

## Articles of Association of the Siemens Stiftung with registered office in Munich

[Version dated December 12, 2012]

### Part One Preamble

Responsible, excellent, innovative – these are the values which the Siemens Stiftung represents. The foundation operates in the spirit of its namesake and continues a tradition which began more than 160 years ago. The aim of the foundation is to pursue answers to global challenges. The focus is on social issues, education, research and innovation as well as technology, art and culture. The foundation does not only act as a sponsor, but as an operative partner in projects throughout the world.

### Part Two General Provisions

#### § 1

##### Name, Legal Form, Registered Office

1. The name of the foundation is Siemens Stiftung.
2. It is an incorporated foundation with legal capacity and has its registered office in Munich.

#### § 2

##### Purpose of Foundation

1. The purpose of the foundation is:
  - a) to promote science and research;
  - b) to promote the public health system and public health care; in particular to promote innovative technologies to improve health care services;
  - c) to promote aid for young and old people;
  - d) to support and promote the arts and culture; in particular to promote graphic arts and performing arts, music and technical culture;
  - e) to promote education, vocational training, education of the general public including student aid, in particular education in the areas of mathematics, sciences and technology and to promote equal opportunity;
  - f) to promote nature conservation within the meaning of the German Nature Protection Act and the nature protection acts of the federal states, to promote environmental protection, coastal protection and flood protection;
  - g) to promote public welfare, in particular the objectives of officially recognized associations of free public welfare, their sub-associations and affiliated organizations or establishments, as well as appropriate aims of internationally active non-profit organizations and UN organizations; to support disadvantaged individuals and those in need;

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- h) to promote aid for those persecuted politically, racially or religiously, for refugees, displaced persons, war victims, war orphans, those injured in war, injured civilians and the disabled; in particular to promote equal opportunity;
- i) to support disaster control, in particular prevention;
- j) to promote international fair-mindedness, tolerance in all areas of culture, ethnic understanding and social integration;
- k) to promote development work;
- l) to promote the involvement of citizens in charitable and benevolent activities;
- m) to promote benevolent activities, in particular aid to disaster victims, emergency aid and reconstruction aid.

The above aid may be domestic or international.

2. The purpose of the foundation set out under (1) shall be realized in particular through:
  - promoting research projects, scientific projects in which the results are made available to the general public, as well as scholarly publications, e.g. through financial grants;
  - providing cash and materials, e.g. technical equipment to improve living conditions and ensure health care services;
  - cooperating with educational institutions e.g. provision of teaching material, organizing contests, partnerships with schools;
  - promoting and actively participating in the organization and implementation of events, seminars, concerts, festivals, productions;
  - initiating and organizing exhibitions and other active participation at exhibits;
  - promoting young talent in the areas of science, education and the arts, e.g. awarding scholarships and prizes and other financial donations;
  - active support, organization and implementation of events and programs that promote the significance of charitable and non-profit aims and measures to increase awareness among the general public, e.g. fund-raisers, appeals for donations or charitable work;
  - publishing and promoting publications.

The examples stated are not conclusive. The foundation may also pursue other measures which are suitable to realize the purposes of the foundation.

3. The foundation shall exclusively and directly pursue non-profit-making charitable purposes within the meaning of the section "tax-privileged purposes" of the German Tax Code (Abgabenordnung, AO).
4. To realize its purpose the foundation may maintain purpose-led establishments. The foundation may participate in other companies with the same objectives.
5. The foundation may assume sponsorship of foundations without legal capacity, and the administration of incorporated foundations with the same or similar objectives.
6. The foundation may also make financial means or materials available to other corporations, institutions and foundations under private law or legal persons under public law in Germany and abroad if this organization is pursuing tax-privileged purposes with these means; forwarding re-

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sources to a legal entity with unlimited liability under private law requires that the latter is entitled itself to tax relief.

7. The decision regarding the type and means of use of the funds from the foundation shall be made by the foundation board of directors observing the measures that require consent pursuant to § 8 (3).
8. The foundation may also only pursue some of the purposes stated during a business year. It shall be considered harmless if only one or several purposes are not promoted over a longer period of time.

