

JOINT REPORT

(pursuant to Article 2501-quinques of the Civil Code)

**OF THE BOARD OF DIRECTORS OF FONDAZIONE SLOW FOOD PER LA
BIODIVERSITÀ ONLUS (THE SLOW FOOD E.T.S. FOUNDATION) AND THE BOARD
OF DIRECTORS OF FONDAZIONE SLOW FOOD PER LA BIODIVERSITÀ ONLUS
(THE SLOW FOOD FOR BIODIVERSITY NON-PROFIT FOUNDATION)**

ON THE PLAN FOR MERGER BY INCORPORATION

of

FONDAZIONE SLOW FOOD PER LA BIODIVERSITÀ ONLUS

into

FONDAZIONE SLOW FOOD E.T.S.

Marta Mena ¹

Dear readers,

We are submitting to your attention a report illustrating the legal and economic aspects of the plan for merger by incorporation of *Fondazione Slow Food per la Biodiversità Onlus*, the Slow Food for Biodiversity Non-profit Foundation (hereinafter referred to as "**Fondazione per la Biodiversità**" or "**the absorbed organization** ") into *Fondazione Slow Food E.T.S.*, the Slow Food E.T.S. Foundation (hereinafter "**SF**" or "**the surviving organisation**")

1. The organizations participating in the merger

The surviving organization – Fondazione Slow Food E.T.S.

Fondazione Slow Food E.T.S. is a Third Sector Entity (referred to in Italy as an ETS, short for *Ente del Terzo Settore*). During the 8th International Slow Food Congress, which was held in Pollenzo at the headquarters of the University of Gastronomic Sciences on 16 and 17 July 2022, it was resolved to transform the association into a third-sector foundation of participants with legal status, adopting the new name "Fondazione Slow Food ETS".

The Foundation's key goals are to:

a) Defend biological and cultural diversity, going beyond the biological diversity of plants and animals and including relationships between people and nature, traditional knowledge that has given rise to thousands of techniques for transforming raw materials into breads, cheeses, cured meats, sweets, and more; b) Educate, inspire and mobilize people, to encourage behavior change, forge communities, encourage the uptake of good practices around the world and point out the bond between the health of the planet and our own; c) Influence policies and programs in the public and private sector, by forging ties with others in order to defend those who are negatively impacted by the industrial food system; d) Develop the Slow Food network globally.

Moreover, the Foundation is committed to:

a) Support full respect for the world's cultural identities, from a perspective of exchange and interaction without discrimination, with the aim to encourage representativeness of leadership that is ethnically, gender and socioeconomically diverse and to protect the rights of indigenous peoples; b) Create and add value to local economy models of food production, recovering, documenting and reviving the local memory and in particular traditional knowledge linked to the food world; c) Encourage the creation of networks that express specific interests, goals, and geographic areas within the movement; d) Enhance the work of those who, even outside the Foundation, have contributed to

the achievement of its goals, through the awarding of prizes, the provision of contributions, by spreading and promoting the results they have achieved and other appropriate means; e) Recognize and support the fundamental role of urban agriculture in providing good, clean and fair food; f) Work to defend the environment, the landscape, the soil and local areas while combatting climate change and highlighting the ties between food production and environmental costs; g) Contribute to the creation of a culture of health as a collective and public good, to be defended and protected primarily through the promotion of the right to food.

Activities of general interest:

In order to achieve its aims, the Foundation primarily carries out the following activities of general interest, as specified in art. 5 of the Third Sector Code: a) Education, instruction and professional training (art. 5 d), and cultural activities of social interest with educational purposes; b) Safeguarding and improving the conditions of the environment and rational use of natural resources (art. 5 e), excluding waste collection; c) Organization of cultural, artistic or recreational activities of social interest, including promoting and communicating the practice of volunteering (art. 5 i); d) Organization and management of touristic activities of social interest (art. 5 k); e) Promotion and protection of human, civil, social and political rights, as well as the promotion of equal opportunities (art. 5 w).

In a deed dated 27 September 2022, the Region of Piedmont registered the Slow Food ETS Foundation in the "Other Third Sector Entities" section of the National Single Third Sector Register (*Registro Unico Nazionale del Terzo Settore* or RUNTS), with Tax Code 91019770048 and VAT number 02743970044.

The members of the Foundation are divided into:

- a) Statutory Participants: all members of the Slow Food Association at the time of its transformation into a Foundation (16 July 2022);
- b) Regular Participants: individuals, public or private legal entities, Italian or international organizations, Local Groups and Territorial Offices that share the Foundation's purpose and contribute to its life and the fulfillment of its aims in accordance with the regulations established by the Board.

