

STATUTE OF THE FRAUNHOFER-GESELLSCHAFT

§ 1 OBJECTIVES AND ACTIVITIES

- 1 The objectives of the Fraunhofer-Gesellschaft ("Organization") shall be to promote applied research. In this context, the Organization shall conduct independent research projects, carry out projects assigned to it by the German federal and state governments, and undertake contract research.

- 2 The objectives under the Statute are to be achieved by the following activities in particular:
 1. the setting up and maintaining of research institutes and similar establishments;
 2. working towards the translation of scientific findings into practical applications and bringing together the forces of applied research and industrial practice;
 3. the provision of facilities for work on scientific work and their utilization in applied research;
 4. collaboration with other research organizations to fulfill the activities set down under the Statute;
 5. promoting training and development in technical and scientific fields through the establishment and operation of training and development facilities and the implementation of projects (e.g. teaching courses, seminars, new media) to spread awareness of innovative professional methods.

§ 2 NAME, REGISTERED OFFICE, LEGAL CAPACITY AND STATUS AS A NON-PROFIT ORGANIZATION, FISCAL YEAR

- 1 The Organization shall bear the name
"Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e.V."
- 2 The registered office of the Organization shall be in Munich.
- 3 The Organization shall be entered in the official register of associations.
- 4 The Organization shall pursue exclusively, and in a direct manner, only those charitable and non-profitable objectives under the respective section of German tax law concerning "objectives entitled to tax relief".
The resources of the Organization shall not be used for any other objectives other than those set out in the Statute. Members shall not receive any payments from the funds of the corporate body; this shall not apply in relation to the provisions of section 24, para. 8.
- 5 The Organization shall work on a non-profit basis; the primary objective shall not be that of pursuing the Organization's own commercial interests.
- 6 No person shall receive an advantage by way of any expenditure contrary to the objectives of the Organization or by way of a disproportionate high level of remuneration.
- 7 The fiscal year shall be the calendar year.

§ 3 MEMBERSHIP

The membership of the Organization shall consist of:

1. Ordinary members,
2. ex officio members,
3. honorary members.

§ 4 ORDINARY MEMBERSHIP

- 1 Natural persons and legal entities, including associations and societies without legal capacity (federations), that wish to support the work of the Organization shall be eligible for ordinary membership.
- 2 Applications for membership shall be submitted to the President. The application shall state the name of the person designated to represent the applicant; the Organization shall be informed of any subsequent change of representation. Any acceptance of applications shall be a matter for the Senate to determine.
- 3 Membership fees shall be established in accordance with the Membership Fee Schedule approved by the General Assembly. Extraordinary contributions may be made beyond the normal fees.
- 4 Payment of membership fees shall not confer any rights in relation to the assets of the Organization.

§ 5 MEMBERSHIP EX OFFICIO

Membership ex officio shall be available to members of the Senate, the Executive Board, the management of an Institute and the Boards of Trustees, insofar as such persons agree to accept membership.

Ex officio members shall not be obliged to pay membership fees.

§ 6 HONORARY MEMBERSHIP

- 1** Honorary members may be elected from members of the research staff and patrons of the Organization by the General Assembly in response to a proposal by the Senate as recognition of outstanding services to the Organization.
- 2** Section 5, para. 2 shall apply correspondingly.

§ 7 TERMINATION OF MEMBERSHIP

- 1 Membership shall terminate upon the death of a member or, in the case of legal entities or societies without legal capacity, upon dissolution. Membership may also be ended by resignation of the member or through the exclusion of a member.
- 2 Any resignation must be submitted in writing. Resignations will only be accepted on condition that they were provided with a notice period of three months to the end of a fiscal year.
- 3 The Senate is entitled to resolve the exclusion of any member for good cause (*aus wichtigem Grund*) upon a proposal by the Executive Board for such to be done. The member concerned shall be given sufficient opportunity to present her/his position. Expulsion proceedings may not be commenced in relation to ex officio members.
- 4 Membership shall automatically end if a member is in arrears with the payment of two annual membership fees notwithstanding demand notices having been issued.

§ 8 GENERAL ASSEMBLY

- 1 The General Assembly shall consist of the members of the Organization. Each member shall have one vote. Legal entities may exercise their membership rights through a representative with a written power of attorney.

