

**BYLAWS OF THE CONSORZIO PER LA TUTELA DEI VINI CON
DENOMINAZIONE DI ORIGINE BOLGHERI**

also called

CONSORZIO VINI DI BOLGHERI

Art.1

ESTABLISHMENT

A voluntary Consortium is established under the name of Consorzio per la tutela dei vini con denominazione di origine Bolgheri e Bolgheri Sassicaia, i.e. Consortium for the protection of Bolgheri and Bolgheri Sassicaia designation of origin wines – hereinafter referred to only as designation(s) – produced in the specified area and acknowledged by the relative production specifications.

The Consorzio per la tutela della denominazione di origine dei vini Bolgheri – hereinafter referred to as the Consortium if acknowledged pursuant to Art. 17, par. 4 of Italian Legislative Decree no. 61 of 8 April 2010 – is an interprofessional non-profit association for the protection, general care and enhancement of the wine-growing and wine-producing economic region, and the protection of the general interests of the Parties entitled and the quality wines produced (Q.W.p.s.r.).

In addition to the bylaws and any approved internal Regulations, the Consortium is governed by Italian Legislative Decree no. 61/2010, the relative implementing Decrees (and, in particular, Italian Ministerial Decree of 16 December 2010, published on the G.U.R. (Gazzetta Ufficiale Regionale – Regional Official Gazette) no. 17 of 22 January 2011) as amended and integrated.

Art.2

DURATION

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

Art.3

REGISTERED AND BRANCH OFFICES

The Consortium has its registered office in Castagneto Carducci, in the province of Leghorn, in Town Hall, at no. 1 Via Carducci. If deemed necessary, the Consortium may change, even temporarily, its registered office, and may establish and/or close other operative offices, and open representation offices in Italy and abroad by prior resolution of the General Meeting.

Art.4

OBJECTIVES AND PURPOSES

The Consortium is a non-profit association comprising the professional groups concerned with the protected designations, i.e. wine-growers, wine-makers, and bottlers included in the control system of the protected designation.

Pursuant to and for the purposes of Art. 17 of Italian Legislative Decree no. 61/2010 and of Art. 5 of Italian Ministerial Decree of 16 December 2010 as amended, the Consortium, holder of the representation rights provided by Art. 4, par. 1 of Italian Ministerial Decree of 16 December 2010 as amended, aims to support all subjects included in the control system of the protected designations of origin with activities for the enhancement and promotion of the designation and related trademarks, the protection and care of the interests of the designation, consumer information, supervisory activities and any other activity and/or *erga omnes* functions attributed, delegated or permitted by law.

In particular, the Consortium aims to:

- a. contribute to the protection and defence of the designation of origin and coordinate activities related to the general interests of the different trade segments of producers and enterprises, including qualitative and market value;
- b. promote compliance of the production specifications with the innovative and more modern requirements of technology, viticulture, oenological practices, image, and consumption, and submit applications and proposals for amendments to the designated agencies;
- c. establish and collaborate on the establishment of vineyards and suitable facilities required to perform field and cellar experiments for the development and continuous quality

improvement of the grapes and wines produced in the zones and micro-zones of the wine-growing e wine-producing region;

- d. monitor the quality and production process of the designation of origin wines and determine which practices to adopt for improving and qualifying the varieties through the establishment of technical regulations;
- e. promote territorial and product enhancement activities, such as area districts, didactic and cultural itineraries, wine and flavour roads, didactic farms and other wine tourism and food and wine promotional activities, in collaboration with other public and private entities, and national and EC institutions;
- f. implement technical training, upkeep the image and provide technical assistance to wineries and producers;
- g. create proprietary editorial products providing technical and general information, with copyright restrictions;
- h. promote and implement initiatives for the enhancement, nutrition education and proper consumption of the wines produced in the area;
- i. bring action before judicial and administrative courts to protect and defend the protected designation of origin, and the interests and rights of the producers, and also bring civil action as prescribed by law;
- j. make proposals, discipline, regulate and provide advisory services with respect to the product at issue, and collaboration services for the application of Italian Legislative Decree no. 61/2010;
- k. collaborate with the State, Tuscany Region and other Public Agencies on the performance of their duties related to the wine-growing and wine-producing sector and, in particular, make proposals pertaining to the regulatory specifications applicable to the protected designation of origin, in addition to providing management and advisory services to the Regional Authorities and designated Agencies with respect to the vine register, grape and wine production reports, management and distribution of State seals and any other matters or issues pertaining to the Regional Authorities and the aforementioned designated Agencies.
- l. subject to prior agreement on service procedures and expense reimbursement, permit the use of its facilities and human resources to other Tuscan Coast or Costa degli Etruschi (Etruscans' Coast) protection Consortia.
- m. verify, in the manner and within the limits provided by Art.5, par. 4, letters a) and b) of Italian Ministerial Decree of 16 December 2010 as amended, the compliance of certified productions with the production specifications, monitor similar products that could cause confusion