## § 3

### Restrictions

1. The foundation shall operate on a non-self-interest basis, not primarily pursuing its own economic purposes. No legal or natural person may be favored by way of expenditure foreign to the purpose of the foundation or by way of disproportionately high funds, donations or remunerations.
2. The foundation shall fulfill its functions itself or through auxiliary personnel within the meaning of § 57 (1) sentence 2 AO, unless it acts to acquire funds pursuant to § 58 no. 1 AO.
3. Beneficiaries of the foundation shall not have any legal entitlement to benefits of the foundation based on these articles of association

## Part Three

### Assets of the Foundation, Funds

## § 4

### Assets of the Foundation

1. The basic assets of the foundation consist of cash assets of EUR 300,000,000 (in words three hundred million euro), that shall be transferred by the founder into the account of the foundation without delay after the foundation is recognized. The founder shall also contribute cash assets of EUR 90,000,000 (in words ninety million euro) to the other assets of the foundation.
2. The basic assets are to be kept undiminished in their value on a permanent basis. The remaining assets may be used to pursue the purposes of the foundation.
3. The foundation board of directors shall be entitled to accept endowments (donations to the basic assets), earnings and available reserves and contribute them to the basic assets to the extent admissible under tax law. Donations without a specified purpose resulting from a testamentary disposition may be contributed to the basic assets.
4. Profit from redistribution of assets shall be contributed to a redistribution reserve that, after redistribution losses are compensated, may either be contributed to the assets of the foundation or used to pursue the purposes under the articles of association.
5. The foundation board of directors may redeploy funds taking into account the principles of a prudent businessman and, in as far as there are any such guidelines, the investment guidelines of the board of trustees. The assets of the foundation may be invested in domestic and foreign stocks, fixed interest securities, time deposits and bonds, as well as real estate, investment

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funds, hedge funds, and similar products available on the financial market. The selection of fixed assets or financial products to be acquired shall be aimed toward fulfillment of the purpose of the foundation with regard to risk and earning power or benefit thereof.

## § 5

### Funds

1. The foundation shall fulfill its purpose
  - a) from the profits of the assets,
  - b) from donations, insofar as they are not intended for increasing the basic assets; § 4 (3) sentence 2 shall remain unaffected,
  - c) from the other assets.
2. All resources may only be used for purposes pursuant to these articles of association.
3. Administrative costs shall be kept to a minimum.
4. Reserves may be created as permissible under non-profit and tax law provisions; the foundation shall create a reserve that compensates for inflation in order to secure the basic assets.

## Part Four

### Constitution and Administration of the Company

## § 6

### Bodies

1. The foundation bodies shall be as follows:
  - a) the foundation board of directors,
  - b) the board of trustees.
2. The members of the foundation bodies shall observe confidentiality with regard to confidential information and secrets of the foundation, namely operational secrets of which they gain knowledge through their activities in the bodies of the foundation. This shall continue to apply after they are no longer active.

## § 7

### The Foundation Board of Directors

1. The foundation board of directors shall consist of at least two and at most four members.
2. The board of trustees appoints the members of the foundation board of directors. It can appoint a chairman and a deputy chairman.
3. The term of office for a member of the foundation board of directors shall be three years; if a member leaves the board prematurely, the new member may be appointed for the remainder of the term of office or longer, with the maximum period being three years. Re-election is permitted. A member who is leaving the board shall remain in office upon request of the board of trustees until his respective successor is appointed.

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4. The board of trustees can revoke the appointment to the board and nomination as chairman at any time. Such revocation shall be valid until it is legally determined to be invalid.
5. Full-time board members may demand reasonable remuneration in addition to reimbursement of reasonable expenses if so resolved by the board of trustees before commencement of the remuneration period. Voluntary members of the board may only request reimbursement of reasonable expenses.

