President considers appropriate to invite;

The General Assembly is convened in ordinary session every year, normally within the first semester;

The call must be made at least eight days before the set day for the meeting through written communication or another suitable means addressed to the

Associates and the members of the Board of Auditors or the monocratic control body (if constituted).

The notice must include the indication of the place, day, and time of the meeting in first and second call, as well as the list of topics to be discussed and, in the case of proposed amendments to the Statute, the indication of the articles to be amended with the text of the proposed changes. The second call cannot take place on the same day set for the first.

ART. 16 DUTIES OF THE GENERAL ASSEMBLY

The General Assembly is responsible for:

- a) electing the Executive Council and the elective members within its competence of the Board of Arbitrators and any other bodies;
- b) approving the association's regulations;
- c) approving the annual report of the Executive Council, regarding the program of activities carried out and to be carried out to achieve the Association's objectives, the annual financial statement, and the budget forecast;
- d) deciding on additional contributions as per art. 9 paragraph c);
- e) determining the remunerations and, also in a lump sum, the expense reimbursement rates to be paid to members of the Executive Council and members of any other bodies of the association;
- f) determining the annual remuneration for the President and for the members of the Board of Auditors and for the Monocratic Control Body (if established);
- g) deciding on any memberships, splits, transformations, sales of businesses or premises, mergers, acquisitions or disposals of business shares, mergers with other organizations, dissolution of the Association;
- h) deciding on any amendments to this Statute, in accordance with the applicable laws;
- i) initiating liability actions against members of the Executive Council for breach of mandate and laws.

ART. 17 EXECUTIVE COUNCIL COMPOSITION

The Executive Council consists of a minimum of 3 to a maximum of 7 members (always an odd number), elected by the General Assembly; They hold office for three years and are eligible for re-election. Also participating in the meetings as advisors are a representative appointed by the Ministry of Agricultural, Food and Forestry Policies, and individuals of particular competence whom the President deems appropriate to invite or who are required to participate by law.

The Director of the Association (if appointed) is the Secretary of the Executive Council; in case of their absence or impediment, the secretary's duties will be performed by a member of the same Council designated by the President.

ART. 18 EXECUTIVE COUNCIL POWERS

The powers of the Executive Council include:

- a) appointing, from among the elective members, the President and the Vice President;
- b) deciding on the admission or withdrawal of members in accordance with articles 8 and 12 letters a) b) d) and e);
- c) ensuring the execution of the General Assembly's resolutions;
- d) making decisions on the establishment and functioning of the Association's offices;
- e) determining the staff structure and their economic treatment;
- f) hiring and dismissing staff by defining each one's duties, engaging or dismissing freelancers and technicians;
- g) appointing the Director, where deemed necessary, based on the provisions contained in a specific association regulation;
- h) designating the breeders' representatives within the Central Technical Commission of the Stud Book.
- i) managing the social assets;
- j) preparing the annual report on the program of activities carried out and to be carried out to achieve the Association's objectives for submission to the General Assembly's approval;
- k) preparing the final and budgetary accounts for submission to the General Assembly's approval;
- l) deciding on any legal actions;
- m) appointing Study Commissions for specific issues;
- n) deciding on various initiative programs to present to the Public Administration to obtain financial contributions;
- o) establishing branch offices;
- p) proceeding to register trademarks, establishing the norms for their use and the related sanctions in case of non-compliance, as well as drafting their regulations;
- q) preparing an internal regulation aimed, among other things, at establishing the rights and obligations of breeders participating in genetic programs, resolving any disputes between them and the Association, and ensuring their equal treatment;
- r) all broader deliberative and executive powers not expressly attributed to the General Assembly.

ART. 19 EXECUTIVE COUNCIL MEETING AND QUORUM

The Executive Council is convened at least three times a year and whenever the President or their deputy deems it appropriate, at the Association's headquarters or in other locations, provided they are within the national territory. Meetings of the Executive Council may be held via video conference, provided that:

- i. participants can be identified;
- ii. the President and the secretary of the meeting are in the same place and can regulate the proceedings of the council meeting, ascertain and declare the results of the votes, and adequately perceive the events to be recorded;
- iii. each councilor is allowed to participate in the discussion and to vote simultaneously on the items on the agenda. Telephone connections are not allowed.

The convocation of the Executive Council is made by the President or their deputy with a letter or another suitable verifiable means, to be sent at least three full days before the meeting to the Councilors and the members of the Board of Auditors (if established), indicating the location of the meeting, the time and day, as well as the topics to be discussed. In cases of urgency, this requirement can be waived, through telephone convocation, email, Certified Electronic Mail (PEC), or other suitable means, to be made at least one day before the meeting.

It is also convened when at least one-third of its members or two Auditors or the President of the Board of Auditors (if established) make a written request.

Meetings of the Council are valid with the actual presence of at least half plus one of its members entitled to vote.

The President presides over the Executive Council by right; in their absence, the most senior Vice President among those present will replace them.

Each elected member of the Council has one vote. In the event of a tie, the President's vote prevails.

Members of the Executive Council who fail to attend three consecutive Council sessions without justified reason will be removed from their position. New members, chosen from among those not elected, will replace them.

Minutes of the meeting will be recorded in a special register and signed by the President and the Secretary.

ART. 20 PRESIDENT

The President legally represents the Association in dealings with members, third parties, and in court. In the event of their absence or impediment, the Vice President delegated by the Executive Council shall replace them.

2. The President issues the necessary instructions for implementing the resolutions of the General Assembly and the Executive Council.