among consumers, and exercise due vigilance in accordance with currently applicable regulations.

The Consortium, holder of the representation rights provided by Art. 3, par. 1 of Italian Ministerial Decree of 16 December 2010 as amended, in the interest and at the expense of its members, by way on non-limiting example, may also:

- implement forms of technical, agronomic, oenological, socio-economic and business assistance, also through research and experimental activities and initiatives aimed at building and enhancing the professional skills of its member companies and their workers, including information activities;
- inform and assist members in complying with the obligations provided by applicable regulations, including those relative to the vineyard register, land registry and vine register, if any;
- conduct analyses, research, surveys, administrative audits and other formalities, as resolved by the Board of Directors, also on behalf of third parties, whether natural persons or other entities and organisations in the sector;
- join or otherwise participate in other organisations which aim at achieving the same objectives as the Consortium, as well as objectives for the protection, enhancement and development of every aspect of the production area.

The functions performed in the exclusive interest of its members shall be managed directly by the Consortium and/or through other Entities and/or Companies, whether or not associated to the Consortium.

Pursuant to Art. 17, par. 2, of Italian Legislative Decree no. 61 of 8 April 2010 as amended, the activities of the Consortium shall also include the protection, promotion, enhancement, supervision and general care of the interests of GI (Geographical Indication) wines and other choice wines produced in the production area.

Art.5

PREREQUISITES AND ADMISSION CRITERIA

Membership to the Consortium is open, without discrimination, to all users of the “Bolgheri” designation pursuing at least one of the following production activities: wine-growing, wine-making, bottling.

Admission to the Consortium is guaranteed to all entitled Parties subject to submission of a written application addressed to the Board of Directors, complete with the following information:

- a. full company name, particulars of its legal representative and details of the contact person for the Consortium;
- b. address of the registered office of the company and separate facilities, if any, where the company carries out its activities;
- c. details of the registration with the relative business registers, registration number, bottling and export licence;
- d. individual wine-growers and/or wine-growers associated to collective bodies are requested to provide registration details and registration numbers on the registers and/or lists of vineyards of the designation, in addition to the cadastral maps of the vineyards and the relative updated vineyard register and/or inventory of the company, either in hardcopy or electronic format, in compliance with EC legislation;
- e. details on the activity(ies) performed;
- f. formal acknowledgement of the bylaws and acceptance of the obligations deriving therefrom, of the resolutions legally adopted by the governance bodies and of the internal policies and regulations that shall be considered as an integral part of the bylaws;

Associations and collective bodies, whether cooperatives, cooperative wineries, or producers' associations, must also submit the list of their associates grouped by activities performed and trade segment, together with the resolution by which their governance bodies approved the contents of the bylaws and submission of the application for admission. Furthermore, for grape production activities, producers belonging to a collective body may submit individual applications for registration with the Consortium in their trade segment.

The Consortium shall review the applications for compliance with the acceptance criteria and shall notify its decision within two months from submission. Applicants may appeal denial to the Arbitration Board in compliance with the terms and conditions laid down in Art. 23 of the bylaws.

For the purpose of voting, registration of wine-growers, wine-makers and bottlers as members of an association permits the use of cumulative voting (Art. 6, par. 5, of Italian Ministerial Decree of 16 December 2010), provided a proxy is granted by the individual associates.

