

# **Bylaws of the Bertelsmann Stiftung**

## **Preamble**

The Bertelsmann Stiftung was established in 1977 based on its founder's belief that insufficient heed was being paid in Germany to the consequences of the emerging global competition between systems. His intention was for the Bertelsmann Stiftung to concentrate on developing solutions to problems that arise in a variety of areas of German society and to help maintain Germany's political, economic and social systems. He also felt attention should be paid to knowledge gained in other countries and to achieving a balance between theoretical research and practical experience.

## **Article 1**

### **Name, Registration and Founder**

1. The name of the Foundation is

#### **The Bertelsmann Stiftung**

2. The Foundation is an independent private-law foundation as defined in Section 1 of the Foundations Act (*Stiftungsgesetz*) of the State of North Rhine-Westphalia. The Foundation is registered in Gütersloh (Germany).
3. The Founder for the purposes of these Bylaws is Mr. Reinhard Mohn.

## **Article 2**

### **Purpose and Mission of the Foundation**

1. The Foundation shall engage in the exclusive and direct pursuit of non-profit activities as defined in the section on "Tax-privileged Purposes" of the German Tax Code (AO). The purpose of the Foundation is to promote science and research, religion, public health, care for the young and the elderly, art and culture, education and vocational training, public welfare, an international spirit, democratic government, and civic engagement.
2. Subject to the funds available to the Foundation, its mission is:
  - a) to promote the media sciences, including through activities which serve to build competence and responsibility in the media and among users, and through researching and enhancing the role of the media and their place in society;
  - b) to explore and develop innovative management and organization concepts in all areas of the economy and government, in particular by developing and subsequently implementing the relevant systems;
  - c) to promote international cooperation, especially in the fields of politics, education and culture;
  - d) to promote vocational training and continuing education and systemic development in all fields of education, in particular by promoting research, pilot projects, and teaching and consulting institutes, etc.;

- e) to promote non-profit activities in the workplace (e.g. research of the labor market and working conditions), in particular by promoting research projects, concept development, and pilot projects, and by providing assistance to the relevant tax-privileged institutions;
  - f) to promote modern, effective structures and regulations in society, in international relations, in the media, in medicine, in the economy and in business, in particular by supporting research projects, concept development, pilot projects, etc.;
  - g) to promote institutions and programs in the fields of education, religion, culture and international understanding and in the field of social and health services, e.g. by supporting special-purpose institutions (*Zweckbetriebe*) as defined in Section 68 of the German Tax Code of 1977.
3. Promotion of the above purposes shall also include the evaluation and dissemination of the results of research and projects.
  4. As part of the tasks listed above, assistance may also be provided to projects outside Germany, provided this is commensurate with the cultural and scientific goals of the Federal Republic of Germany and other goals serving the public good.
  5. In all projects supported or promoted by the Foundation, it must be ensured that the Foundation will be involved in the conceptual design thereof or can exert influence.
  6. In the fulfillment of its mission, the Foundation will avail itself of the assistance of others, if and insofar as the Foundation does not execute a task itself. Notwithstanding the above, the Foundation may, in accordance with the provisions of Section 58 Items 1 and 2 of the German Tax Code, make certain parts of its funds available to any other tax-privileged legal entity or public-law body to be used for tax-privileged purposes.

### **Article 3 Assets of the Foundation**

1. The assets of the Foundation consist mainly of the initial endowment and the shares in the company Johannes Mohn GmbH, which is the majority shareholder (in terms of ownership) of Bertelsmann SE & Co. KGaA.
2. Endowments made by third parties shall also accrue to the assets of the Foundation if specified for this purpose.
3. The Foundation may, to the extent permitted by its non-profit status, also acquire participating interests in other tax-privileged entities, if and as needed in compliance with Section 4 Para. 2 of the Foundations Act of the State of North Rhine-Westphalia.

### **Article 4 Fulfillment of the Mission of the Foundation**

The income from the assets of the Foundation and any contributions made to it other than for endowment purposes shall be used to fulfill the purpose of the Foundation.