- 2 An Ordinary General Assembly shall be held at least once a year. An Extraordinary General Assembly shall be called at the request of the Executive Board, the Senate, or if requested by one fourth of the members. The General Assembly shall be called and chaired by the President. At least five weeks in advance of the proposed date or, in the case of an Extraordinary General Assembly, with a notice period of not less than two weeks, invitations to the Ordinary General Assembly shall be sent to the members in writing, stating the venue, date and time of the meeting and enclosing a copy of the agenda. An invitation posted in time to the last known address of a member shall be sufficient for the purposes of complying with a minimum notice period. Publication of an announcement in the Official Federal Gazette (*Bundesanzeiger*) at least five weeks prior to the proposed date of a meeting shall also suffice as a duly provided invitation to an Ordinary General Assembly. Applications from members for the inclusion of items on the agenda must be submitted to the President at least three weeks in advance of the proposed date of the Ordinary General Assembly or, at least one week in advance in the case of an Extraordinary General Assembly. The President shall notify members of such without undue delay.

- 3** The President may invite guests to the General Assembly.
- 4** A General Assembly shall not require a quorum.
- 5** A resolution of a General Assembly shall be recorded in the minutes and countersigned by the President and the Chairperson of the Senate.

§ 9 RESPONSIBILITIES OF THE GENERAL ASSEMBLY

- 1** The General Assembly shall be responsible for:

 - a) electing the members of the Senate from representatives in the fields of science, business and industry and public life (section 10, para. 1, item a), the honorary members of the Organization (section 6, para. 1) and the honorary members of the Senate (section 10, para. 4);
 - b) approving the annual report to be presented by the Executive Board;
 - c) approving the annual statement of accounts presented by the Executive Board, discharging the Executive Board from its responsibilities upon a motion from the Senate and for discharging the Senate from its responsibilities;
 - d) formulating resolutions concerning amendments to the Statute and any dissolution of the Organization;
 - e) enacting the Membership Fee Schedule.

- 2** Any motion for an amendment to the Statute shall require a two-thirds majority of the votes cast to be carried and thereby become a resolution.

§ 10 THE SENATE

- 1** The Senate shall comprise of the following members:
- a) up to 18 members elected from the fields of science, business and industry and public life,
 - b) delegates from the government sector, four representatives from the federal government and three representatives from the states. The states shall decide in an agreed manner amongst themselves which states shall send a representative for a term of office and the states shall also determine the respective terms in office,
 - c) three members selected from those persons serving on the Scientific and Technical Council.

In relation to any members nominated under b), the delegating authorities may designate a permanent representative. The same shall apply correspondingly to any members nominated under c).

- 2** The Senate may invite guests. In relation to any representatives from other organizations, a principle of reciprocity should be maintained.
- 3** The members covered by para. 1, item a) shall be elected for a term of three years by the General Assembly. Election to a person as a member shall be permissible for a maximum of two consecutive terms only; the Chairperson of the Senate and the Deputies of the Chairperson may be elected for three consecutive terms.
- 4** The General Assembly may elect as a honorary members of the Senate, in response to a proposal by the Senate, any persons who have demonstrated outstanding service to the Organization. In addition, para. 2, sentence 1 shall apply.

§ 11 CHAIRPERSON, CALLING OF A MEETING, SENATE SUBCOMMITTEES

- 1 The Senate shall elect a Chairperson and two Deputy Chairpersons from its members, to hold office for the duration of her/his service as a member of the Senate, subject to a maximum term of office of three years. A re-election shall be permissible.
- 2 The Senate shall meet at least once a year, following an invitation from the Chairperson and giving at least two weeks' notice of the meeting and enclosing a copy of the agenda and any other documents of relevance to the meeting, including any statements provided and as described in section 12, para. 5 of this Statute.
- 3 Meetings of the Senate shall be convoked at the request of the Executive Board, the Scientific and Technical Council, or by a resolution of at least one-third of the Senate members.
- 4 The Senate shall have a quorum if at least one half of its members are present.
- 5 The Senate shall establish its own rules of procedure.
- 6 The Senate may form subcommittees. The subcommittees shall be responsible for tabling motions for resolution by the Senate. External experts who are not members of the Organization may be called upon to advise the subcommittees. All chairpersons of subcommittees must be members of the Senate.

