

(art. 10 of Legislative Decree no. 460 of December 4, 1997 and Art. 2 of Presidential Decree no. 135 of March 20, 2003)

TITLE I

NAME, REGISTERED OFFICE AND PURPOSE

Art. 1

NAME

On the initiative of the Promoting Founders, spouses Pietro Giacomo SCIUTTO and Ofelia BIASIA, the "FONDAZIONE LIVIO SCIUTTO - RICERCA BIOMEDICA IN ORTOPEDIA - ONLUS" is hereby established, also called "LIVIO SCIUTTO FOUNDATION - RICERCA BIOMEDICA IN ORTOPEDIA."

Natural persons, public and/or private bodies may participate in the Foundation, acquiring the status of founder for all purposes. **Public and/or commercial bodies may never participate in the organization in a predominant manner.**

The acronym "ONLUS" (socially useful non-profit organization) must be used in the name and in any distinctive sign or communication addressed to the public.

Art. 2

REGISTERED OFFICE

The Foundation has its registered office in Pietra Ligure at the Santa Corona hospital at Via XXV Aprile no. 38, Postal Code 17027.

Art. 3

DURATION

The Foundation is established without time limitations.

Art. 4

PURPOSE

The Foundation is a non-profit organization.

The Foundation exclusively pursues objectives of social solidarity by promoting the development of awareness in the medical/scientific sector, particularly in the field of orthopaedics and support for the prevention and treatment of all human diseases, by being active in scientific research and in the clinical application of the results obtained.

The Foundation aims at contributing, directly or in cooperation with universities, public and/or private health facilities, other research bodies, foundations or associations, to the development of medical research with specific focus on application implications and, since they are directly connected activities, in health awareness and education of the whole population by spreading the results of the research performed.

This objective is realized through the performance of:

- activities that directly perform or promote research in the biomedical field in general and in the sector of pharmacological treatment, focusing on the orthopaedic sector;
- activities that support the application of the results of scientific research, also understood as assistance in the dialogue between individual specialized operators in the various sectors;
- activities of spreading data and news on the most recent progress in biomedical and pharmacological research.

Art. 5

INSTRUMENTAL, ACCESSORY AND CONNECTED ACTIVITIES

The Foundation will carry out targeted research by performing an in-depth examination of the sector from time to time in order to identify current needs and

future prospects aimed at the achievement of its institutional purposes. It will carry out information-spreading activities in order to awaken public opinion to the sector of scientific research with the additional aim of encouraging participation.

In order to achieve its prearranged purposes the Foundation may:

- finance or receive financing for the scientific activities promoted and managed directly by it or by other bodies, institutions, public and/or private health facilities, associations or other foundations;
- look after or support scientific publications. ***The Foundation may not carry out publishing activity;***
- promote conferences, discussions, round tables, conventions, congresses;
- promote and/or organize occasional events carried out to coincide with celebrations, festivities or awareness campaigns, with the aim of collecting funds to allocate to institutional purposes; this may also be done through radio and television broadcasting and telecommunications;
- encourage researchers or graduates who intend to study subjects of interest to the Foundation, also by providing financing, grants or scholarships to be used in Italy or abroad;
- organize educational courses to train/specialize staff working within the Foundation for the pursuit of its institutional objectives;
- cooperate, even financially, with public and/or private structures of social solidarity involved in research, treatment and rehabilitation of disadvantaged persons with physical or mental conditions who are in a state of serious socio-economic hardship;

- maintain relations and cultural exchanges with Italian and foreign universities, hospitals, clinics, medical assistance centres, associations, foundations and any other body that pursues similar aims.

For the achievement of its purposes the foundation may promote common initiatives with Italian and foreign scientific institutions and with other bodies operating in the sectors of the activities indicated above.

It may open delegation groups and offices in Italy and abroad to facilitate relations supporting its own activity, also through the use of staff made available to founding bodies in accordance with their respective regulations.

The Foundation is expressly prohibited from:

- carrying out activities other than the institutional activities unless they are directly connected or accessory;
- taking on for-profit purposes and carrying out in any case activities with procedures that are incompatible with the pursuit of the purposes of social solidarity.