Art.6

OBLIGATIONS AND RIGHTS OF CONSORTIUM MEMBERS

All Consortium members shall fulfil the following obligations:

- a. payment of a fixed fee for access to services or a (one-time) registration fee, determined annually and calculated in the same manner and commensurate with the annual fees. The fee is non-refundable, non-transferable, not subject to revaluation and does not grant any rights to the assets of the Consortium;
- b. payment of an annual fee proportional to the production level and commensurate with a base unit of product set for each production segment, namely:
 - wine-growing activities, per kilogram of grapes claimed and reported;
 - wine-making activities, per litre of wine claimed and reported;
 - bottling activities, per litre of wine bottled.

The data required for calculation of the annual fees are taken from the company's official documents, production reports and statements, and official certifications on the previous wine year.

Consortium members have the obligation to submit their yearly reports and statements by 20 December of each year. Each Consortium member has the obligation to notify to the Consortium any changes to the vineyards planted and to production at the same time as the notification to the competent agencies. The value of product units per segment, per wine and per activity is approved on a yearly basis, and calculation criteria are laid down in the operations management guidelines.

The Board of Directors shall be entitled to establish different yearly base units for each protected designation.

If the official data on the wine year immediately preceding the current year are not available, calculations are based on the average production claimed for the two previous wine years;

- c. payment of special contributions by one or more groups of associates, as per specific resolution of the General Meeting;
- d. strict compliance with the bylaws, the management guidelines and the resolutions legally

- adopted by the relevant governance bodies;
- e. compliance with customary quality and quantity control of vine surface areas, and grape, wine and bottle production, also in collaboration with other facilities, so as to assess fulfilment of all obligations undertaken as a member of the Consortium and as a producer of quality grapes and wines placed on the market and sold for direct consumption;
 - f. participation in activities and in governance bodies only if all technical and administrative obligations imposed by the Consortium have been fulfilled.

Art.7

PENALTIES

Membership to the Consortium is voluntary, therefore it commits members to full compliance with the established and approved regulations, a strong sense of morality and proper individual, mutual and collective behaviour, with the sole objective of maximising the image and prestige of the designation. Consortium members that, for any reason, fail to comply with the bylaws, regulations and other approved resolutions are subject to the following penalties, implemented progressively and proportionally to the gravity of the infringement:

- letter requesting to submit exculpatory evidence in writing, sent by registered post with proof of delivery;
- letter of reprimand with cease and desist request, sent by registered post with proof of delivery;
- notice to all Consortium members of temporary suspension and fine, if any, proportional to the infringement;
- official and public removal from the Consortium.

Notice of the foregoing measures must be communicated to the defaulting member within 15 days from the resolution by the Board of Directors. All decisions may be appealed to the Arbitration Board in accordance with the provisions of the bylaws. The duly submitted request for appeal immediately suspends implementation of the penalty.

Art.8

LOSS OR WITHDRAWAL OF MEMBERSHIP

Loss of membership may occur due to withdrawal, revocation or removal. In any event, the Consortium member is committed to fulfilling all current and pending obligations, both of a financial and technical nature, even if the relationship is terminated during the same financial year.

Art.9

WITHDRAWAL

The obligations of the members have the same duration as that of the Consortium. They shall cease before expiration in the event that:

- a. the Consortium member dies with no heirs to pursue his activities, has ceased one or more activities and/or has transferred one or more activities required for membership;
- b. the Consortium member resigns.

The request for withdrawal and notice of cessation of activity(ies) can be submitted to the Board of Directors at any time and shall be effective as of the end of the current financial year, except as provided in the last paragraph of Art. 7 of the bylaws.

Art.10

FORFEITURE

Consortium members shall forfeit their right to membership by:

- no longer having one or more prerequisites for admission,
- being in a situation of total incompatibility with the objectives of the Consortium,
- failing to pay the fees and contributions for more than two years.

In case of death of the owner of a member company, the heirs are entitled to take over and appoint a new representative, unless acceptance is justly denied, in which case it is possible to submit a request for appeal to the Arbitration Board in accordance with the terms and conditions provided by Art. 23. In case of takeover of a member company, or of just one or more activities of the member company by a new owner, the latter shall submit a new application for admission. If admission is accepted, the new owner shall pay all the fees provided by **Art. 7 (o meglio 6 ?)** as resolved by the

Board of Directors.

Art.11

REMOVAL

Consortium members who:

- are in serious breach of the obligations provided by Art. 7 (o meglio 6 ?),
- have seriously and/or repeatedly violated the bylaws and regulations,
- have committed formal or substantial crimes in exercising their business or for illegal use of the designation,

can be removed from the Consortium.