§ 12 RESPONSIBILITIES OF THE SENATE

- 1** The Senate shall be responsible for the election of the President and the other members of the Executive Board by a majority of the votes of its members.

- 2** The Senate shall be responsible for deciding:
 - a) the basic scientific and research policy of the Organization and the planning of its research activities and expansion;
 - b) the establishment, incorporation or spinning-off, merger and dissolution of research facilities of the Organization; the key interests of public-sector sponsors shall be taken into account in any decisions relating to the dissolution or merger of research entities of the Organization;
 - c) any amendments or revisions to the Appointment Regulations as defined in section 22, para. 1 and to the Election Regulations as defined in section 24, para. 4 of this Statute;
 - d) any amendments or revisions to the General Provisions of the Statutes of the Institutes as defined in section 20, para. 3 of this Statute;
 - e) medium-term and long-term financial planning and the determination of the budget;
 - f) the annual statement of accounts to be presented to the General Assembly;
 - g) the acceptance of any new members (section 4, para. 2) and any exclusion of existing members (section 7, para. 3).

- 3** The approval of the Senate shall be required for:
 - a) general rules or principles concerning conditions of employment, remuneration, social benefits and any severance payments;
 - b) general principles concerning the utilization of revenues earned through contract research and licensing fees or royalties;

- c) general principles concerning the acceptance and utilization of funding awarded to the Organization for the fulfillment of its duties, and any profits accrued from the Organization's own financial resources that were not obtained from a public source;
- d) the concluding or modification of employment contracts not covered by collective agreements unless determined otherwise by the Senate and, the concluding or modification of contracts for remuneration based on fees exceeding a certain value defined by the Senate; in addition, the acceptance of liability for the payment of social benefits and severance payments beyond the provisions of those general provisions set out in para. 3, item a);
- e) the purchase, sale or encumbrance of any real estate or other interests in real property, including hereditary tenancy (*Erbpacht*) in cases where the value of the measures exceeds 500,000 euros; the transfer of legal rights to personal property (*bewegliches Vermögen*) in such cases where the value of the transaction exceeds the sum of 1 million euros; the acquisition of loans exceeding a sum of 1 million euros; the taking over of guarantees and independent guarantee obligations (*selbstständige Garantieverpflichtung*) provided that these do not involve any public requirements, the granting of loans in such cases where the value of the transaction exceeds the sum of 1 million euros. If the value of several related transactions of the above-mentioned types exceed the sum of 1.5 million euros, the Senate shall be notified of such at its next meeting.
- f) the acquisition of any shareholdings exceeding one-fourth of the total value of the respective enterprise, the increasing of any investment or shareholding in such an enterprise or the complete or partial sale of such.

In urgent cases, approval may be obtained from the Chairperson of the Senate and one of the Deputies plus one member of the Senate, in accordance with section 10, para. 1, item b). All other members of the Senate must be informed of such urgent decisions by the Executive Board without undue delay.

- 4 Moreover, the Senate shall be involved in matters concerning:
 - a) the appointment or dismissal of members of the management of an Institute in accordance with the Appointment Regulations cited in section 22, para. 1 of the appointment regulations set down;
 - b) the election of honorary members of the Organization (section 6, para. 1) and honorary members of the Senate (section 10, para. 4).
- 5 Prior to any decision being taken in accordance with para. 2, items a) to d), the Standing Committee of the Scientific and Technical Council must be given sufficient opportunity to present its opinion.
- 6 If the subject of any resolution gives cause for such an action, a Senate decision may be achieved by way of written proceedings requiring the majority of the votes cast by the participating members unless a member of the Senate objects to such proceedings without undue delay. The Executive Board shall determine the outcome of the decision-making process and notify the members of the Senate without undue delay.
- 7 The Chairperson of the Senate is responsible for appointing the respective Chairperson of a Fraunhofer Group (*Fraunhofer-Verbund*) as defined in section 22a, para 4.

§§ 13 and 14 are repealed.