The Board of Directors is composed of a minimum of 5 to a maximum of 13 members, including the Founder of the Slow Food Association, Carlo Petrini, who will remain in office for life. The Board

currently consists of 9 members, and is chaired by Edward Mukiibi. The other bodies of the Foundation include the Assembly of Participants, the International Council, the Advisory Board, the Body of Auditors and the Board of Arbitrators.

The absorbed organization - Fondazione Slow Food per la Biodiversità Onlus

Fondazione Slow Food per la Biodiversità Onlus (the Slow Food Foundation for Biodiversity) is a foundation of participants registered in the Register of Legal Entities of the Territorial Government Office of the Prefecture of Cuneo, with Tax Code 94105130481, and in the Single Registry of Non-profit Organizations. The Foundation has been operating in its current legal form since 10 September 2004.

Structure and categories of members:

The corporate body of the Biodiversity Foundation is made up of different categories of members:

- Founding Members, including Slow Food and Associazione Slow Food Italia. These members must be presented by at least three Founding Members and pay a non-repayable sum, the amount of which is determined by the Founding Members;
- Honorary Members: natural persons or legal entities, public or private, and entities that are presented by at least three Founding Members and are awarded the status of Honorary Members for particular merits in the fields of concern to the Foundation;
- Supporting Members: natural persons or legal entities, public or private, and organizations that are presented by at least three Founding Members and contribute to the Foundation with significant donations;
- Subscribing Members: organizations and natural persons or legal entities, public or private, that are presented by at least two Founding Members and financially support the Foundation's activities.

The Founding Members appoint the members of the Board of Directors, which may be composed of a minimum of 3 to a maximum of 15 members. Currently, the Board consists of 7 members, with Piero Sardo serving as President and Legal Representative.

The Board of Directors is responsible for approving the annual financial statements and budget, as well as dealing with the ordinary and extraordinary administration of the Foundation.

Other bodies of the Foundation:

- The Honorary Members' Committee;
- The Bureau;

- The Scientific Committee;
- The Secretary General;
- The Board of Auditors.

The Foundation is not for profit and pursues socially useful purposes only. The aim of the Foundation is to support and spread biodiversity as a key factor in human, civil and democratic growth. The Foundation works to protect the personal right to pleasure and taste, favoring the establishment of a harmonious relationship with nature while respecting the traditions and economic, gastronomic, food and agricultural identity of the territory of each individual country. The Foundation studies and promotes a new and different culture of development, civil coexistence and the pace of living, striving to promote the distribution of quality products prepared with respect for our rural and natural environment and for consumers' rights. The Foundation promotes education in the study and safeguarding of every country's heritage of foods, farming and craft traditions, protecting its characteristics and typical features. To achieve these purposes, the Foundation strives to:

- support, finance, promote and organize the Ark of Taste project, according to its Manifesto;
- encourage the creation of Presidia, working to ensure their affirmation and visibility in order to enhance projects for the protection of endangered products and to promote economic and civil development in the places where they originate;
- organize courses and seminars for the formation of a new culture of rural and territorial development among persons residing in the areas involved in the Presidia project;
- periodically organize and finance the Slow Food Award, in the manner specified in the regulations;
- finance, directly or through contributions, the organization of projects furthering the Foundation's goals of territorial enhancement and development;
- organize conferences, shows, exhibitions and congresses pertinent to the Foundation's goals;
- promote the publication, dissemination and circulation of scientific and cultural publications;
- establish scholarships;
- carry out all real estate, securities and financial transactions instrumental, ancillary, or functionally connected to the realization of the aforementioned purpose of the Foundation;
- promote the development of all other initiatives aimed at achieving the goals specified above, collaborating with the competent Italian and international public bodies;
- develop relations with other cultural centers in order to promote the Foundation's activities;
- promote study and research pursuing the goals of this statute.

The Foundation may not carry out any activities other than those specified herein or directly connected to them.

Fondazione Slow Food per la Biodiversità operates in Italy and internationally to implement projects supporting and promoting awareness of the importance of biodiversity. The Foundation's activities are financed primarily through contributions from Members, donations and free offerings.

2. The reasons for the operation

The operation in question is motivated by the will of SF and Fondazione per la Biodiversità to continue strengthening their multi-year commitment to the promotion and protection of gastronomic and food culture all over the world. The introduction of a new organizational model will make their joint efforts for the protection of biodiversity more effective, raising public awareness of the importance of good practices for the protection of the planet. The goal is to inform, engage, and mobilize individuals and entire communities to actively support the transition to more just and sustainable policies.

The operation is also reflected in the process of reformation that began during the 2017 SF Congress and continued at the 2022 Congress, during which the international network was invited to supersede the associative model as the only possible form of membership and local presence for getting people involved and encouraging them to participate.

To assist the Slow Food Association in achievement of these goals, the documents referred to as the "Declaration of Chengdu" and "Organizational Guidelines" were approved at the Chengdu Congress.