TITLE II

BODIES OF THE FOUNDATION

Art. 6

FOUNDERS

The Promoting Founders are the natural persons and legal bodies that have taken part in the establishment of the ONLUS Foundation.

The Promoting Founders have the powers of:

- Appointing, dismissing and replacing members of the Board of Directors;
- binding opinion on amendments to these Bylaws, the dissolution of the Foundation, the appointment of the Chairman, Vice Chairman and

Scientific Director.

The Promoting Founders may appoint an "honorary" President of the Foundation. The honorary President will be chosen from among particularly meritorious persons who have distinguished themselves in the field of biomedical scientific research at a national and/or international level. Even one of the Founders of the Foundation in possession of the required qualifications may be chosen honorary President.

The Promoting Founders may approve the admission of natural persons, public or private bodies as founders, establishing the contribution they should make to the endowment fund.

In the event of the impediment or death of the Promoting Founders, the SCIUTTO couple, the powers, allocated to the founders by the Bylaws, will pass by law to the Board of Directors.

Actions by the Board of Directors on the subjects under the authority of the Promoting Founders must be adopted by a vote in favour by two thirds of the Board Members. The Honorary President will be elected by a unanimous vote of the Board of Directors.

Art. 7

PARTICIPANTS

The participants are separated into Contributing, Honorary and Member Participants:

- Contributing Participants are appointed by the Board of Directors, identified from among the natural persons, legal and other bodies that show particular interest in the purposes of the Foundation and have made donations in order to sustain the costs of management activity; Contributors may contribute to the objectives of the Foundation with an

activity, even professional, of particular importance or by the allocation of material or immaterial goods, in the forms and to the extent determined by the Board of Directors;

- Honorary Participants are appointed by the Board of Directors, identified from among the natural persons, legal and other bodies that contribute to the achievement of the Foundation's purposes with significant contributions of a scientific nature, through activities of professional cooperation or with works and activities of another kind. Natural persons may also be appointed who are designated by the most representative national and international scientific bodies in the sectors of interest.

- Member Participants are the natural persons, legal and other bodies that, sharing the purposes of the Foundation, contribute to the survival of the same and to the achievement of its objectives by annual and/or multi-year cash contributions.

The title of participant lasts for the whole period for which the participant's contribution has been duly paid.

The title of Contributing, Honorary and Member Participant is acquired following a resolution of the body with authority during the first meeting following the submission of a written request by the interested party, accompanied by information on the requirements met.

The title of participant is lost following divestment or following forfeiture declared by the Board of Directors.

The Participant may forfeit this title, by resolution of the Board of Directors, when he/she/it:

- expressly relinquishes the right to participate and/or contribute to the Foundation's activities;

- performs activities in contrast with the purposes pursued by the Foundation;

- does not pay the contribution due, completely or partially;

Even if their title becomes forfeit, the Foundation's Participants may not claim back the disbursements they have made, nor claim rights on the Foundation's assets.

Art. 8

BODIES

The bodies of the Foundation are:

- The Board of Directors;
- The Chairman of the Foundation;
- The Executive Council;
- The Scientific Committee;
- The Scientific Director;
- The Auditing Body.

The components of the Foundation's Bodies must be appointed no later than **30 days** from the Foundation's registration with the Single Onlus Registry Office.

Art. 9

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors is composed of a number of directors varying from three to seven, appointed by the Promoting Founders. The board members may also be chosen from outside the Founders and from among the Contributing, Honorary and Member Participants.

The Board of Directors remains in office for 5 years starting from the time of appointment. Board members may be reappointed.

Annulment of the appointment of the board members and members of the Foundation's other Bodies must be done by resolution of the body that appointed them for violations of the rules of law and the bylaws.

In the event of forfeiture, annulment, death or termination of the office of board member or member of the Foundation's other Bodies, replacement must occur within forty days from the legal formalization of the event.

The members elected as replacements remain in office until the expiry of the Board.