## **§ 8**

### ***Representation of the Foundation, Function of the Foundation Board of Directors***

1. The foundation is legally represented by two members of the board acting jointly. If for some reason the board temporarily only consists of one member, this member may represent the foundation alone. Otherwise the foundation shall be represented by other authorized signatories as specified in further detail by the foundation board of directors. With simple majority the board of trustees may release members of the foundation's board generally or in individual cases from the restrictions of § 181 alt. 2 German Civil Code or Art. 14 (2) of the Bavarian Foundations Act (*Bayrisches Stiftungsgesetz BayStG* – Prohibition on multiple representation) and draw up binding stipulations to limit the power of representation of individual members of the board.
2. The foundation board of directors shall conduct the business and ongoing management pursuant to statute, these articles of association, the resolutions and instructions of the board of trustees and – if such exist – the internal rules for the board of trustees of the foundation. The board of the foundation shall manage the assets of the foundation and other funds conscientiously and economically.
3. The functions of the foundation board of directors are in particular
  - a) preparation of the foundation's budget (§ 8.4),
  - b) preparation of the annual financial statement and the report regarding fulfillment of the purpose of the foundation (§ 9.2 sentence 2),
  - c) granting funds from the foundation whilst observing § 11.2 and – if such exist – the internal rules for the foundation board of directors.
4. The foundation board of directors shall prepare a draft budget for each coming year with a budget for revenue and expenses, naming the planned measures where possible, and present this draft to the board of trustees within the deadline stated by the board of trustees. The foundation board of directors shall not require any special consent from the board of trustees for activities within the context of the budget unless otherwise stipulated in the internal rules of the foundation board of directors, if there are any such internal rules.

## **§ 9**

### **Accounting, Business Year**

1. The foundation shall render its accounts and the annual financial statement in accordance with the provisions applicable for public limited companies of comparable size.
2. The foundation board of directors shall prepare the annual financial statement and a report on fulfillment of the purpose of the foundation for the past business year within three months of the end of the business year. The report on fulfillment of the purpose of the foundation shall reflect in particular maintenance of the basic assets and use of the funds of the foundation for

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their designated purpose. The annual financial statement shall be reviewed by an accountant or an accounting firm as auditor; the board of trustees shall appoint the auditor and issue the audit mandate. The audit shall in particular also cover maintenance of the basic assets and use of its revenue and donations intended for distribution for the designated purpose. The auditor shall report to the board of trustees on the material results of his audit.

The annual financial statement shall be adopted by the board of trustees and then sent together with the report regarding fulfillment of the purpose of the foundation and the report of the auditor to the supervisory authority (Stiftungsaufsicht) of the foundation.

3. The business year is from October 1 through September 30 of the following calendar year.

## **§ 10**

### **Board of Trustees**

1. The board of trustees shall consist of five or six members.
2. The members of the board of trustees shall be appointed by the founder. The members of the board of trustees shall also include individuals with special knowledge in the areas of finance, law and foundation issues.
3. They shall be appointed by the founder for a term of four years; in the event that a member leaves the new member shall be appointed for the rest of the term. Re-election is permitted. A member who is leaving the board of trustees shall remain in office upon request of the founder subject to the provisions under (5) below until his respective successor is appointed.
4. The founder shall be entitled to remove members of the board of trustees from office prematurely without reason.
5. A member of the board of trustees may resign from office at any time without stating reasons by written declaration to the foundation board of directors with a notice period of three months. Resignation from office for good cause is possible without notice at any time.
6. Individuals may not be members of both the board of trustees and the foundation board of directors at the same time.
7. The board of trustees shall appoint a president and a vice president to represent the president in all matters if the president is incapacitated.
8. The members of the board of trustees act on a voluntary basis. Reasonable expenses shall be reimbursed.
9. The board of trustees shall issue internal rules for the foundation board of directors, which in particular include measures and actions of the board which require the consent of the executive council.

## **§ 11**

### **Functions of the Board of Trustees**

1. It is the responsibility of the board of trustees to support, advise and monitor the foundation board of directors in managing the foundation. The board of trustees shall maintain open lines of communication with the foundation board of directors on fulfillment and development of the purpose of the foundation, its strategy and on ensuring the longevity of the foundation. In managing the foundation, the board of trustees and the foundation board of directors should follow

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the objectives and principles of the Siemens corporate values to the extent that this is permissible in the context of its non-profit status.