§ 15 THE EXECUTIVE BOARD

- 1** The Executive Board shall be composed of a President and up to four other full-time members. Two members of the Executive Board shall be qualified scientists or engineers. One member must be experienced and well-versed in business management practices. One member must be qualified to work in the senior civil service.
- 2** As a general rule, the members of the Executive Board shall be appointed for a term of five years. Re-election shall be permissible.
- 3** Appointment contracts for members of the Executive Board are to be concluded on behalf of the organization by the Chairperson of the Senate and a further member of the Senate satisfying the membership requirements set out in section 10, para. 1, item b).
- 4** The Executive Board shall establish its own rules of procedure. Rules shall be drawn up to allocate business responsibilities within the Executive Board and the mutual representation members of the Executive Board.
- 5** The Organization shall be represented in any court or out-of-court matters by two members of the Executive Board or by one member of the Executive Board accompanied by a person who has been granted a power of attorney by the entire Executive Board for the exercise of legal functions in connection with a specific task or subject area.

- 6** The Executive Board may grant a limited power of attorney to third parties for the purpose of dealing with specific cases to which that person has been assigned.

§ 16 RESPONSIBILITIES OF THE EXECUTIVE BOARD

- 1 The Executive Board shall be responsible for managing the business activities of the Organization and dealing with all other affairs of the Organization, unless stated otherwise in this Statute.

- 2 The principal duties of the Executive Board shall include to:
 - a) elaborate the basic premises of the Organization's science and research policy and draw up its research, expansion and financial plans in collaboration with the Scientific and Technical Council and the Group Chairperson represented on the Presidential Council;
 - b) supervise the Institutes and Working Groups of the Organization and collaborate with the Scientific and Technical Council on the coordination and promotion of their work;
 - c) implement future-oriented human resources planning and policy, encourage the training and development of staff members and oversee the fulfilment of the Organization's duties with respect to the welfare of its employees;
 - d) maintain a climate of trust and cooperation in the internal affairs of the Organization;
 - e) draw up the budget plan and annual statement of accounts;
 - f) prepare motions for resolution by the General Assembly and the Senate, and implement these resolutions;
 - g) appoint members of the governing boards in accordance with the Statutes of the Institutes.

- 3** The Executive Board is entitled to allocate duties to a Chairperson of a Fraunhofer Group to assist in the representation of the Organization.
- 4** Furthermore, the Executive Board shall participate in the appointment or dismissal of any member of management of an Institute in accordance with the Appointment Regulations set out in section 22, para. 1 of this Statute.
- 5** The Executive Board shall present a report covering the main issues concerning the Organization to the General Assembly, the Senate and the Scientific and Technical Council at least once a year.
- 6** The members of the Executive Board shall have the right to attend all meetings of the Organization's constituent bodies, subcommittees, governing boards and other administrative bodies.

§ 17 RESPONSIBILITIES OF THE PRESIDENT

- 1** The President shall be the Chairperson of the Executive Board and of the Presidential Council and shall have the right to define the policy guidelines for the management of the business of the Organization. The further rights and duties of the President include:

 - a) representing the Organization both internally and externally;
 - b) chairing meetings of the Executive Board;
 - c) chairing the General Assembly;
 - d) appointing honorary members of the Organization and of the Senate.

- 2** The President shall be represented by the Chairperson of the Senate in respect of the functions set out under para. 1, item a), c) and d). The President may transfer representational duties of the President to another member of the Executive Board in individual cases.

§ 17A PRESIDENTIAL COUNCIL

- 1** The Presidential Council shall participate in Executive Board decision-making processes on questions relating to the business strategy of the Organization and shall assist with the implementation of Executive Board resolutions. In this regard, the Presidential Council is entitled to make proposals and recommendations and has the right to be consulted on such matters. Details shall be regulated by the rules of procedure for the Presidential Council and the Executive Board.
- 2** The Presidential Council shall consist of the members of the Executive Board and the Chairpersons of the Fraunhofer Groups. It shall ordinarily meet once each calendar quarter. The Presidential Council shall establish its own rules of procedure.
- 3** Any resolution of the Executive Board that conflicts with proposals, recommendations or statements supported by at least a two-thirds majority of the Chairpersons of the Fraunhofer Groups represented on the Presidential Council must be passed unanimously. The Chairpersons of the Fraunhofer Groups supporting an opposing position are entitled to demand, within two weeks of the date of being informed on the Executive Board's decision, that the issue be re-submitted to the Presidential Council with the aim of achieving a consensus.