Art. 10

POWERS OF THE BOARD

The Board of Directors has all of the powers necessary for the ordinary and extraordinary administration of the Foundation;

In particular, powers include but are not limited to the following:

- appoints the Chairman and Vice Chairman from among its members, together with the favourable opinion of the founders;
- appoints the Executive Council;
- appoints members of the Scientific Committee and any sub-groups;
- appoints the Scientific Director;
- appoints the Auditors;
- appoints the Foundation Director, if necessary, even from outside of the Board, based on the requirements of proven experience and professionalism in the sectors of the Foundation's activity;
- approves the Program of Activities together with the estimated budget for the next year by December 31 of each

year and the Final Balance of the previous year by April 30;

- resolves on regulations;
- resolves on acceptance of contributions, donations and legacies as well as purchases and transfers of real estate and movable goods;
- provides for the safest and most suitable use of assets;
- resolves on any agreements for cooperation between the Foundation and other bodies or private parties;
- establishes the number and extent of scholarships to be granted;
- resolves on purchases within the limits of the expected revenue and hires staff and/or external consultants;
- establishes the amount of compensation and/or reimbursement of expenses due to Board Members, members of the Scientific Committee and the Board of Auditors within the limits referred to in Art. 10 of Legislative Decree 460/97;
- resolves on the admission of Contributing Participants, evaluating their motivations and proposing the amount of Contributing and Member Participants' contributions;
- resolves, together with the founders' binding opinion, on amendments to the bylaws, including the proposal to dissolve and assign by a vote in favour of at least two thirds of its members;
- allocates the operation of specific functions to the board members and the Executive Council;
- examines urgent measures from the Chairman and/or Executive Council.

Art. 11

MEETINGS

The Board of Directors holds an ordinary meeting at least 2 times

a year and is convened by the Chairman who presides over it.

In addition, an extraordinary meeting must be convened whenever it is required by urgent or suitable reasons or at least a third of its members requests it or pursuant to a possible measure of the Governing Authorities.

The meetings of the Board of Directors will be held at the registered office or, in the alternative, in the places indicated in the meeting convocation notice.

The Board of Directors is convened by the Chairman by written invitation that must reach the Board Members with 8 days' notice, informing them of the place, time and agenda to be discussed.

In the event of particular urgency, the Board may be convened by telecommunication sent three days prior to the date scheduled for the meeting.

The Board of Directors may deliberate when at least half of its members are present.

Resolutions are valid if adopted by a majority of those present, except in the cases where these bylaws require a different majority.

In the event of a tie, the vote of the Chairman or whoever is standing in for him prevails.

The Board of Directors, where such is considered suitable, may invite one or more members of the Scientific Committee to attend its meetings.

The minutes of the meetings and their resolutions will be drawn up by a Secretary appointed from time to time by the Chairman of the Board of Directors, even from outside of the Board.

HONORARY PRESIDENT

The Honorary President may participate in the meetings of the Board of Directors and the Scientific Committee without the right to vote.

Art. 13

CHAIRMAN

The Chairman and Vice Chairman are appointed by the Board of Directors from among its members, together with the favourable opinion of the Promoting Founders.

The Chairman and Vice Chairman remain in office for 5 years starting from their appointment, and may be reappointed.

The Vice Chairman carries out the tasks of the Chairman in the event of the Chairman's absence or impediment; the signature in name of the Foundation will in itself provide proof before third parties of the Chairman's absence or impediment.

If a Vice Chairman is appointed, in the event of his absence or impediment the functions of Chairman are carried out by the oldest Board member.

The Chairman is legally entitled to represent the Foundation before third parties or in court.

The Chairman:

- convenes and presides over the Board of Directors;
- convenes the Scientific Committee;
- supervises the general progress of the Foundation and compliance with the Bylaws;
- prepares the program of activities together with the Estimated Budget and Final Balance to submit to the Board of Directors;
- adopts urgent measures.

Art. 14

THE EXECUTIVE COUNCIL

The Executive Council is composed of three members of the Board of Directors, including the Chairman, and may be supplemented by other Board Members.

The Director participates without the right to vote.