Removal does not release from the obligation to fulfil current or pending, financial and technical obligations. Notice of the final decision must be communicated to the defaulting member within 15 days from the resolution, by registered post with proof of delivery. All decisions may be appealed to the Arbitration Board in accordance with the provisions of Art. 23 of the bylaws.

Art.12

GOVERNANCE BODIES

The governance bodies of the Consortium are:

- the General Meeting;
- the Board of Directors;
- the Chairman;
- the Board of Auditors.

Art.13

GENERAL MEETING

The General Meeting includes all members of the Consortium.

The extraordinary General Meeting, called by the Board of Directors and the Board of Auditors, has the following responsibilities:

- a. amendment of the Consortium bylaws and change of the registered office;
- b. dissolution of the Consortium;
- c. liquidation of the Consortium, with the definition of the powers, remuneration and appointment of the liquidators, and transfer of the assets.

The ordinary General Meeting, called by the Chairperson of the Board of Directors, has the following responsibilities:

- a. definition of the general objectives of the Consortium;
- b. approval of the budget and balance presented by the Board of Directors and relative approval of the relative operating and program reports;
- c. approval of payment of special contributions and their purpose;
- d. election of the Board of Directors;
- e. approval of the operations management guidelines and relative amendments and integrations;
- f. appointment of the permanent and alternate members of the Board of Auditors, its Chairperson, and their remuneration, if any;
- g. ratification of the ordinary annual fees of the Consortium members proposed by the Board of Directors;
- h. approval of all issues presented by the Board of Directors;
- i. approval of the annual balance sheet;
- j. approval of the annual budget;
- k. approval of proposed amendments to the Production Specifications of the protected designation;
- l. approval of proposed new DOC (designations of controlled origin) or DOP (designations of controlled and guaranteed origin) whose production area involves all or part of the areas defined by the protected designations;
- m. for the purpose of submitting the requests referred to in points k) and l) to the MIPAAF, (Italian Ministry of Agricultural, Food and Forestry Policies) through the Regional Authorities, the relative resolutions of the General Meeting shall comply with the representation requirements provided by Art. 4, par. 2, letters c) and d) of Italian Ministerial Decree of 16 December 2010, relative to the procedures for amending production specifications and applications for new designations of origin.

All General Meeting decisions are subject to vote as per the following article.

Art.14

VOTING IN THE GENERAL MEETING

The meeting, regularly called and properly constituted, represents all the members. Meetings can be attended only by Consortium members who are up to date with payments and who have not been suspended or removed. The number of votes to which each member is entitled is calculated on the quantity of products claimed and reported for the previous wine year and per activity.

Should a meeting be called when no voting data is available, the votes of each Consortium member for each trade segment shall be those of the last General Meeting or the average of the votes used for the two previous financial years.

Each Consortium member is entitled to one vote for each trade segment, as well as:

- one vote every 30,000 (thirty thousand) kilograms of grapes claimed and reported, for wine-growing activities;
- one vote every 20,000 (twenty thousand) litres of wine claimed and reported, for wine-making activities;
- one vote every 30,000 (thirty thousand) litres of wine produced for bottling, for bottling activities.

The Consortium member who simultaneously carries out two or three activities with the same enterprise, is entitled to cumulative voting taking into account each activity, except when voting is required for the election of the trade segment representatives within the Board of Directors, for which each Consortium member votes separately using only the number of votes to which he/she is entitled for each single activity.

Each Consortium member cannot hold more than two proxies for each trade segment.

Cooperatives and collective organisations, being enterprises associated to the Consortium, may represent all their associates at the General Meeting if holding a proxy expressly granted by each individual associated to the winery or cooperative, in which case they cast the total weighted votes based on the quantities of product claimed and reported for each activity, otherwise the single grape producers can participate in the meeting and cast their personal votes calculated on the quantity of product actually held for the wine-growing activity.

The number of votes to which each Consortium member is entitled is rounded half up or half down. Each Consortium member may expressly delegate his voting rights in writing to a relative within

the fourth degree in case of a sole proprietorship, to one of the partners in case of a partnership, to a member of the Board of Directors in case of cooperatives and companies, or one of its employees.

