

# **Statutes of Bertelsmann Stiftung**

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## **Preamble**

The Bertelsmann Stiftung was established in the year 1977 based on its Founder's belief that insufficient heed is paid in our country to the consequences of the emerging global competition between systems. In his view, the aim behind the Bertelsmann Foundation therefore was to concentrate on developing solutions to problems that arise in a variety of areas of our society and at the same time to strive for a system update in politics, economy, and society. Attention was to be paid to drawing on knowledge gained in other countries and to achieving a balance between scientific and practical experience.

### **I. General**

#### **Article 1**

##### **Name, Registered Office and Founder**

1. The name of the Foundation is

##### **Bertelsmann Stiftung**

2. The Foundation is a foundation with legal capacity within the meaning of Section 1 of the Foundations Act (*Stiftungsgesetz*) of the State of North Rhine-Westphalia and has its registered office in Gütersloh (Germany).
3. The Founder for the purposes of these Statutes is Mr. Reinhard Mohn.

### **II. Purpose and Mission**

#### **Article 2**

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

1. The Foundation shall engage in the exclusive and direct pursuit of non-profit purposes within the meaning of the section "Tax-privileged Purposes" of the Fiscal Code. The purpose of the Foundation is to promote science and research, religion, public health, care for the young and the elderly, art and culture, public education and vocational education, 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 without limitation through activities which serve to build competence and responsibility in the media and among users, and through academic research and development of the role of the media and their place in society;
  - b) to develop innovative concepts of leadership and organisation in all areas of business and government, to develop and subsequently implement the relevant systems, and to carry out the corresponding academic research projects;
  - c) to carry out projects supporting international co-operation, including without limitation in the areas of politics, education and culture, and to carry out the corresponding academic research projects;
  - d) to promote training and development as well as system development in all areas of education, to carry out the corresponding academic research projects and pilot schemes and to support teaching and consultancy institutes in accordance with the provisions of Article 6 herein below;
  - e) to promote activities in the working environment, to carry out scientific research of the labour market and working conditions, and to develop corresponding concepts and pilot schemes;
  - f) to promote up-to-date and effective structures and rules in society, in international relations, in the media, in medicine, in business and in enterprises, and to carry out the corresponding academic research projects, concept developments and pilot schemes etc.;
  - g) to promote activities in the fields of education, religion, culture, and international understanding as well as in the field of social and health services, (e.g. by maintaining or supporting “related businesses” within the meaning of Section 68 of the German Fiscal Code (AO) and to carry out the corresponding academic research projects.
3. The Foundation shall evaluate and disseminate the results of the scientific projects as well as of the pilot schemes and concept developments within the framework of promoting the purposes and missions mentioned in Paragraph 1 and Paragraph 2 hereof. The Foundation assumes the role of a publisher for the purposes of dissemination, i.e. the Foundation issues books, brochures, working aids etc. in printed or in electronic format.

4. The Foundation is entitled to achieve the objects of its Statutes including by granting scholarships and awards.
5. Under the mission statement set out above, the Foundation is entitled to carry out and promote projects abroad.
6. The Foundation primarily pursues its purposes in a direct manner, i.e. it has operating activities. In addition, in fulfilment of its above-mentioned purposes and missions, the Foundation is entitled to assign part of its funds to any other corporation or to a legal entity under public law for the achievement of tax-privileged purposes in accordance with Section 58(1) of the Fiscal Code; provided, however, that the transfer of funds to a private corporation subject to limited or unlimited tax liability shall be conditional upon that corporation itself having tax-privileged status. In all projects promoted by the Foundation, it must be ensured that the Foundation will be involved in the conceptual design thereof or can exert influence thereon.