ART. 21 DIRECTOR

The Director (if appointed) is responsible for the organization and management of the headquarters' offices and any branch offices, for which they are responsible, and exercises all other powers conferred by the Executive Council. They implement the instructions given by the Executive Council, to which they propose solutions and measures they believe are useful for achieving the statutory objectives.

ART. 22 BOARD OF AUDITORS OR SINGLE-MEMBER SUPERVISORY BODY

The Association may appoint a Supervisory Body which may also be single-member. If appointed, the Board of Auditors consists of three actual members and two alternates with the professional requirements as per art. 2397, art. 2398, art. 2399, of the Civil Code, elected by the General Assembly.

They hold office for three years and are re-eligible.

The alternates shall replace the actual members, in order of seniority, in the event of their death, resignation, or forfeiture.

The Supervisory Body oversees compliance with the law and this statute, adherence to the principles of correct administration, and the organizational and accounting structure adopted by the Association, with the duties and powers established by the Civil Code at arts. 2403, 2403 bis, 2405, 2406, 2407, 2408, 2409.

Resolutions are passed by an absolute majority of votes.

It meets at the invitation of its President, whenever he deems it appropriate, or at the request of even a single auditor.

The final and provisional budget and the annual report concerning the program of activities to be carried out to achieve the Association's purposes must be presented to the Board at least one month before the call of the Assembly for the compilation of the report.

The association's regulations must contain a specific article that establishes and regulates the Board of Auditors (Supervisory Body) on the matter of incompatibilities and ineligibilities of assignments, with reference to article 2399 c.c. and other causes of ineligibility.

The Board of Auditors does not perform the Legal Audit activity as per art. 2409-bis c.c., which may be entrusted by the Assembly to an Auditor or an Audit Firm.

Should, as an alternative to the Board of Auditors, a single-member Supervisory Body be appointed, it must possess the requirements specified by art. 2397 c.c.. If the assembly entrusts the legal audit of the accounts to an Auditor, the latter may coincide with the member of the single-member Supervisory Body.

ART. 23 SUPERVISORY BODY

If resolved, the Supervisory Body (briefly also referred to as “S.B.”) is appointed by the Assembly, collegially. It shall consist of three members, one of whom is indicated by the Ministry responsible for agriculture and livestock, and two appointed by the Assembly, one of whom serves as President in compliance with any legal incompatibilities.

The Supervisory Body has independent powers of initiative and control, regulated in accordance with legislative decree no. 231 of June 8, 2001, and subsequent amendments and integrations, and is tasked with overseeing the functioning and compliance with the Organization’s Management and Organization Model.

The remuneration of the S.B. is determined by the Assembly at the time of appointment and for the entire duration of the term.

The S.B. meets, approximately, every ninety days, or whenever deemed necessary based on occurrences; minutes of the meetings must be drafted, recorded in the Book of gatherings and resolutions of the Body, and signed by the attendees.

ART. 24 BOARD OF ARBITRATORS

Any dispute that arises between the Members and between them and the association, within the scope of the Association's activities, is referred to the examination of the Board of Arbitrators.

The Members are obliged to accept the judgment of the Arbitrators and to execute it immediately.

The Board of Arbitrators consists of three members elected by the General Assembly.

The position of a member of the Board of Arbitrators is unpaid, except for the reimbursement of expenses incurred.

TITLE IV SOCIAL ASSETS

OPERATIONAL FUNDS - SOCIAL

ART. 25 SOCIAL ASSETS

The assets of the Association consist of:

- a) contributions paid by members at the time of their registration in accordance with art. 9, paragraph a);
- b) the active surplus from the annual management, which the General Assembly will allocate to the reserve fund;
- c) movable and immovable property of any kind that, through purchases, donations, or any other title, come into the ownership of the Association;
- d) any contributions authorized and granted by Ministries, Public Bodies, and private individuals not earmarked for specific initiatives and forms of activity.

An inventory is maintained for the assets constituting the Social Assets.

ART. 26. INCOME

The income consists of:

- a) contributions/dues from members (according to art. 9 paragraphs b and c);
- b) contributions granted by Regions, the State, the EU, and other Public or private bodies;
- c) income from services provided to members and non-members;
- d) interest on the assets.

ART. 27 FISCAL YEAR

The fiscal year closes on December 31 of each year. Within six months from the end of the fiscal year, the Executive Council presents the final budget, closed on December 31, and the provisional budget for the following year, to the General Assembly for approval, as established by articles 16 and 18 letter k); on this occasion, the reports of the Executive Council and the Supervisory Body and the

Audit Body, if existing, are also presented. For these last two bodies, the reports are limited to the final budget only. The presentation of the Budget may, by a reasoned resolution of the Executive Committee, be deferred beyond the first semester, but in any case not later than the month of September. Due to the nature and purposes of the Association, it is forbidden to distribute, even indirectly, profits or management surpluses, as well as funds, reserves, or capital during the life of the Association. Any surpluses will be reserved for statutory initiatives in subsequent fiscal years.

TITLE V GENERAL PROVISIONS

ART. 28 DISSOLUTION

In the event of the dissolution of the Association for any reason, the assets will be devolved, after consulting the Supervisory Body (if established), to another Association with similar purposes or for public utility purposes, unless otherwise mandated by law, following consultation with the Ministry responsible for agriculture and livestock.

ART. 29 COMPETENT FORUM

In case of disputes, the competent forum is the Court of Civitavecchia.

ART. 30 TRANSITIONAL PROVISIONS

The President is authorized to make any amendments to this Statute as required by the entities responsible for its approval and supervision.