Art.15

CALLING OF MEETINGS

I) Ordinary meeting and general rules

The ordinary General Meeting is held at least once a year, and is called within four months of financial year-end by the Chairperson of the Board of Directors, and as often as is deemed appropriate or as requested in writing by at least one fifth of the entitled Consortium members, indicating the reason for the request.

When the General Meeting is requested by the members, notification of the meeting shall be sent within ten calendar days from the date of filing of the request with the registered office in order to hold the meeting within thirty calendar days from the above date of filing of the request. The General Meeting is constituted by the Consortium members that have fulfilled their obligations, and is attended by the permanent and alternate members of the Board of Auditors. The letter of notification is sent to each Consortium member to the address indicated in the book of members at least ten days before the date set for the meeting and is valid as admission ticket, subject to verification of entitlement by the designated Consortium officers. In case of urgency or changes, the relative notification may be sent by fax, telegram or e-mail at least five days prior to the set date. The notification shall indicate the venue, date and time of the meeting, also on second call, in addition to the items on the agenda. The meeting can be held outside the registered office, but always in compliance with the prescribed terms and conditions. The meeting is chaired by the Chairperson of the Board of Directors or, in his/her absence, by one of the two Deputy Chairpersons or, in their absence, by the person appointed by the majority of the attendees. The chairperson of the meeting shall certify the validity of and preside over the meeting, decide on the right to partake in the meeting, and appoint a secretary to take the minutes. The General Meetings are valid on first call when at least half plus one of the votes cast by all consortium members entitled pursuant to Art. 15 are represented, and on second call whatever the number of votes represented by the attendees. The relative resolutions are adopted by majority vote, except as otherwise provided by Art. 13, par. 3, letters k), l) and m) pertaining to the procedures for amending production specifications, and applications for new designations of origin.

Proxies are counted as part of the total number of attendees and of validly cast votes. Routinely,

votes are cast by show of hands, counting votes for and against. Voting shall be by roll-call and by word of mouth and/or secret ballot if deemed appropriate by the Chairperson, or when requested by the majority of Consortium members present prior to the discussion of the item being voted.

Even in the case of vote by show of hands, the vote shall be linked to the quantity of product obtained by the member from the harvest prior to the date of the General Meeting (Art. 6, par. 2, Italian Ministerial Decree of 16 December 2010).

Election of board members takes place at the General Meeting only after having determined the number of votes allowed to each Consortium member and only after having made all the necessary assessments to define representations, number of seats and the size of the trade segments. All Consortium members shall be informed in a timely fashion and in writing of the procedures and time required to call the General Meeting for elections, in compliance with the rules and provisions laid down in the regulations and communicated by an electoral committee. The Board of Directors appoints the electoral committee, which is fully in charge of receiving candidacies, as provided by the internal management regulations. In order for the elected Board of Directors to represent the entire Consortium, each Consortium member may choose from a list of candidates proposed for each trade sector, drawn up by the electoral committee and the outgoing Board of Directors. Each member can only vote for the candidates of his/her trade segment(s) and casts the votes assigned to the trade segment for each individual candidate, without splitting. The list of trade segment nominees is made up of eligible Consortium members interested in the office, and the number of candidates is at least double the number of seats allotted to each trade segment. Election procedures and operations are detailed in the internal management regulations that are an integral part of the bylaws.

The second call of the General Meeting cannot be scheduled on the same day as the first call pursuant to Art. 2369, par. 2, of the Italian Civil Code.

All decisions by the General Meeting shall be recorded in the minutes signed by the chairperson and the secretary.

II) Extraordinary meeting

The extraordinary General Meeting is valid and properly constituted on first call when at least two thirds of the votes cast by all Consortium members are represented, and the relative resolutions are adopted with at least half plus one votes cast by all Consortium members, and on second call when at least half plus one of the votes cast by all Consortium members are represented, and the relative resolutions are adopted with at least one third of the votes cast by all Consortium members.

Art.16

BOARD OF DIRECTORS

The Board of Directors consists of eleven members elected by the General Meeting. The composition of the Board of Directors shall ensure representation of all the trade segments involved in the production cycle and associated to the Consortium. Each trade segment shall have at least one representative. In forming the Board of Directors consideration shall be given to the quantitative ratio among the different production chain activities and the seats allotted shall be proportionate to the total number of votes of each trade segment within the Consortium.