### **Article 3 Non-profit Status**

1. The Foundation acts altruistically. It does not primarily pursue economic objectives of its own.
2. The funds of the Foundation shall be used exclusively for the objectives laid down in the Statutes.
3. No person may be favoured by any expenditure foreign to the purposes of the Foundation or through disproportionately high remuneration.
4. The Founder and his legal successors shall not receive any payments from the funds of the Foundation.
5. The Foundation is also entitled, to the extent permitted by its non-profit status, to acquire participating interests in other tax-privileged entities, if and as needed in compliance with Section 4(2) of the Foundations Act of the State of North Rhine-Westphalia. The Foundation is entitled, to the extent permitted by its non-profit status, to assign funds to any other tax-privileged corporation or to a corporation under public law for the purpose of asset endowment in accordance with Section 58(3) of the Fiscal Code. The validity of Article 9 Paragraph 3 Subsection (g) hereof is not affected.

### **III. Assets and Reserves**

#### **Article 4 Assets of the Foundation and Income**

1. The assets of the Foundation (basic assets) 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. Notwithstanding the provisions of Article 5 herein above, all financial and fixed assets that form part of the assets of the Foundation can be regrouped for purposes of asset management.
4. Notwithstanding the provisions of Article 6 herein above, the income from the assets of the Foundation and any contributions made to it other than for endowment purposes shall be used to fulfil the purpose of the Foundation.
5. The business operations of the Foundation shall be conducted on the basis of proper and careful financial planning.

#### **Article 5 Legal Disposition of Shares in Johannes Mohn GmbH**

1. Legal transactions (including assignment, pledging, other encumbrance, etc.) relating to shares or parts of shares in Johannes Mohn GmbH require a resolution of the Executive Board and the consent of the Board of Trustees. This shall also apply to any contractual undertaking to do any of the above, the granting of sub-participations and dormant holdings, the establishment of trusteeships and other legal transactions of a similar or comparable nature.
2. The Board of Trustees shall give its consent to any legal transaction of the type referred to in Paragraph 1 above 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.
3. Notwithstanding the provisions in Article 9 Paragraph 1 Sentence 4 herein below, the members of the Executive Board shall represent the Foundation jointly in matters listed in Paragraph 1 hereof.

**Article 6**  
**Reserves; Raising of Loans**

1. The Foundation is entitled, to the extent permitted under tax law, to designate all or part of its funds (income and contributions within the meaning of Article 4 Paragraph 4 herein above) as reserves to the extent that such reserves are necessary to enable the Foundation to sustainably fulfil its tax-privileged purposes pursuant to these Statutes (dedicated reserves such as operating cash reserves or project reserves).
2. Beginning with the 1996/97 financial year, the Foundation shall regularly allocate funds to a reserve within the meaning of Section 62 Paragraph 1 Item 3 of the Fiscal 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). Even after reaching said limit, the Foundation is entitled to allocate further funds to the reserve within the meaning of Section 62 Paragraph 1 Item 3 of the Fiscal Code, annually up to the maximum permitted by its non-profit status and within the period permitted under non-profit law. Said free reserve may be used only subject to the consent of the Board of Trustees.
3. 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 4 Paragraph 1 herein above, provided this does not contravene the non-profit provisions of tax law (reserve for the acquisition of shareholding rights).
4. The Foundation is entitled to use regrouping gains or parts thereof to meet the purpose of the Foundation or to allocate such gains to a regrouping reserve. Subject to the resolution of the Executive Board, the Foundation is entitled to use the regrouping reserves for the benefit of its assets or for meeting its purpose.
5. The Foundation is entitled to take out loans up to an amount of 50% of the reserves created pursuant to Paragraphs 1 to 4 herein above.

**IV. Bodies of the Foundation**

**Article 7**  
**General Duties of the Bodies of the Foundation and Remuneration**

1. The bodies of the Foundation are the Executive Board and the Board of Trustees.
2. The Board members shall act to the best of their judgement and according to the principles of sound business practices and shall abide by the purposes of the Foundation. A breach of duty does not exist if a Board member, in managing the affairs of the Foundation under observance of the legal

requirements and the requirements of the Statutes, was reasonably entitled to believe that he or she was acting for the benefit of the Foundation on the basis of adequate information. The provisions of Section 31a of the German Civil Code (*BGB*) shall not be applicable.