§ 18 SCIENTIFIC AND TECHNICAL COUNCIL

- 1 The Scientific and Technical Council (STC) shall be composed of the following members:
 - a) the heads of the Institutes appointed by the Executive Board including any interim heads of any Institute appointed by the Executive Board
 - b) the STC representatives elected solely from within the Institutes and independent establishments (set up and incorporated by a resolution of the Senate).

- 2 A representative of each Institute and independent establishment (set up and incorporated by a resolution of the Senate) shall be elected for a term of four years in accordance with para. 1, item b); re-election shall be permissible. Specific details shall be determined by the voting procedures set out in section 24, para. 4.

- 3 The Scientific and Technical Council shall elect a Chairperson and a Deputy Chairperson. It shall establish its own rules of procedure.

- 4 The Scientific and Technical Council shall exercise its duties through its standing committee. This shall consist of the Chairman of the Scientific and Technical Council, the Deputy Chairperson, and nine further members. When electing members to the standing committee, it shall be ensured that the various disciplines within the Organization are fairly represented.

- 5** Meetings of the Scientific and Technical Council shall be held at least once a year. The Chairperson shall present a report on the activities of the standing committee.

- 6** The Scientific and Technical Council may form subcommittees. Persons who are not members of the Scientific and Technical Council may also be appointed to these subcommittees.

§ 19 RESPONSIBILITIES OF THE SCIENTIFIC AND TECHNICAL COUNCIL

- 1 The Scientific and Technical Council shall provide advice and support to the other constituent bodies of the Organization in relation to fundamental issues of scientific or technical significance. Its function shall be to assist the Executive Board in the coordination of the Institutes' research activities and the promotion of collaboration among the Institutes.

- 2 The Scientific and Technical Council shall participate in the appointment and dismissal of members of management of the Institutes in accordance with the provisions of the Appointment Regulations set out section 22, para. 1.

- 3 In particular, the Scientific and Technical Council may make recommendations concerning:
 - a) the fundamental principles of the scientific and research policy of the Organization and the planning for research activities and expansion;
 - b) human resources planning and policy concerning scientific and technical staff as well as education and further studies of employees;
 - c) the exploitation of results from the Organization's research and development work;
 - d) the utilization of revenues, especially that derived from contract research and licensing fees or royalties and the acceptance and utilization of funds donated to the Organization for the furtherance of its work;
 - e) measures used to evaluate the efficiency of scientific and technical projects;
 - f) other issues affecting the general affairs of the Institutes.

§ 20 THE INSTITUTES

- 1 The Institutes shall be the entities responsible for carrying out the Organization's research work. Generally, the Institutes should not have any separate legal status. Anything to the contrary shall require the approval of the Senate.
- 2 Institutes may be subdivided into branch institutes, independent and internal departments, working groups and project groups.
- 3 In addition to the provisions of section 20 et seq., the Institutes shall be constituted under the terms of the Statutes of the Institutes. Its general provisions shall be set down by the Senate with the approval of the Scientific and Technical Council; these may, where appropriate, be supplemented by special provisions defined by the Institutes themselves in accordance with a procedure specified in the general provisions. For such special provisions to be deemed valid, they must be examined and approved by the Executive Board to ensure that they conform to the Statute of the Organization and with the General Provisions of the Statutes of the Institutes.
- 4 The Statutes of the Institutes shall allow the staff of the respective Institute adequate rights of information and co-determination, relative to their function, in a form that enhances the performance of an Institute. The ability of management of an Institute to make short-term decisions, particularly in the context of contract research, shall in no way be restricted.
- 5 The provisions of section 20 and section 21 apply correspondingly to independent establishments within the Organization the creation or incorporation of which was approved by the Senate under section 12, para. 2, item b).

§ 21 MANAGEMENT OF AN INSTITUTE

- 1 Each Institute shall be managed by one or more Institute Directors assisted by the heads of any branch institutes and independent departments. Decisions taken by the management of an Institute, should it consist of more than one member, must be unanimous. The Executive Board is entitled to nominate one member of the management of an Institute as general manager, with the corresponding rights and duties, in consultation with the management of that Institute.