By the end of March of the year in which the new Board of Directors has to be elected, the outgoing Board of Directors determines the number of seats to which each trade segment is entitled based on the number of votes allocated to the trade segment. The notification of the General Meeting shall indicate the number of seats assigned to each trade segment.

For the nomination of the candidates, each trade segment shall prepare at least one list with a number of candidates that does not exceed twice the number of seats to which it is entitled. For each candidate, the list shall bear the signature of at least one member of the trade segment who is not a candidate and who has not supported other candidates. The said lists shall be submitted to the Electoral Committee at least twenty days prior to the date set for the General Meeting.

The elected directors shall remain in office for the term established at the time of their appointment, for a maximum of three years. They can be re-elected for an unlimited number of terms. All appointments within the Board of Directors, conferred by the Board and the Chairperson, expire upon appointment of the new Board. Should one or more offices fall vacant, for whatever reason, during the term of office, the Board of Directors, at the next scheduled meeting, shall fill the vacancy in accordance with the procedures laid down in the internal management regulations, the Italian Civil Code, and the second paragraph of this Article. The members of the Board, including the permanent Auditors, absent without justification for three consecutive sessions, shall be removed from office.

The directors are not entitled to any remuneration.

Art.17

POWERS OF THE BOARD OF DIRECTORS

The Board of Directors is vested with full powers for the ordinary and extraordinary management of the Consortium, with no exceptions whatsoever, and, in particular, for achieving the Consortium objectives, provided the said powers are not attributed by law or these Bylaws to the sovereignty of the ordinary and extraordinary General Meeting.

In particular, the Board of Directors:

- a. appoints, as per established procedures, the Chairperson and one or more Deputy Chairpersons. Only candidates included in the control system are considered eligible for the office of Chairman, even if they are not part of the Board of Directors, provided they are unanimously recognized as impartial, institutional and highly representative figures, in which case the elected Chairperson shall not be entitled to vote.
- b. appoints new directors to fill any vacancies in compliance with the provisions of the internal management regulations; may co-opt personages of acknowledged prestige; appoints the members of the electoral committee, provided they are included in the control system;
- c. decides on the strategies and initiatives to be adopted and promoted, and on the criteria aimed at the achievement of the Consortium objectives in support of the designation and of the associated producers;
- d. drafts the internal management regulations to be submitted to the approval of the General Meeting. Over time, the Board also proposes to the General Meeting any revisions required to adapt the regulations to changed circumstances and conditions;
- e. determines all the fees and contributions chargeable to the members and drafts the budget, financial statement and related programmatic reports to be submitted to the General Meeting;
- f. assesses and determines the terms and conditions for financial contributions to support special initiatives aimed at the protection and enhancement of the designation of origin, to be submitted to the General Meeting;
- g. plans enhancement, research, experimental, and national and international protection programs, and proposes them to organisations and institutions for the benefit of the designation;
- h. studies and evaluates opportunities for implementing and integrating Consortium activities in order to establish actions for the benefit of the area, designation, district, itineraries and protection, including changes in production specifications;

- i. decides on the admission, revocation, withdrawal and removal of the Consortium members;
- j. decides on the organisation and the hiring of staff;
- k. decides on the appointment of Consortium representatives within provincial, regional, national and EC agencies, institutions and associations;
- l. decides on agreements and mandates by and in favour of public and private bodies, institutions and agencies for the performance of activities and attainment of objectives.

The Board of Directors also has the faculty to:

- a) appoint, with the consent of the Chairman and the absolute majority of votes by the directors in office:
 - one or more MANAGING DIRECTORS, establishing their duties, powers and remunerations, if any;
 - an EXECUTIVE COUNCIL, establishing its duties and powers. If the Board of Directors decides to appoint an Executive Council within the Board, the Council shall comprise the Chairperson, the Deputy Chairpersons and one director;
 - a TECHNICAL COMMITTEE, establishing its duties and powers;
 - Grant, with the Chairperson's consent, occasional powers of attorney to one or more of its members, determining from time to time their contents and the powers of the proxy. (questo forse dovrebbe essere il punto b) e non un'ulteriore voce sotto il punto a)

The secretary responsible for taking the minutes is appointed by the Chairperson; the role of secretary is assigned to the Executive Director of the Consortium, if appointed.