3. 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 manifested in the statutes of Bertelsmann Verwaltungsgesellschaft.
4. The members of the bodies of the Foundation are reimbursed for their expenses and for any value-added tax due for their remuneration.
5. The members of the Executive Board shall receive reasonable remuneration based on the following conditions, on which the HR Committee decides:
  - a) Full-time members of the Executive Board shall receive reasonable employee remuneration. 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 after having obtained the consent of the Board of Trustees. No additional remuneration is paid for advisory services rendered.
  - b) Members of the Executive Board who are not active on a full-time basis do not receive any employee remuneration; they may receive a remuneration for consultancy services rendered to the Foundation. They may also be paid a lump-sum remuneration in form of an attendance fee.
6. 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 HR Committee; provided, however, that it shall not exceed 30 per cent of the basic remuneration of a member of the supervisory board of Bertelsmann SE & Co. KGaA.

## **Article 8 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 HR 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 award 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 16 Paragraph 7 herein below. The duty of non-disclosure remains in force indefinitely and continues to be binding on members after they have retired from the Board of Trustees or the Executive Board, respectively.

## **Article 9 Duties of Executive Board**

1. The Executive Board shall manage the affairs of the Foundation. The Executive Board is responsible for developing the strategic course of the Foundation, coordinating such course with the Board of Trustees, and putting it into practice. The Executive Board shall represent the Foundation. Each of the members of the Executive Board is authorised to represent the Foundation alone; the validity of Article 5 Paragraph 3 hereof is not affected. 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 Executive Board is restricted in its powers of representation by the purpose of the Foundation. As between the parties, the power of representation may be restricted by the rules of procedure of the Executive Board.
2. 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; the Executive Board shall also inform the Chairman of the Board of Trustees about important events within the meaning of Article 14 Paragraph 2 Sentence 2. The Executive Board shall submit a written report to the Board of Trustees on its activities pursued in the last calendar quarter by the end of the month following the end of that quarter. Not later than 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. The financial plan, on the basis of the fundamental strategic decisions, sets forth a short, medium and long-term operating framework including budget estimates; further details are governed by the rules of procedure of the Board of Trustees. Not later than six months after the end of each financial year, the Executive Board shall submit to the

Board of Trustees a comprehensive report on the activities pursued during that year as well as an auditor's report on the annual accounts for that year.

3. 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 in accordance with Paragraph 1 Sentence 2 hereof;
  - b) new Foundation projects which involve funding that 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 promotion funds;
  - c) determination of the financial plans as set out in Paragraph 2 Sentence 4 hereof;
  - d) legal transactions within the meaning of Article 5 herein above;
  - e) use of the free reserves within the meaning of Article 6 Paragraph 2 herein above;
  - f) raising of loans within the meaning of Article 6 Paragraph 5, insofar as such loans do not exceed a volume 5 per cent of the free reserve within the meaning of Article 6 Paragraph 2;
  - g) acquisition of participations of any kind whatsoever (except for participations held in the context of managing the free reserve assets within the meaning of Article 6 Paragraph 2), and the erection of or endowment of basic assets to other foundations;
  - h) founding branch offices and spinning off Foundation tasks to such branch offices;
  - i) handling matters of fundamental significance.
4. 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 10**

#### **Composition of the Executive Board**

1. The Executive Board consists of not less than three members. The Executive Board is deemed duly constituted and resolutions of the Executive Board are effective if the Executive Board consists of at least two persons and the deviation from the minimum number stipulated in sentence 1 has lasted for no longer than nine months. The Board of Trustees shall decide on the number of

Executive Board members. If the number of members of the Executive Board falls below the minimum number stipulated in sentence 1, the Board of Trustees shall appoint a successor without delay.