The Scientific Director participates without the right to vote.

Council members remain in office until the expiration of the Board of Directors that appointed them.

The Executive Council carries out specific functions attributed to them by the Board of Directors, adopts urgent measures.

It is convened without formalities and deliberates pursuant to a majority.

Art. 15

THE SCIENTIFIC COMMITTEE

The Scientific Committee is composed of a minimum of five members, including the Scientific Director, chosen by the Board of Directors from among persons who have distinguished themselves in the fields of activity indicated in Art. 4.

The members of the Scientific Committee remain in office for a period that is indicated by the Board of Directors and may be co-opted, replaced and reappointed.

The Chairman of the Board of Directors is a member of the Scientific Committee by law.

The Scientific Committee may be subdivided into Working Sections for individual activities.

The Scientific Committee meets upon convocation by the Chairman

of the Foundation.

The Chairman of the Scientific Committee is the Scientific Director.

The Committee's resolutions are adopted by a majority of the members of the committee or the interested Section. In the event of a tie, the Chairman Scientific Director's vote will prevail.

Art. 16

TASKS OF THE SCIENTIFIC COMMITTEE

The Scientific Committee expresses non-binding opinions and policies on the activities submitted to it by the Board of Directors.

The Scientific Committee reports to the Board of Directors on the results achieved in each individual initiative taken.

The Scientific Committee is responsible for preparing annual programs concerning clinical matters and scientific research.

The Scientific Director must prepare the outline of the Foundation's scientific program by October 31 of each year for the following year. It must be approved by the Committee.

The program outline, approved by the Committee, is sent to the Board of Directors for the evaluation of the scientific programs to be implemented and inserted in the Estimated Budget of the subsequent calendar year.

Art. 17

SCIENTIFIC DIRECTOR

The Scientific Director is the Chairman of the Scientific Committee.

The Scientific Director is the coordinator of the Working Sections for the individual activities, if implemented.

Art. 18

AUDITING BODY

The management of the Foundation is submitted to the control of the auditing body.

The Board of Directors deliberates, by a majority of two thirds, whether to appoint a board of auditors or a sole auditor.

A Board of Auditors is composed of three members from which a Chairman will be elected who must be registered with the Professional Association of Auditors.

A Sole Auditor must be registered with the Professional Association of Auditors.

The Auditing Body is appointed by the Board of Directors and remains in office for 5 years.

The Auditing Body certifies that accounting records are properly kept, carries out cash auditing, expresses its opinion in a special report on the Estimated Budgets and Final Balances. Minutes will be drawn up of its meetings and transcribed in a minutes book.

The Auditors may attend the meetings of the Board of Directors.

TITLE III

ASSETS AND BALANCE SHEETS

Art. 19

ASSETS

The Foundation's Assets consist of:

- the endowments given by the Promoting Founders and by the other parties who will acquire the title of Founder;

- the real estate and movable goods that the Foundation acquires on whatever basis, as well as grants and contributions by Bodies and private parties, as long as

the real estate and movable goods, grants and contributions referred to above are expressly intended to increase the assets for the pursuit of the purposes referred to in Art. 4.

- the sums arising and collected from the surplus proceeds that the Foundation's Board of Directors will allocate to increase the assets instead of allocating them to the subsequent financial year.

The Assets will be invested in the way that the Board of Directors deems most suitable, favouring prudential forms of investment.

It is expressly and absolutely prohibited to distribute, even indirectly, any profits or surplus proceeds as well as funds, reserves or capital during the life of the Foundation, unless the allocation or distribution is required by law or is, in any case, performed in favour of other ONLUS organization that by law, bylaws or regulations are part of the same unitary structure.

It is mandatory to use any profits or surplus proceeds for the achievement of the institutional activities and those directly connected to it.

Unless otherwise decided by the Board of Directors, sums paid by Founders and Participants as a contribution to the costs of management or for the achievement of specific initiatives, as well as any annual contributions made by the same are not considered increases in assets.

The assets constitute a guarantee for the Founder's creditors, in accordance with that provided for by the civil code.