Art.18

CONVOCAZIONE DELLA BOARD OF DIRECTORS

The Board of Directors meets every time the Chairperson or the person acting in his/her stead deem it appropriate, but in any event not less than four times a year, or as requested in writing by at least one fourth of the Directors, or by the Board of Auditors. Notification of the meetings shall be sent by letter at least seven days prior to the meeting; in case of urgency or changes, the notification may be sent by fax, telegram or e-mail at least two days prior to the set date, indicating the venue, time, and the items on the agenda. The Chairperson presides over the meetings of the Board of Directors; in his/her absence, the Deputy Chairperson with higher seniority presides over the meetings. In the absence of both, the meeting is chaired by a member appointed by the Directors present. Meetings

are valid with majority attendance. The Board of Directors' resolutions are valid if voted by the majority of the attendees.

Art.19

CHAIRPERSON

The functions of the Chairperson include:

1. legal representation of the Consortium, also in court, and signing of Consortium documents;
2. appointing layers and attorneys for active and passive defence, at any level of jurisdiction;
3. issuing of receipts for all money collected for any reason and payment of operating expenses;
4. deal with and engage in all banking transactions related to accounts and credit lines as previously approved by the Board of Directors;
5. presiding over the General Meetings and the meetings of the Board of Directors;
6. supervising all operations, fulfilling the assignments and decisions of the General Meeting and Board of Directors;
7. supervising the keeping and filing of the Consortium accounting and financial records, books and registers;
8. delegation of his/her powers to the Deputy Chairperson and/or the Executive Director.

In case of prolonged or momentary inability to perform his/her duties, the Chairperson may delegate his/her functions to the Deputy Chairperson with higher seniority or to the Executive Director, after approval by the Board of Directors. The Chairperson can continue in office for more than two consecutive terms provided he/she is voted by at least two thirds of the members of the Board of Directors. The Chairperson is elected by secret ballot at the first meeting of the Board of Directors.

The Chairperson and the Directors, in their capacity as wine-growers, wine-makers and bottlers, shall in no case be entitled to directly examine or keep documents, copies, or printouts of the production data of individual Consortium members, as their processing and review is reserved to the Consortium office and officials designated for the purpose.

Art.20

ADVISORY COMMITTEES

For the performance of all institutional tasks, the Board of Directors may request the appointment of one or more internal advisory committees, in accordance with the management regulations. Within sixty days from its election, the new Board of Directors shall appoint each committee, defining its tasks, members and chairperson, who cannot be a Director. The members, selected as provided in the internal management regulations on the basis of their expertise and technological knowledge of the subject at issue, shall represent all the interests of the production chain. They shall not be entitled to any remuneration. When invited, the chairperson of each committee shall participate in the Board of Director meetings, without right of vote, and shall report the issues and outcomes pertaining to his/her mandate.

Art.21

BOARD OF AUDITORS

The members of the Board of Auditors can be selected also among non-associates, continue in office for the same term as the Board of Directors that has appointed them, and can be re-elected. The Board of Auditors is composed of three permanent members and two alternate members; the General Meeting shall determine their remuneration, if any, and appoint the chairperson. They shall have all the powers and duties provided by Articles 2403, 2408 and 2439 of the Italian Civil Code and shall, in particular:

- continuously and periodically supervise administrative management and prepare quarterly reports to be kept in the Consortium books;
- review the annual financial statement, verify its correctness and write the audit report pursuant to law; at least one permanent member and one alternate member of the board shall be registered on the Register of Accounting Auditors pursuant to Italian Legislative Decree no. 88 of 27 January 1992;
- refer all outcomes to the General Meeting and explain the balance sheet;
- participate in the General Meetings, call extraordinary meetings together with the Board of Directors and participate in the meetings of the Board of Directors.

In case of revocation or withdrawal of a permanent auditor, he/she shall be automatically replaced

by the alternate auditor having higher seniority.

Art.22

ARBITRATION BOARD AND ARBITRATION CLAUSE

All disputes between the Consortium and a Consortium member or among Consortium members (including their legal heirs) arising out of or in connection with the application of these Bylaws and/or the interpretation of the resolutions of the General Meeting and the Board of Directors, shall be submitted – without prejudice to the possibility of applying to the Ordinary Court – to the irrevocable decision of an Arbitration Board made up of three experts, one appointed by each Party involved in the dispute, and the third selected by the two appointed arbitrators or, failing agreement, by the Chairman of the Chamber of Commerce, Industry, Crafts and Agriculture of Leghorn upon request of the more diligent Party. The Arbitration Board, with head office in Castagneto Carducci, in Town Hall, shall award the arbitration in its discretion, and its decision shall be binding.