- 2 The management of an Institute shall have the following rights and duties:
 - a) They shall manage the business activities of the Institute, with responsibility towards the Organization for the correct administration and the best-possible utilization of funds, and for correctly managing the Institute; this shall include instructing the staff, working together with them, providing information on and opportunities to discuss major projects, and ensuring that staff receive adequate training.
 - b) The management shall draw up plans for an Institute's scientific work.
 - c) Within the framework of an Institute's focal area of research and of the research and expansion plans approved by the appropriate constituent bodies, the management of an Institute is free to organize its own scientific projects and is not subject to any restrictions concerning the choice, order and manner of execution of that Institute's scientific projects. The management of an Institute is nevertheless expected to conform to the planned budget and to meet any obligations it has assumed relating to the execution of research projects.
 - d) The management of an Institute shall endeavor to acquire contract research work. A general power of attorney or specific authorization in individual cases shall be required for the submission of firm offers and for the concluding of any of contracts.

- e) The management of an Institute shall represent the Organization in the day-to-day running of the Institute. However, without express written authority, the management of an Institute is not entitled to enter into borrowing or loan agreements on behalf of the Organization or an Institute, nor to sign contracts or negotiate the terms of agreements relating to real-estate transactions, nor to represent the Organization or an Institute before any court of law.
- f) The management of an Institute shall draw up budget proposals for the Institute.
- g) The management of an Institute shall take decisions concerning the use of financial resources within the framework of the planned budget and, where appropriate, the schedule of research activities.
- h) The management of an Institute shall submit proposals to the Executive Board concerning the employment and dismissal from employment of other members of the Institute staff. The Executive Board is obliged to accept such proposals, except in the presence of legal or other major hindrances. All declarations of a legal nature addressed to a member of staff shall require a general power of attorney or an individual power of attorney for the particular matter in question.
- i) At regular intervals or on request, the management of an Institute shall submit reports to the Scientific and Technical Council concerning the progress, planning and results of that Institute's scientific activities.
- k) The management of an Institute shall submit reports upon request to the Executive Board, concerning the progress, planning and results of that Institute's scientific activities and its management; the management of an Institute shall allow access to documents by the Executive Board or its official representatives.

§ 22 APPOINTMENT AND LEGAL STATUS OF MEMBERS OF MANAGEMENT OF AN INSTITUTE

- 1** The appointment of the members of management of an Institute (section 21, para. 1) shall require a preliminary selection procedure in accordance with the Appointment Regulations issued by the Senate.
- 2** Irrespective of any other personal or contractual relationship, a limitation of the term in office of a person as a member of the management of an Institute should always be considered. Re-appointment shall be permissible.
- 3** Any premature termination of a person's membership of the management of an Institute shall be permissible only in connection with a termination of that person's employment contract, and only in such cases where there is good reason to justify an immediate dismissal.

§ 22A FRAUNHOFER GROUPS

- 1** Institutes, branch institutes and independent departments may form specialist groups (referred to as Fraunhofer Groups/*Fraunhofer-Verbände*). Institutes that are members of more than one Fraunhofer Group shall have voting rights in only one Fraunhofer Group. A firm decision in this respect must be pronounced upon joining a second or additional Fraunhofer Group.
- 2** The formation of a Fraunhofer Group is subject to the decision of the Executive Board. The standing committee of the Scientific and Technical Council shall be accorded the right to present its opinion prior to the passing of any final resolution by the Executive Board. The same provision shall apply correspondingly to any dissolution of a Fraunhofer Group.
- 3** A steering committee shall be set up for each Group, consisting of the Directors of the Institutes involved in the Fraunhofer Group. Each Institute shall have one vote at meetings of the steering committee; this shall not affect the provisions of para. 1, sentence 2.
- 4** The Chairperson of a Fraunhofer Group shall be appointed by the Chairperson of the Senate, usually for a term of three years. The steering committee shall present a proposal to the Executive Board, which in turn forwards the proposal together with its own statement of opinion to the Chairperson of the Senate. The Deputy Chairperson of the Fraunhofer Group shall be elected for a term of three years by a majority of the members of the steering committee. Re-appointment of a Chairperson and the re-election of the Deputy Chairperson shall be permissible.