2. The members of the Executive Board are appointed and dismissed by the Board of Trustees acting upon the recommendation of the HR Committee; dismissal is possible without good reason and is effective until its ineffectiveness has been finally determined by a court. The term of office is three years; unless, based on the recommendation of the HR Committee, a different term of office has been determined upon appointment by resolution of the Board of Trustees. The members of the Executive Board may be reappointed more than once.
3. The Board of Trustees shall appoint the chairman of the Executive Board and his or her deputy from among its members upon the recommendation of the HR Committee; this resolution can be amended at any time.
4. 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 within the meaning of Article 17 nor to Mrs. Elisabeth Mohn. Chairmanship of both Boards at the same time is not permitted.
5. Persons above the age of 70 years are not eligible for a seat on the Executive Board. Notwithstanding the above, Article 13 Paragraph 6 herein below applies mutatis mutandis to Mrs. Elisabeth Mohn if appointed member of the Executive Board.

## **Article 11**

### **Passing of Resolutions; Internal Rules of the Executive Board**

1. The business operations of the Foundation are jointly managed by the members of the Executive Board.
2. The Executive Board shall adopt its resolutions by simple majority. In the case of tied votes, the chairman has the casting vote. Further details are governed by the rules of procedure of the Board of Trustees.
3. A resolution of the Executive Board is null and void if it violates a legal provision the compliance of which cannot be validly waived. Notwithstanding the above, a resolution is valid if its validity is not contested within one month by filing action for declaratory judgement. The final and effective final setting aside of the resolution results in it being deemed having been invalid from the beginning. The period begins to run once the minutes of the passing of the resolution have been dispatched. Authority to contest is held by the Executive Board and by those members of the Executive Board who, as a result of the defective resolution, are hindered from exercising their rights deriving from their capacity as a body of the Foundation or whose interests are embodied by the injured provision.

4. The Executive Board shall be governed by their 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.

## **Article 12 Tasks of the Board of Trustees**

1. The task 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 fulfilment and further development of the Foundation's purposes and strategy, and on ensuring the continuity of the Foundation.
2. The Board of Trustees shall represent the Foundation both in and out of court with regard to members of the Executive Board; in that respect, the chairman of the Board of Trustees and his or her deputy are special representatives within the meaning of Section 30 of the German Civil Code and each of them is entitled to represent the Foundation alone. 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) approving the acts of the members of the Executive Board for a financial year;
  - d) receiving the reports of the Executive Board within the meaning of Article 9 Paragraph 2 herein above;
  - e) passing resolutions on those of the legal transactions of the Executive Board that require consent within the meaning of Article 9 Paragraph 3;
  - f) approving the rules of procedure of the Executive Board (Article 11 Paragraph 4 hereof);
  - g) appointing and dismissing members of the Executive Board upon the recommendation of the HR Committee in accordance with the provisions of Article 10 Paragraph 1;
  - h) passing a resolution on amendment of the Statutes within the meaning of Articles 20 and 21 hereof;

- i) passing a resolution on dissolution of the Foundation within the meaning of Article 22 hereof.
4. The Board of Trustees shall review the efficiency of its work at regular intervals, however not less than every two years.

### **Article 13**

#### **Composition of the Board of Trustees**

1. The Board of Trustees consists of not less than six nor more than fourteen members. It is composed of:
  - 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) the Founder, Mr. Reinhard Mohn, and/or his successors within the meaning of Article 17 hereof;
  - c) Mrs. Elisabeth Mohn, insofar as she does not already have a seat pursuant to Subsection (b) herein 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, a descendant of the Founder who holds or held a senior management position in business and is appointed by Bertelsmann Verwaltungsgesellschaft mbH;
  - d) not less than three nor more than eleven 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 for the development of systems of public order. Other eligibility requirements are outstanding professional competence in the areas of relevance for membership of the Board of Trustees, a declared willingness to contribute actively to the Board of Trustees and excellent social skills.