**Article 5**  
**Restriction to the Purposes of the Foundation**

1. The Foundation is a non-profit organization. It does not primarily pursue economic objectives of its own. No person shall profit from expenditures alien to the purpose of the organization or by inappropriately high remunerations.
2. The funds of the Foundation may be used only for the purposes set forth in these Bylaws and, where appropriate, in compliance with Article 3(2) herein above.
3. Establishing reserves
  - a) The Foundation is entitled, to the extent permitted under tax law, to designate all or part of its funds (revenue and contributions as defined in Article 4 hereof) as reserves to the extent that such reserves are necessary to enable the Foundation to sustainably fulfill its tax-privileged purposes pursuant to these Bylaws (dedicated reserves, e.g. operating cash reserves or project reserves).
  - b) Beginning with the 1996/97 financial year, the Foundation shall regularly allocate funds to a reserve as defined by Section 62 Para. 1 Item 3 of the German Tax Code in the maximum permitted amount until such time as the said reserve has reached twice the amount of the annual budget planned for the following financial year (free reserve). The Foundation shall have the right to continue to allocate funds to the reserve pursuant to Section 62 Para. 1 Item 3 of the German Tax Code even after the aforesaid amount has been reached. Said free reserve may be used only subject to the consent of the Board of Trustees.
  - c) The Foundation may also accumulate and use its funds for a capital increase with the purpose of maintaining the level of its participating share in the company referred to in Article 3(1) herein above, provided this does not contravene the non-profit provisions of tax law (reserve for the acquisition of shareholding rights).
4. No person may be favored by expenditures foreign to the purposes of the Foundation or through disproportionately high remuneration.
5. The Founder and his legal successors shall not receive any payments from the funds of the Foundation.

**Article 6**  
**Financial year**

The financial year of the Foundation runs from January 1 to December 31 of each year.

**Article 7**  
**Foundation Authority**

The Foundation is subject to state supervision in accordance with the provisions of the laws governing foundations. The authority in charge of the foundation is the Regional Administration in Detmold.

**Article 8**  
**Management and Representation**

1. The business operations of the Foundation are managed and the Foundation is represented by an Executive Board whose powers of representation are subject to the restrictions set forth in Para. 4 herein below.
2. The business operations of the Foundation are jointly managed by the members of the Executive Board. The Executive Board is responsible for developing the strategic course of the Foundation, coordinating this course with the Board of Trustees, and putting it into practice. Management authority may be restricted by the rules of procedure of the Board of Trustees or of the Executive Board.
3. The members of the Executive Board shall act to the best of their judgment and with the due diligence of a prudent businessman and shall abide by the purposes of the Foundation.
4. The Executive Board is restricted in its powers of representation by the purpose of the Foundation. Each of the members of the Executive Board is authorized to represent the Foundation alone. This shall not apply in case of the matters specified in Article 16(d) hereof, in respect of which the members of the Executive Board may only represent the Foundation jointly. Members of the Executive Board who are also members of the Executive Board of Bertelsmann Management SE are entitled to represent the Foundation only jointly with another Executive Board member who is not a member of the Executive Board of Bertelsmann Management SE. The power of representation may be restricted internally through rules of procedure of the Board of Trustees or of the Executive Board.

**Article 9**  
**Composition of the Executive Board**

1. The Executive Board consists of not less than three members. The Executive Board may contain more members if so decided by the Board of Trustees. The members of the Executive Board are appointed and discharged by the Board of Trustees. The period of office is three (3) years. The members of the Executive Board may be reappointed more than once. The Board of Trustees shall appoint the chairperson of the Executive Board and his or her deputy from among the Executive Board members upon proposal by the Personnel Committee of the Board of Trustees.
2. A member of the Board of Trustees may not simultaneously be a member of the Executive Board. Sentence 1 herein above does not apply to the Founder or his successors pursuant to Article 27 hereof nor to Mrs. Elisabeth Mohn. Chairmanship of both Boards at the same time is not permitted.
3. Persons above the age of 70 years are not eligible for a seat on the Executive Board. Notwithstanding the above, Article 14(4) applies mutatis mutandis to Mrs. Elisabeth Mohn if appointed member of the Executive Board.