- 5** A Fraunhofer Group Chairperson shall assist the Executive Board in the implementation of corporate policy and shall accept assignments for and on behalf of the Executive Board.
- 6** Each Fraunhofer Group shall define its own Statutes based on the provisions of these provisions and a template statute recommended by the Executive Board. The Statutes of each Fraunhofer Group shall require the approval of the Executive Board.
- 7** The Fraunhofer Groups shall be subject to section 21 para. 1 correspondingly. Details of the management shall be regulated by the Executive Board in consultation with the heads of the Institutes belonging to the Fraunhofer Group.

§ 23 BOARDS OF TRUSTEES

The Executive Board shall set up Boards of Trustees for the Institutes and, where appropriate, for similar institutions. The Boards of Trustees shall be composed of representatives of science, industry, business and public life. The Boards of Trustees shall act as advisors to the Directors of the Institutes and the constituent bodies of the Organization. The specific details shall be determined by the Statute of the Institute.

§ 24 GENERAL PROVISIONS

- 1** All decisions shall require a simple majority of votes cast, except in cases where another method is prescribed or permitted by this Statute.
- 2** All elections shall require a simple majority of the votes cast, excluding spoiled votes, unless otherwise specified. If no such majority is obtained by a single candidate in cases where several candidates are standing for election to a post, a second round of votes shall be cast to select one of the two candidates having received the greatest number of votes in the first round. The post shall then be awarded to the person obtaining the greatest number of votes in the second round. If still no majority is achieved, the result shall be determined by drawing lots.
- 3** An elected member of a constituent body may only be dismissed from her or his post as a consequence of grave misconduct. Such action must be decided by a two-thirds majority of the constituent body that originally elected the member in question. The member shall be heard prior to the decision. She or he shall not be permitted to vote on the issue.
- 4** All election shall be by way of secret ballot. In the cases cited under paras. 1 and 3, the decision to hold a secret ballot may be made on a case-by-case basis. Further details shall be determined by a voting procedure agreed upon by the Senate.

- 5** If an elected member of a constituent body should vacate her or his post prematurely, a replacement may be elected for a new term of office, in the case of members of the Executive Board (section 15, para. 2) or for the remainder of the term of office of the departing member, in the case of all other constituent bodies.
- 6** If it is not possible to hold the necessary elections for new members of a constituent body of the Organization before the end of an election period, the departing members shall remain in office until such time as new elections have been held and the newly-elected members have taken up office.
- 7** The liability of the President, members of the Executive Board, members of the Management of an Institute and members of the constituent bodies of the Fraunhofer-Gesellschaft for the proper performance of the duties incumbent on them pursuant to this Statute shall be limited to cases involving willful conduct or gross negligence in relation to the Organization and its members.
- 8** The President and members of the Executive Board may receive remuneration and expense allowances for their respective duties. A reimbursement of expenses for members of the other constituent bodies of Fraunhofer-Gesellschaft shall also be possible.

§ 25 DISSOLUTION OF THE ORGANIZATION

- 1** The Organization may be dissolved pursuant to a resolution by the General Assembly accepted by a three-quarters majority of the members present.
- 2** The resolution to dissolve the Organization must include the nomination of the person or organization to which the assets of the Organization are to be transferred. The assets may be transferred only to another tax-privileged corporate body for the purpose of promoting applied research or – in the absence of a suitable candidate of this type – in accordance with a determination of the German federal government and the federal states in which the Fraunhofer-Gesellschaft maintains research institutes and similar establishments.
- 3** Any resolution to dissolve the Organization shall require the approval of the German Federal Minister of Finance. The minister's approval shall be also required for any disposal of the assets of the Organization, for any decision to amend the purpose of the Organization, and for any decision that modifies or repeals the provisions under paras. 2 and 3.
- 4** Para. 2 shall apply also in the event that the Organization is wound up or that a tax-favored status is revoked.
- 5** All decisions concerning the utilization of the assets of the Organization after its dissolution, or in the event that its purpose as defined in the Statute should no longer apply, may not be executed without the prior approval of the appropriate tax authorities.

This Statute was last amended by the Ordinary General Assembly on June 10, 2015, in Wiesbaden. The amendment was recorded in the official register of non-profit organizations on April 7, 2016.