Key passages from these documents are reported below:

- a) From the Declaration of Chengdu: "Only by radically renewing the organization of Slow Food, only by making it more open and inclusive, and only by trying out new forms of aggregation, involvement and participation can we address the challenges that await us in the future in the best way possible and thwart those—the very few—who possess power and wealth and decide the fate of the world's food and of humanity itself."
- b) From the Organizational Guidelines: "New forms and opportunities for individual membership, involvement and participation must be explored... the autonomy of the territories must be preserved and strengthened... It is necessary to redefine the structure and aims of the regional and national organizations".

The redefinition of functions and roles at various levels in the organization, and the desire to include a broader variety of parties within the organization, requires a more effective tool to face the

challenges and achieve the ambitious aims that Slow Food sets itself. This new approach to participation in the Movement first took form with the legal transformation of the Slow Food Association into a foundation, Fondazione Slow Food E.T.S., resolved during the Extraordinary Congress held in Pollenzo in July 2022.

The adoption of a new organizational model has allowed and will allow more incisive common efforts for the protection of biodiversity, education in the use of good practices safeguarding the health of the planet, and for informing, involving and mobilizing people and communities, promoting a transition towards just and sustainable policies. In addition, it will allow new parties to participate actively in the Foundation.

In Italy, the goals established by the guidelines approved at the Chengdu and Pollenzo Congresses can be pursued in the context of "Third Sector Reform" and the Third Sector Code, which defines and organizes non-profit organizations, transforming them into third sector organizations.

Following the approval of the Third Sector Code (Legislative Decree 117/17, commonly referred to as the *Codice del Terzo Settore* or CTS), the organizations' administrative bodies have attempted to identify the legal form most appropriate to Slow Food's aims and mission, among those permitted under the CTS.

In recent years, income from Fondazione Slow Food per la Biodiversità Onlus projects has decreased significantly, making it more difficult to maintain economic and financial balance. Thanks to the operational and economic support of Fondazione Slow Food E.T.S., it has been possible to disseminate the Foundation's projects and achieve an impact that would otherwise not have been feasible.

For these reasons, the two foundations began discussions and agreed that a merger by incorporation would be the best way to take advantage of the assets of Fondazione Slow Food per la Biodiversità Onlus in a project fully compliant with its statutory purposes and with the wishes of its Founding Members.

This merger plan therefore represents the continuation of a path of natural convergence and operational integration of the two foundations, based on the mutual will to generate better and more efficient organizational conditions functional to shared planning of international actions and achievement of the two foundations' common goals.

The redefinition of functions and roles therefore requires a more efficient tool to address the challenges and achieve the goals that Slow Food and the Biodiversity Foundation set for themselves. This Merger Plan will eliminate the current overlaps between the two organizations.

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Significant benefits will result from the merger, including: (i) an operational dimension better suited to the international context, with a greater focus on a global vision and objectives; (ii) an increase in the national and international impact of activities, strengthening the brand's reputation and credibility among supporters; (iii) optimization of economic, financial and equity resources, as well as improved management skills thanks to the integration of skills and greater administrative efficiency.

The Foundation resulting from the merger will therefore have an organizational structure appropriate for enhancing the assets of knowledge, skills and professionalism already demonstrated by the previous structures of the participating organizations, in a context of sharing and synergy.

3. Key features of the entity resulting from the merger and operating methods

From the time when the merger legally goes into effect:

- . all assets shall be deemed entirely transferred to the surviving Foundation, in their current legal and actual state, with all their accessories and appurtenances and any active and passive rights and easements that may exist;
- . all assets and liabilities of any kind belonging to the absorbed Foundation, both before and after the merger resolutions, even if not specified herein, shall be considered transferred to the surviving Foundation, meaning and expressly intended by the contracting parties that, regardless of explicit and implicit reference, any rights and reasons in any way pertaining to or referring to the absorbed Foundation shall be considered entirely included in the planned merger for all intents and purposes.

Upon the outcome of the Merger, and as of the time at which it goes into effect vis-à-vis third parties, the absorbed Foundation will cease to exist and the surviving Foundation will take over, by right, all the assets and liabilities of the merging Foundation, as well as all its legal relationships, including the employment relationship with its employees, resulting in the consequent acquisition and assumption of of all the related rights and obligations by the surviving Foundation. The employees of the absorbed Foundation will enjoy all the protections and provisions of art. 2112 of the Italian Civil Code.

4. Functional organization chart

The entity resulting from the merger will maintain the structure of Fondazione Slow Food E.T.S., and, in particular, the members of Fondazione Slow Food ETS following the completion of the

merger will be:

- a. Statutory Participants (all members of the Slow Food Association at the time of the resolution transforming it into a Foundation on 16 July 2022).
- b. Regular Participants (all individuals, public or private legal entities, Italian or international organizations, Local Groups and Territorial Offices that share the Foundation's purpose and contribute to its life and the fulfilment of its aims in accordance with the methods, forms and measures set out in the regulations established by the Board of Directors).