**Article 10**  
**Internal Rules of the Executive Board**

1. The Executive Board shall be governed by its own rules of procedure which regulate the distribution of work responsibilities and the cooperation within the Executive Board. The rules of procedure of the Executive Board must be approved by the Board of Trustees.
2. The Executive Board shall adopt its resolutions by simple majority. In the case of tied votes, the chairman has the deciding vote.

**Article 11**  
**Notification of the Board of Trustees and Reporting**

1. The Executive Board shall keep the Board of Trustees regularly informed of all matters of planning, business development and project planning of relevance for the Foundation. All further details are governed by the rules of procedure of the Board of Trustees.
2. Six (6) months after the end of each financial year, the Executive Board shall submit to the Board of Trustees a comprehensive report on the activities during that year as well as an auditor's report on the annual accounts for that year.
3. At the first regular meeting held in the current financial year, the Executive Board shall submit proposals to the Board of Trustees for the future activities of the Foundation as well as a draft financial plan in accordance with Article 22 herein below.
4. The Executive Board shall submit a written report to the Board of Trustees regarding its activities in each calendar quarter by the end of the month following the end of the relevant quarter.

**Article 12**  
**Remuneration of Board Members**

1. The Executive Board members shall be paid remuneration in the amount decided by the Board of Trustees.
2. Full-time Executive Board members shall receive reasonable employee remuneration and be reimbursed for their expenses. The reasonableness of the remuneration is determined with reference to the duties of the Executive Board member concerned, his/her personal performance, the joint performance of the Executive Board and the financial situation of the Foundation. Full-time members of the Executive Board are entitled to do other paid work only subject to the consent of the Board of Trustees. Full-time members of the Executive Board shall receive no additional remuneration for advisory services rendered.
3. Honorary members of the Executive Board are reimbursed for their expenses. They may receive additional payment for consultancy services rendered to the Foundation.

**Article 13**  
**Obligations of the Board of Trustees**

1. The obligation of the Board of Trustees is to advise and supervise the Executive Board in its conduct of the Foundation's business. The Board of Trustees shall be involved in any decisions of fundamental importance for the Foundation. The Board of Trustees shall maintain regular communication with the Executive Board on the fulfillment and further development of the Foundation's purposes and strategy, and on ensuring the continuity of the Foundation. In the management of the Foundation, the Board of Trustees and the Executive Board shall, to the extent this is possible in light of the non-profit nature of the Foundation, be guided by the goals and principles of the Bertelsmann corporate culture, in particular as laid out in the bylaws of Bertelsmann Verwaltungsgesellschaft.
2. The Board of Trustees shall appoint and discharge members of the Executive Board following the proposal of the Personnel Committee of the Board of Trustees and shall represent the Foundation both in and out of court with regard to members of the Executive Board. The Board of Trustees is responsible for the long-term succession planning for the positions on the Executive Board.
3. The obligations of the Board of Trustees also include:
  - a) approving the audited financial statement of the Foundation;
  - b) controlling the financial management of the Foundation through auditors appointed by the Board of Trustees;
  - c) receiving the reports and accounts of the Executive Board and ratifying the acts of the members of the Executive Board for each financial year.
4. The Board of Trustees is entitled to obtain the advice of experts in the performance of its duties and to invite experts and advisers to participate in board meetings. Such experts and advisers shall be subjected to a confidentiality agreement in accordance with Article 25(3) hereof.
5. The Board of Trustees shall review the effectiveness of its actions at regular intervals, however not less than every two years.
6. The Board of Trustees shall be governed by its own rules of procedure.