The Board of Trustees is deemed duly constituted and resolutions of the Board of Trustees are effective even if one of the positions within the meaning of Subsections (a), (b) or (c) of Sentence 2 are vacant or temporarily vacant.

2. Unless otherwise provided for in these Statutes, the members of the Board of Trustees are recommended by the HR Committee and appointed by the Board of Trustees.
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 effective date of the appointment is not more than 65 years. Altogether, no more than two members of the Board of Trustees at a time may be older than 72 years of age. At the time of appointment, a member of the Board of Trustees must not yet have

reached the age of 72 years. 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 and/or the number of members of the Board of Trustees as per the second sentence.

4. The term of office of the Trustees within the meaning of Paragraph 1 Subsection (d) hereof shall normally have a duration three years, beginning on 1 January of each year. The members of the Board of Trustees may be reappointed more than once. If a member within the meaning of Article 13 Paragraph 1 Subsection (d) herein above resigns 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.
5. In addition to expiration, death, or renunciation, the term of office also ends:
  - a) in the case of the Trustee within the meaning of Paragraph 1 Subsection (a) hereof, upon withdrawal from the supervisory board of Bertelsmann SE & Co. KGaA;
  - b) in the case of the Trustee within the meaning of Paragraph 1 Subsection (b) second alternative, upon attainment of retirement age as defined in Article 17 Paragraph 2 Sentence 4 hereof, unless an appointment as Trustee occurs within the meaning of Paragraph 1 Subsection (d) hereof;
  - c) at the end of calendar year in which the member of the Board of Trustees reaches the age of 72 years; provided, however, upon the appointment of that member of the Board of Trustees no other provisions were made for him or her by resolution of the Board of Trustees on the recommendation of the HR Committee;
  - d) for the oldest member of the Board of Trustees within the meaning of Article 13 Paragraph 3 Sentence 2, if more than two members have exceeded the retirement age of 72 years;
  - e) upon reaching the age of 75 years.
6. Notwithstanding the provisions in Paragraph 4 and Paragraph 5 of this Article 13, 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 not later than 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.
7. The Board of Trustees may, for good cause, exclude (remove from office) any of its members, if four fifths of the voting members vote in favour of such exclusion or removal; provided, however, that the member concerned shall not be entitled to vote. Sentence 1 herein above shall not apply to members within the meaning of Article 13 Paragraph 1 Subsections (a) to (c). The member concerned shall first be given the opportunity to make a statement at a meeting.

8. Bertelsmann Verwaltungsgesellschaft mbH shall be entitled to withdraw members within the meaning of Paragraph 1 Subsections (a) and (c) even without good cause. The member concerned shall be given the opportunity to make a statement first.
9. The Board of Trustees may appoint honorary members. The provisions of these Statutes which apply to the members of the Board of Trustees shall generally not apply to honorary members. The details of honorary membership shall be regulated by the rules of procedure of the Board of Trustees.

#### **Article 14 Chairman of the Board of Trustees**

1. 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 HR Committee.
2. 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 for his or her own part shall inform the Board of Trustees.
3. The Board of Trustees shall, upon the recommendation of the HR Committee, elect persons from among its members as chairman and deputy chairman of the Board of Trustees.

#### **Article 15 Committees of the Board of Trustees**

1. The committees have the purpose of enhancing the efficiency of the work of the Board of Trustees and dealing with complex matters. The committees shall prepare the meetings and the passing of resolutions by the Board of Trustees. Notwithstanding the provisions of Paragraph 3 Sentence 2 hereof, passing of resolutions by the Board of Trustees cannot be delegated to the committees unless the Board of Trustees has provided otherwise by passing a resolution.
2. Board of Trustees committees are formed from among its members; each committee has two members. The Board of Trustees, among other things, shall form the HR Committee and the Audit and Finance Committee.
3. The HR Committee shall prepare the appointment and removal of members of the Executive Board by presenting the corresponding recommendations. In

derogation of the provisions of Paragraph 1 Sentence 3 hereof, the HR Committee shall have sole responsibility for entering into agreements with members of the Executive Board. The HR Committee of the Board of Trustees is made up of:

- a) the chairman of the Board of Trustees;
  - b) Mrs. Elisabeth Mohn and, as her successor, the member of the Board of Trustees within the meaning of Article 13 Paragraph 1 Subsection (b) above.
4. The Audit and Finance Committee shall prepare, among other things, the resolutions of the Board of Trustees within the meaning of Article 12 Paragraph 3 Subsections (a), (b) and (c) above. The Audit and Finance Committee is made up of:
- a) not less than one member of the Board of Trustees within the meaning of Article 13 Paragraph 1 Subsections (a) to (c) above;
  - b) not less than one member of the Board of Trustees within the meaning of Article 13 Paragraph 1 Subsection (d);
5. Other members of the HR Committee and the members of the other committees of the Board of Trustees shall be elected by the Board of Trustees upon the recommendation of the HR Committee. To join a committee, the member of the Board of Trustees must have special skills in the field of work of the relevant committee. Each committee shall elect a chairman from among its members. The committee chairmen shall report regularly to the Board of Trustees. The HR Committee and the Audit and Finance Committee are deemed duly constituted and resolutions of the relevant Committee are effective even if one of the positions pursuant to Paragraph 3 Subsection (b) or Paragraph 4 Subsection (a) are vacant or temporarily vacant; provided, however, that the relevant Committee has the minimum number of members provided for in Paragraph 2 hereof.
6. Further details are governed by the rules of procedure of the relevant committee subject to the consent of the Board of Trustees.

## **Article 16**

### **Meetings and Resolutions of the Board of Trustees**

1. The Board of Trustees shall hold a meeting at least two 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 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 Statutes, the period of notice shall be two months.

2. The Board of Trustees takes its decisions by resolution. Resolutions are adopted by simple majority of the votes cast, unless a larger majority is expressly required by these Statutes. In the case of tied votes, the chairman has the casting vote. The deputy chairman does not have a casting vote. Provided they are possible subject to Article 20 or Article 22 herein below, resolutions on amendments to the Statutes and on dissolution of the Foundation shall only be effective if they have the consent of at least four fifths of all members.
3. The resolutions of the Board of Trustees shall generally be taken at meetings. Members connected through telephone or video conference are deemed to be present. Absent members of the Board of Trustees can participate in the passing of a resolution at a meeting by having another member of the Board of Trustees pass on a vote transmitted by them in writing, by telefax or email. A member may cast a vote at a later time if such subsequent casting of vote is admitted by all members present. 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.
4. Resolutions of the Board of Trustees may, by direction of its chairman, also be taken outside of a meeting, for example by means of a telephone or video conference or by transmission of votes orally, by telephone, in writing or by telefax; Paragraph 1 Sentences 2 to 4 and Paragraphs 2 and 6 will apply accordingly.
5. The Board of Trustees may admit other means of communication instead of e-mail or telefax and instead of telephone and video conferences.
6. Minutes of the meetings and of all resolutions passed by the Board of Trustees shall be taken in writing and signed by the chairman. Article 11 Paragraph 3 will apply accordingly. Notwithstanding the provisions in Article 11 Paragraph 3 Sentence 3 hereof, a defective resolution concerning the appointment of a member of the Executive Board can be contested only with future effect.
7. 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 8 Paragraph 3 Sentence 1 hereof. Their responsibility and their obligation to make their decisions and/or to conduct investigations, if appropriate, are not affected thereby.
8. The Board of Trustees shall be governed by their own rules of procedure.