Statutory and Regular Participants are both identified as Participants.

The bodies of the Foundation will remain the same as those of Fondazione Slow Food E.T.S. prior to the aforementioned merger operation. The members of the aforementioned bodies will also remain unchanged following completion of the merger operation.

The following are therefore the organs of Fondazione Slow Food E.T.S.:

- a) the Assembly of Participants;
- b) the International Council;
- c) the Board of Directors;
- d) the President;
- e) the Secretary General;
- f) the Advisory Board;
- g) the Board of Statutory Auditors;
- h) the Board of Arbitrators.

5. Economic and financial aspects

The merger will take place on the basis of the values indicated in the financial statements as at 31/12/2024 of the entities participating in the merger. On the basis of the provisions of Article 10 paragraph 1 letter f) of Legislative Decree 460/97, the residual assets of the absorbed organization will be allocated to the surviving organization once the approval of the competent authority has been received in compliance with Article 3, letter k) of Italian Presidential Decree no. 329 of 21 March 2001.

Following the completion of the Merger, the assets of the surviving organization will be equal to the sum of the assets of the two organizations participating in the merger, as they appear in the balance

sheet as at 31/12/2024.

On the economic front, the merger is expected to gradually increase the volume of income from typical operations. To achieve the aforementioned goal, we will take specific action to simultaneously increase national and international public funding from institutions, funding from corporations, foundations and major donors, and revenues from private one-off donors, as well as safeguarding current revenues.

At the same time, the foundation will aim to improve the efficiency of its structural costs and increase its investment in promotion in order to safeguard the economic balance and continued sustainability of the new organization, with an incidence of structural costs that is in line with the goals for its activities in the mid-term.

6. Assessment method

In the absence of an exchange ratio, the directors have proceeded to evaluate the assets of the merging organizations in order to protect the assets of the surviving organization and maintain legal recognition of the organization resulting from the merger.

The economic value of a foundation is, like that of any other legal entity, an abstract quantity which is not based on analytically determinable data. Assessment of this value relies on estimates, assumptions and hypotheses that can lead to different results for the same organization. For this reason, the analysis must be based on assumptions which are logical and reasonable and can be reconstructed and verified as time goes by, or which are applicable to comparable realities.

To provide the required information, the assessment criteria considered most consistent with the objective of the analysis, namely estimation of the economic value of the organizations participating in the merger, were examined in order to protect the assets of the surviving organization.

In this specific case – the merger by incorporation of Fondazione Slow Food per la Biodiversità Onlus into Fondazione Slow Food E.T.S. – it was considered appropriate to adopt the simple equity method. This method determines the value of an entity by calculating the sum of its active and passive components, evaluated analytically according to the most appropriate criterion, attributing to each its present value (i.e. "current" or "market" value).

The assessment is based on the book values reported in the balance sheet as at 31/12/2024, which are considered consistent with current and/or market value. Where necessary, appropriate write-downs have been applied and adequate provisions for risks have been recorded to deal with ongoing emergency situations or potential future risks.

7. Effect of the Merger

The merger will take effect, also for accounting and fiscal purposes, from the date of the last of the entries of the merger deed in the Register of Legal Entities/National Single Register of the Third Sector (hereinafter also referred to as the "Effective Date").

As of the Effective Date, the surviving organization will take over all active and passive legal relationships belonging to the absorbed organization.

8. Consequences of the Merger for Creditors and Employees

As a result of the merger, all assets and liabilities of the absorbed organization will automatically be transferred to the surviving organization, and therefore all creditors of the absorbed organization will become creditors of the surviving organization.

In the same way, by effect of the Merger, employment relationships will also be transferred to the surviving organization; employees of Fondazione Slow Food per la Biodiversità will therefore become employees of Fondazione Slow Food E.T.S.

9. Fiscal implications for the foundations participating in the merger

Given the peculiar situation of the merged organizations, it should be noted in any case that the merger is fiscally neutral for income tax purposes, and therefore does not constitute the realization or distribution in Italy of capital gains or losses on the assets of the absorbed organization.

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The following documents will be filed at the Foundation's registered offices, also pursuant to Article 2501-septies of the Civil Code:

- Current Statutes of the two organizations;
- The Merger Plan and its annex, together with this Report, signed in original by the depositing organization, with a copy signed by the other organization;
- Financial statements of the last 3 financial years of the two organizations participating in the merger, complete with Explanatory Notes, Management Reports, Reports of the Board of Statutory Auditors and Reports of the Independent Auditors.

Bra, 15/03/20205

For Fondazione Slow Food E.T.S.

The Secretary General:

Marta Mena

For Fondazione Slow Food per la Biodiversità Onlus

The President:

Filippo

Marta Mena Filippo