**Article 14**  
**Composition of the Board of Trustees**

1. The Board of Trustees shall consist of not less than six (6) nor more than fourteen (14) members who shall include:
  - a) the chairman of the Supervisory Board of Bertelsmann SE & Co. KGaA or another member of the Supervisory Board of Bertelsmann SE & Co. KGaA;
  - b) *(annulled)*
  - c) the Founder, Mr. Reinhard Mohn, and/or his successors pursuant to Article 27 hereof;

- d) Mrs. Elisabeth Mohn, insofar as she does not already have a seat pursuant to Letter (c) above or no longer has such seat as a result of transfer of the Founder's rights or otherwise; and, after Mrs. Elisabeth Mohn has withdrawn from the Board of Trustees pursuant to Article 14(4) hereof, a descendant of the Founder who holds or held a senior management position in business. The provisions of Article 27(4) and (5) shall apply;
  - e) not less than three (3) nor more than eleven (11) other persons who, through their activities, have demonstrated a special interest in and practical relationship to the tasks of the Foundation, and who have leadership experience and an understanding of the continuation of systems of public order. Other eligibility requirements are outstanding professional competence in areas relevant to membership in the Board of Trustees, a declared willingness to contribute actively to the Board of Trustees and excellent social skills.
- 2. Unless otherwise provided for in these Bylaws, the members of the Board of Trustees shall be recommended by the Personnel Committee and elected by the Board of Trustees. The term of office of the Trustee referred to in Para. 1 Letter a) shall correspond to his or her term of office as a member of the Supervisory Board of Bertelsmann SE & Co. KGaA. The term of office of the Trustees referred to in Para. 1 Letter (e) shall normally have a duration of three (3) years, beginning on January 1 of each year. Repeated re-elections shall be possible.
  - 3. It shall be assured through the election of suitable persons that the average age of the members of the Board of Trustees at the time of an appointment is not more than 65 years. In derogation of the provisions set forth in Para. 2 hereof, members of the Board of Trustees shall automatically withdraw from the Board of Trustees upon reaching the age of 72 years, i.e. without the need to be specifically discharged. The age of the Founder, Mr. Reinhard Mohn, and of Mrs. Elisabeth Mohn shall not be included in the calculation of the average age as per the first sentence of this paragraph.
  - 4. The term of office of the Founder, Mr. Reinhard Mohn, and of Mrs. Elisabeth Mohn shall end only upon death or by relinquishment of office, provided that in the case of Mrs. Elisabeth Mohn it shall end at the latest on her reaching the age of 80 years, and after reaching the age of 70 years she shall no longer be allowed to chair the Board of Trustees.

**Article 15**  
**The Chairman of the Board of Trustees**

- 1. The Board of Trustees shall, upon the recommendation of the Personnel Committee, elect persons from among its members as chairman and deputy chairman of the Board of Trustees.
- 2. The chairman of the Board of Trustees shall coordinate the work of the Board of Trustees and its committees. The chairman shall call and chair meetings of the Board of Trustees. The chairman of the Board of Trustees is also a member of the Board of Trustees Personnel Committee.
- 3. The chairman of the Board of Trustees shall maintain regular contact with the chairman of the Executive Board and consult and discuss with him or her the strategy and business development of the Foundation. The chairman of the Executive Board shall inform the chairman of the Board of Trustees immediately about any important matters essential for assessing the situation and development of the Foundation and for managing the Foundation. The chairman of the Board of Trustees shall inform the Board of Trustees.

## **Article 16 Matters Requiring Consent**

The Executive Board shall be entitled to perform the following transactions and measures only with the consent of the Board of Trustees; insofar, the Executive Board shall have restricted powers of management:

- a) stipulating the strategic principles and main focus of the work of the Foundation;
- b) new Foundation projects whose funding exceeds the limits set forth in the rules of procedure of the Board of Trustees. The Executive Board may also submit for approval to the Board of Trustees new Foundation projects involving a lower amount of funding.
- c) determination of the financial plans as set out in Article 22 herein below;
- d) legal transactions (including assignment, pledging or other encumbrance, etc.) relating to shares or parts of shares in Johannes Mohn GmbH. This shall also apply to any contractual undertaking to do any of the above, the granting of sub-holdings and dormant holdings, the establishment of trusteeships and other legal transactions of a similar or comparable nature.
- e) use of the free reserves as referred to in Article 5(3)(b);
- f) acquisition of participating interests of any kind whatsoever (except for participating interests held for managing assets relating to the free reserves referred to in Article 5(3)(b)), and the formation or funding of other foundations;
- g) founding affiliate establishments and transferring Foundation tasks to them;
- h) handling matters of fundamental significance.