Art.23

EXECUTIVE DIRECTOR

To ensure the best management and operation of the Consortium based on utmost equity and transparency, the Board of Directors can appoint an executive director selected solely among non-members, establishing his/her role, contract and remuneration. The executive director participates in all the General Meetings, and the meetings of the Board of Directors, technical and institutional committees without voting rights and is responsible for all employees and collaborators, selection of external collaborators, equipment and service suppliers, delegated functions, all operative and management activities laid down in the bylaws and management regulations, and activities delegated from time to time by the Board of Directors and the Chairperson. All operational staff, including the executive director, are bound to professional secrecy and strict confidentiality, especially with regard to the economic and production information of the Consortium members and the activities of the associated enterprises, also vis-a-vis the members of the Board of Directors. In selecting the executive director, the Board of Directors shall duly consider and privilege hiring a candidate who is impartial, technically knowledgeable, qualified, widely acknowledged and renowned for his/her competence, integrity

and similar experience. If delegated by the Chairperson, the Executive Director represents the Consortium in institutional, public and technical settings and is responsible for external relations.

Art.24

INTERNAL MANAGEMENT REGULATIONS

The efficient running of the Consortium, its technical and administrative operations and the enforceability of the tasks and functions provided by the Bylaws, and by regional, national and EC laws on the subject of designations of origin, protection and care of the general interests of the designation, type of product and development of production specifications, require tools and binding rules which are identified and described in the operations management guidelines. This technical and operational document, approved by the ordinary General Meeting, and therefore an integral part of the Bylaws, covers all organizational and Consortium functions and activities and allows for economic and technical advantages for the development of commodity-related and commercial perspectives for the wines and enterprises of the Consortium members.

Art.25

SOCIAL FUND

The Consortium social fund is made up of the fees and contributions, any operating surpluses, the movable and immovable property purchased with the fund, donations, and material and immaterial bequests in favour of the Consortium.

Direct and/or indirect allocation of profits, surpluses, funds, capital reserves or assets during the active life of the Consortium, except when allocation is imposed by law and refers to paying off primary and privileged creditors. In any event, no other rights on assets shall result from the association relationship.

Art.26

FINANCIAL YEAR

The financial year starts on 1 January and ends on 31 December of each year. The annual financial

statement closes on 31 December and the relative documentation is prepared and available as provided by law for non-profit, interprofessional trade and production chain associations.

Art.27

DISSOLUTION AND LIQUIDATION

Dissolution for any reason of the Consortium results in the liquidation phase which is entered into and handled according to the rules laid down in Articles 2275 and following of the Italian Civil Code. The net assets of the Consortium resulting from the final liquidation balance sheet are donated to organizations having similar objectives or for purposes of public utility such as the establishment of a scholarship, unless otherwise required by law. In case of liabilities or privileged debts, all members shall contribute to a balanced budget in a share proportionate to and commensurate with the average of the payments made over the last three years.

Art.28

LOGO-TRADEMARK

The Consortium may adopt a collectively owned, registered and reserved Consortium trademark having specific colours and design, provided that the rules pertaining to adoption and use of the trademark comply with national and international laws on collective and intellectual trademarks. The adoption and detailed use of the logo-trademark are governed by the operations management guidelines of the Consortium for the purposes permitted by law (ref. Art. 7, par. 7 of Italian Legislative Decree 61/2010).

Art.29

GENERAL PROVISION

Any matters not contemplated by these bylaws and the operations management guidelines shall be governed by the provisions of the Italian Civil Code and other special regulations pertaining to Consortia for the protection of quality wines, trade associations and interprofessional and collective organizations.

Text of 2 December 2005, first draft modified on 26 July 2012, second draft modified on 19 September 2012 (following 1st revision by the Ministry of Agricultural, Food and Forestry Policies), third draft modified on 24 October 2012 (following 2nd revision by the Ministry of Agricultural, Food and Forestry Policies).