Art. 20

REVENUE

In order to reach its objectives the Foundation has the following revenue at its disposal:

- the incomings from its assets;
- the surplus proceeds from previous financial years so allocated;
- any contributions made by Founders and Participants;
- any contribution or donation allocated for the implementation of the purposes in the bylaws;
- proceeds from the Foundation's activities and any other revenue reaching the Foundation on whatever basis;
- contributions and loans disbursed by public bodies, even following agreements, and by private bodies;
- donations, legacies and other gifts received from third parties;
- funds collected through special initiatives or events aimed at communicating the purposes and activities of the Foundation;
- any proceeds arising from the institutional activities or those directly connected, including any enjoyment of patents or participation in the same by original procedures that are the result of studies undertaken upon the Foundation's initiative.

The Foundation will aim at furnishing itself with suitable endowments, seeking them from public or private bodies or natural persons, for studies and research (and therefore scholars and researchers) according to the purposes of the Foundation itself.

The specific allocation of these funds and the locations where the studies and research must be carried out may be decided on both according to the intentions

of the body or person who has made the funds available and by the Foundation itself, according to the possible proposal of the Scientific Committee following the approval of the Board of Directors.

Financing may therefore concern the purchase of instruments, payment for materials and consumer goods, publication expenses, the services of administrative and technical staff (researchers, scholars) and the establishment of scholarships.

Art. 21

BALANCE SHEETS

The financial period starts on January 1 and closes on December 31 of each year.

The Board of Directors must approve the Program of Activities together with the Estimated Budget for the following year by December 31 of each year and the Final Balance for the previous year by April 30 of each year.

TITLE IV

TERMINATION AND FINAL PROVISIONS

Art. 22

TERMINATION

The Foundation terminates:

- in the event of proven impossibility of achieving the institutional purposes;

- following the loss, for any reason, of assets, or their insufficiency;
- following a provision issued by the Governing Authority upon the petition of any

interested party, even *ex officio*.

The Board of Directors will propose the termination of the Foundation and the assignment of its assets to other Onlus organizations, chosen with priority to those with similar purposes, or for the purposes of public utility, unless otherwise allocated by the law, having heard the opinion of the Promoting Founders and the binding opinion of the oversight bodies referred to in Art. 3, paragraph 190 of Law no. 662 of December 23, 1996.

Art. 23

MERGER AND TRANSFORMATION

The Foundation, following the favourable opinion of the Promoting Founders and the oversight bodies referred to in Art. 3, paragraph 190 of Law no. 662 of December 23, 1996, may merge or in any case join with other ONLUS organizations that pursue the same purposes, in order to achieve the institutional objectives more effectively.

In the event that the purpose becomes impossible or the assets become insufficient for the achievement of the institutional purposes, the Governing Authorities, rather than declare the Foundation terminated, may see to its transformation, maintaining as much as possible the will of the founders.

Art. 24

ONLUS (Socially Useful Non-Profit Organization)

The Foundation, by complying with all of the precepts referred to in Art. 10 of Legislative Decree 460/97 and subsequent amendments, may use the distinctive sign ONLUS.

The name of the Foundation "FONDAZIONE LIVIO SCIUTTO -

RICERCA BIOMEDICA IN ORTOPEDIA - ONLUS" also called "LIVIO SCIUTTO FOUNDATION - ORTHOPEDIC BIOMEDICAL RESEARCH - ONLUS" is reproduced on any distinctive sign used for the performance of the activity and in any communication addressed to the public.

Art. 25

REFERENCE TO THE LAW

The provisions of law in force, particularly those provided for on the subject of Onlus organizations in Legislative Decree no. 460 of December 4, 1997 and subsequent amendments, apply to anything not provided for in these Bylaws.

Signed Ofelia Biasia

Signed Pietro Giacomo Sciutto

Signed Veronica Miano, witness

Signed Paolo Schiaffino, witness

Singed Riccardo Ridella, Notary

COPY CONFORMING TO THE ORIGINAL SIGNED PURSUANT TO THE LAW,
COMPOSED OF SIX SHEETS.

GENOA, October 30, 2007