The rules of procedure of the Board of Trustees may specify other transactions and matters as requiring its consent, thereby restricting the management authority of the Executive Board.

## **Article 17 Committees of the Board of Trustees**

1. Board of Trustees Committees are formed from among its members. Such committees have the purpose of enhancing the efficiency of the work of the Board of Trustees and dealing with complex matters. Each committee member must be a member of the Board of Trustees who has special skills in the committee's field of work. Each committee shall elect a chairman from among its members. The committee chairman shall report regularly to the Board of Trustees.
2. The Board of Trustees shall ensure that its committees prepare the meetings to be held and resolutions to be taken by the Board of Trustees. The Board of Trustees is not entitled to delegate adoption of resolutions to the committees.

3. The Board of Trustees shall form a Personnel Committee from among its members and may also form other committees. All further details are governed by the rules of procedure of the Board of Trustees. The Personnel Committee shall prepare the appointment of Executive Board members and – without prejudice to the provisions contained in Para. 2 Sentence 2 hereof – shall be responsible for the agreements entered into with the Executive Board members. The members of the Personnel Committee shall include at least:
  - a) the chairman of the Board of Trustees;
  - b) Mrs. Elisabeth Mohn and, as her successor, the member of the Board of Trustees appointed in accordance with the provisions of Article 14(1)(c).

Other members of the Personnel Committee and the members of the other committees of the Board of Trustees shall be elected by the Board of Trustees on the proposal of the Personnel Committee.

### **Article 18**

#### **Legal Disposal of Shares in Johannes Mohn GmbH**

The Board of Trustees shall give its consent to any legal transaction of the type referred to in Article 16(d) only if, after careful consideration and subject to the consent of Bertelsmann Verwaltungsgesellschaft mbH, it has reached the conclusion that such consent is in the spirit of the Founder and corresponds to his wish to preserve, wherever possible, the unity and independence of the enterprise and to promote its advancement.

### **Article 19**

#### **Withdrawal and Exclusion**

1. The Board of Trustees may, for good cause, exclude a member if four-fifths (4/5) of the members who are entitled to vote do so in favor of such exclusion; provided, however, that the member concerned shall not be entitled to vote. Sentence 1 herein above shall not apply to members appointed in accordance with the provisions of Article 14(1)(a) to (d). The member concerned shall be given the opportunity to make a statement at a meeting first.
2. Should a member within the meaning of Article 14(1)(a) resign from his or her position on the Supervisory Board of Bertelsmann SE & Co. KGaA, the term of office of the newly elected member shall correspond to that of his or her membership in the Supervisory Board of Bertelsmann SE & Co. KGaA.
3. Should a member within the meaning of Article 14(1)(e) resign from office prematurely, his or her successor shall be appointed for the remainder of the regular term of office of the member who left prematurely.

**Article 20**  
**Meetings and Resolutions of the Board of Trustees**

1. The Board of Trustees takes its decisions by resolution. The resolutions of the Board of Trustees shall normally be taken at meetings. Resolutions may also be adopted outside of meetings. All further details are governed by the rules of procedure of the Board of Trustees. The Board of Trustees shall have a quorum if more than half of its members take part in the passing of a resolution; this shall also include abstention from voting. Minutes of the meeting shall be taken in writing and signed by the chairman.
2. The Board of Trustees shall hold a meeting at least two (2) times per year. Meetings of the Board of Trustees are called by the chairman in writing, by fax or by e-mail, giving not less than fourteen (14) days' prior notice and enclosing a description of the agenda with the invitation. In calculating the aforesaid period of notice, the day on which the invitation is dispatched and the day of the meeting are not included. In urgent cases, the person calling the meeting may shorten the period of notice and convene the meeting in person or by telephone. In the case of resolutions to amend the Bylaws, the period of notice shall be two (2) months.
3. Resolutions are adopted by simple majority of the votes cast, unless a larger majority is expressly required by these Bylaws. In the case of tied votes, the chairman has the deciding vote. The deputy chairman does not have a deciding vote. Provided they are admissible under Article 23 and/or Article 26 herein below, resolutions on amendments of the Bylaws and on dissolution of the Foundation shall only be effective if they have the consent of at least four-fifths (4/5) of all members. The provisions of Section 27 are not affected thereby.
4. Resolutions of the Board of Trustees may, by order of its chairman, also be taken as part of a telephone or video conference or outside of a meeting by oral, phone, written or fax votes.