## V. Founder's Rights

### Article 17 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 Statutes:
  - a) making amendments to the Statutes to the extent permitted by the Foundation's non-profit status;
  - b) appointing the members of the Board of Trustees in terms of Article 13 Paragraph 1 Subsections (a) and (d) herein above;
  - c) reducing the term of office of individual members of the Board of Trustees in terms of Article 13 Paragraph 1 Subsection (d) to one 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 appointment of the person concerned to the Executive Board, and his or her appointment as chairman from among its members; as a result of this, the number of members of the Executive Board may be increased; election of the other members of the Board of Trustees HR 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. Opposition by the Founder to such resolution must be notified to the Board of Trustees within one week from the resolution being delivered to the Founder in order to be effective.
2. The Founder may transfer all or part of the Founder's rights reserved to him pursuant to Paragraph 1 above to another person (successor), including also beyond his death. The Founder's successor is entitled to transfer all or part of the Founder's rights transferred to the successor to another successor – including also in restricted form – and thereby also to authorise the further transfer of all or part of said rights to successors; provided, however, that transfer by the further successor of the Founder's right in terms of Article 17 Paragraph 1 Subsection (a) hereof shall not be possible. Even where only part of the Founder's rights are transferred, the transferring party shall no longer have Founder's rights. The successor is not entitled to exercise the rights transferred in terms of Paragraph 1 hereof once the successor has reached the age of 70 years.
3. The Founder shall designate his successor by notarially certified declaration given to the chairman of the Board of Trustees and the authority in charge of

the Foundation. The declaration is revocable until such time as the Founder's rights have passed on. The declaration shall be annexed to the Statutes. The successor shall have a duty, immediately after coming into the Founder's rights, to designate – by notarially certified 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 and also to 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 Paragraph shall apply accordingly.

4. Should no declaration within the meaning of Paragraph 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.
5. Successors may only be the spouse of the Founder or descendants of the Founder.

## **VI. Miscellaneous**

### **Article 18 Financial Year**

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

### **Article 19 Authority in Charge of the Foundation**

1. The Foundation is subject to state supervision in accordance with the provisions of the laws governing foundations; more specifically, the Foundation shall meet the duties of information, notification, and disclosure resulting from the North Rhine-Westphalia Foundations Act.
2. The authority in charge of the Foundation is the regional administration in Detmold; the superior authority in charge is the North Rhine-Westphalia Interior Ministry.

### **Article 20 Amendments to the Statutes of the Foundation**

1. The Board of Trustees shall decide on any amendments of the Statutes of the Foundation in a meeting within the meaning of Article 16 Paragraph 3 herein above.
2. The Statutes 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 9 Paragraph 3 hereof is to be reviewed at regular intervals, however not less than every two years. If the Board of Trustees following its review comes to the conclusion that changes are necessary in this respect, amendments of Article 9 Paragraph 3 of the Statutes are permitted without the requirement of other substantive prerequisites.
4. The authority in charge of the Foundation shall be notified of any amendments to the Statutes that do not materially alter the purposes or the organisation of the Foundation. Any amendments to the Statutes that go any further must be submitted to the authority in charge of the Foundation for approval. Amendments to the Statutes which affect the purposes of the Foundation must first be submitted to the tax authority for prior comment. Before making other amendments to the Statutes, the opinion of the competent tax authority must be obtained.

#### **Article 21 Revision of the Purposes of the Foundation**

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

#### **Article 22 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, any assets remaining after winding-up shall go to a legal entity recognised 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 23**  
**Actionability**

The provisions contained in Article 13 Paragraph 1 Subsections (c) and (d) and Article 15 Paragraph 5 herein above 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.

**Article 24**  
**Severability Clause**

Should any of the provisions of these Statutes be or become invalid or should any gap be found in these Statutes, all other provisions shall nevertheless remain in full force and effect. Any gaps in the provisions of these Statutes 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 Statutes.

**Article 25**  
**Entry into Force**

These Statutes enter into force after signing by the Chairman of the Board of Trustees and approval by the authority in charge of the Foundation.

Issued at Berlin on 1 October 2021

Signed: Board of Trustees