**Article 21**  
**Remuneration**

The members of the Board of Trustees shall, from the commencement of their office and for as long as the revenue of the Foundation permits, receive an adequate annual remuneration. The amount of remuneration is determined by the Board of Trustees upon recommendation of the Personnel Committee; provided, however, that it shall not exceed 30 percent of the basic remuneration of a member of the Supervisory Board of Bertelsmann SE & Co. KGaA. Expenses and any value added tax incurred shall be additionally refunded.

**Article 22**  
**Financial Planning**

1. The business operations of the Foundation shall be conducted on the basis of proper and careful financial planning. The Executive Board shall each year prepare a financial plan which, on the basis of the fundamental strategic decisions, sets forth a short-, medium- and long-term operating framework including budget estimates.
2. The Foundation may take out loans up to an amount of 50 percent of the reserves created pursuant to Article 5(3) herein above.

**Article 23**  
**Amendments to the Bylaws of the Foundation**

1. The Board of Trustees shall decide on any amendments to the Foundation's Bylaws.
2. The Bylaws may be amended for good reason only. The amended provisions must be commensurate with the intentions of the Founder.
3. The catalogue of matters requiring consent as set forth in Article 16 must be reviewed at regular intervals, however at least every two (2) years.
4. The authority in charge of the Foundation shall be notified of any amendments to the Bylaws that do not materially alter the purposes or the organization of the Foundation. Any amendments to the Bylaws that go any further must be submitted to the authority in charge of the Foundation for approval. Amendments to the Bylaws affecting the purposes of the Foundation must first be submitted to the tax authority for comment. Before making other amendments to the Bylaws, the opinion of the competent tax authority should be obtained.

**Article 24**  
**Revision of the Purposes of the Foundation**

In order to reflect the circumstances changing over time, the mission of the Foundation can be prudently revised by amending the Bylaws, taking into account its non-profit status and in accordance with the original intentions of the Founder.

**Article 25**  
**Conflicts of Interest, Confidentiality**

1. The sole duty of the members of the Board of Trustees and of the Executive Board is towards the interests of the Foundation. No member of the Board of Trustees or of the Executive Board must be influenced by personal interests when making decisions. Each member of the Board of Trustees and of the Executive Board shall immediately disclose any potential conflicts of interest to the Board of Trustees Personnel Committee, and the Executive Board members concerned shall inform the other Executive Board members accordingly. No member of the Board of Trustees or of the Executive Board is entitled to participate in the making of decisions on the awarding of funds if there is any proximity between the member concerned and the beneficiary of the decision.
2. No member of the Board of Trustees or of the Executive Board and no employee of the Foundation is entitled, in connection with his or her activity, to demand or accept gratuities or other benefits from third parties for himself or herself or for other persons or grant any unjustified benefits to any third party.
3. All matters of the Foundation and the companies in which the Foundation holds shares, including without limitation all business and trade secrets, are confidential and may not be disclosed to any third party. Excepted from this is the right of the members of the Board of Trustees to provide such information as may be necessary in the interests of the Foundation in discussions with experts and advisers in accordance with Article 13(4). The duty of non-disclosure shall remain in force indefinitely and continue to be binding on members after they have left the Board of Trustees or the Executive Board.

**Article 26**  
**Dissolution and Winding-up**

1. The Board of Trustees shall decide on the dissolution of the Foundation. Such resolution may only be taken for compelling reasons and with the consent of the authority in charge of the Foundation. Compelling reasons shall include, but not be limited to, a situation in which the purposes of the Foundation can no longer be effectively and sustainably fulfilled.
2. In the event that the Foundation is dissolved or terminated, or if its tax-privileged purposes no longer exist, any assets remaining after winding-up shall go to a legal entity which is recognized as tax-privileged or to a public-law body, to be used for the purposes specified in Article 2 herein above. The Board of Trustees shall select the legal entity or body.
3. Resolutions on the use of the assets may be implemented only after the competent tax authority has given its consent thereto.

**Article 27**  
**Founder's Rights**

1. The Founder reserves for himself, throughout his lifetime, the rights set forth below (Founder's rights), the exercise of which shall take precedence over the rights of the Board of Trustees as set forth in these Bylaws:
  - a) amendments to the Bylaws to the extent permitted by the Foundation non-profit status;
  - b) appointment of members of the Board of Trustees pursuant to Article 14(1)(a) and (e);
  - c) shortening the term of office of individual members of the Board of Trustees pursuant to Article 14(1)(e) to as little as one (1) year;
  - d) election of the chairman and the deputy chairman of the Board of Trustees and election of the chairman of the Executive Board through election of the person concerned to the Executive Board, and his or her appointment as chairman from among its members; as a result, the number of members of the Executive Board may be increased; election of the other members of the Board of Trustees Personnel Committee;
  - e) as long as the Founder is a member of the Board of Trustees, a resolution of the Board of Trustees including its committees shall not be deemed adopted if the Founder votes against or otherwise opposes it (right of veto and opposition). Where the Founder has not participated in the adoption of a resolution or has not already opposed it, the resolution must be delivered to the Founder without delay. The Founder must communicate his opposition to the resolution within one week of his receiving it to the Board of Trustees.

2. The Founder may transfer all or part of the Founder's rights reserved by him pursuant to Para. 1 above to another person (successor), to be exercised even after his death. The Founder's successor is entitled to transfer all or part of the Founder's rights transferred to him or her to a further successor – including also in restricted form – and thereby also authorize the transfer of all or part of said rights to subsequent successors; provided, however, that it shall not be possible for the further successor to transfer the Founder's rights in accordance with Article 27(1) (a) to subsequent successors. Even where only part of the Founder's rights are transferred, the transferring party shall no longer have any Founder's rights. The successor is not entitled to exercise the rights transferred in accordance with Para. 1 hereof once the successor has reached the age of 70 years.
3. The Founder shall designate his successor by submitting a notarized declaration to the chairman of the Board of Trustees and the authority in charge of the Foundation. The declaration shall be revocable until such time as the Founder's rights have passed. The declaration shall be annexed to the Bylaws. The successor shall have a duty, immediately after coming into the Founder's rights, to designate by notarized declaration the person intended to succeed him or her in the event of his or her withdrawal from office and to specify the rights to be transferred; he or she shall also designate at least one further successor in the event that the first-named successor does not or is unable to take office. Sentences 1 to 3 of this Para. 3 shall apply accordingly.
4. Should no declaration as referred to in Para. 3 Sentence 1 or Sentence 4 exist, the successor, who shall acquire the Founder's rights in the same scope as those held by his or her predecessor, shall be designated by the family spokesperson in Bertelsmann Verwaltungsgesellschaft mbH. The family spokesperson shall also designate the member of the Board of Trustees under Article 14(1)(d) to succeed Mrs. Elisabeth Mohn.
5. Successors may only be the spouse of the Founder or descendants of the Founder.

#### **Article 28 Effective Date**

These Bylaws shall enter into force after signing by the Founder and approval by the authority in charge of the Foundation.

#### **Article 29 Severability**

Should any of the provisions of these Bylaws be or become invalid or should any gap be found in these Bylaws, all other provisions shall nevertheless remain in full force and effect. Any gaps in the provisions of these Bylaws shall be filled in accordance with the spirit of the purpose and mission of the Foundation and in light of the effective provisions of these Bylaws.

**Article 30**  
**Actionability**

The provisions contained in Article 14(1)(d) and (e) and Article 17(1) regarding qualification requirements are not actionable and shall not be deemed, either directly or indirectly, as establishing, granting or reinforcing any rights which can be sued for at law. In particular, no claim can be asserted on grounds that the election, designation or appointment of, or the vote cast by, any person so elected, designated or appointed is invalid or contestable.

Made in Gütersloh on April 4, 2014

Signed by: The Board of Trustees