2. The board of trustees shall decide on all principal matters. The board of trustees may issue instructions to the foundation board of directors. The functions of the board of trustees are:
  - a) adopting resolutions on the budget, see § 8.3 a),
  - b) adopting the annual financial statements,
  - c) issuing investment guidelines and guidelines for granting funds of the foundation,
  - d) appointing an accountant or accounting firm and issuing the audit mandate,
  - e) appointing and dismissing members of the foundation board of directors and, if necessary, conclusion of an employment contract with a member of the board,
  - f) ratifying the acts of the foundation board of directors,
  - g) adopting resolutions regarding transactions subject to consent pursuant to the internal rules for the board of the foundation,
  - h) setting the level of remuneration for the foundation board of directors,
  - i) use of other assets,
  - j) depositing revenue into reserves or into the basic assets,
  - k) use of redeployment reserves,
  - l) adopting resolutions on amendments to the articles of association and requests to transform or liquidate the foundation,
  - m) determining who is entitled to funds pursuant to § 15,
  - n) adopting resolutions on interpretation of the intent of the founder and setting the focus of the foundation's work,
  - o) preparing and further developing guidelines on realizing the objective of the articles of association,
  - p) all other functions assigned to it in these articles of association.
3. The president of the board of trustees, or if he is incapacitated, the vice-president shall represent the foundation in legal transactions with the foundation board of directors or individual members of the foundation board of directors.
4. The board of trustees may also issue itself internal rules.
5. The board of trustees may request reports from the foundation board of directors at any time on any matters of the foundation that are relevant for the situation of the foundation.

## § 12

### **Adoption of Resolutions by the Board of Trustees**

1. The board of trustees shall be called to meet by the president or his representative as needed, at least, however, once every six months. Such invitation shall be in writing with a minimum of two weeks' notice specifying the agenda of the meeting. The day on which the invitation is sent and the day of the meeting shall not be counted. In urgent cases the president can shorten the notice period. Even in urgent cases there should be at least three days between the date of the meeting and convention of the meeting. Meetings may be convened in writing, by telephone, fax or other commonly used means of communication (e.g. email). Otherwise with regard to convention the provisions of the internal rules for the board of trustees – if such exist – shall apply. At the request of the board of trustees the foundation board of directors shall be required to participate in whole or in part.
2. The board of trustees is quorate if at least half of its total number of members participates in person in the resolution or by casting his vote in writing or participates pursuant to (5); in any event the president or vice-president must participate. Convening errors shall be deemed remedied if none of the members affected objects.
3. The board of trustees shall pass its resolutions with a simple majority of the votes cast. In the event of a tie the president shall give the casting vote; in his absence the vice president shall have the casting vote.
4. If a member of the board of trustees is not able to participate in a meeting of the board of trustees he should be represented by another member of the board of trustees. A member who is represented shall be considered a participating member within the board of trustees meaning of § 12 (2) sentence 1. Proof of authorization must be provided through power of attorney in text form upon request. No member of the board of trustees may represent more than one other member of the board of trustees.
5. Meetings conducted and resolutions adopted in writing, on telephone by fax or by use of other commonly used means of communication (e.g. email) or participation of individual members of the board of trustees in meetings and resolutions through use of communication means is permissible if so decided by the president in an individual case and whilst observing an appropriate deadline.
6. Minutes shall be kept on the results of the meetings and resolutions; these minutes shall be signed by the president and the secretary and distributed to all members of the board of trustees.

## § 13

### **Advising Bodies, Committees, Commissions**

1. The board of trustees may set up advising bodies, e.g. an executive council, committees or special commissions (hereinafter "special bodies") to advise it or the foundation board of directors on all issues relevant to the foundation or parts thereof.
2. A special body is not a body of the foundation. However, suggestions and proposals from a special body should be given due consideration.
3. The board of trustees may build advisory committees from its members as necessary for certain functions which require special consultation.



## **Part Five**

### **Amendments to the Articles of Association, Restructuring, Liquidation of the Foundation and Accrual of Assets**

#### **§ 14**

##### **Amendments to the Articles of Association, Restructuring, Liquidation of the Foundation**

1. Applications to the government (§ 16) for authorization of amendments to the articles of association, restructuring and liquidation of the foundation require the consent of the founder.
2. Amendments to the articles of association, to the purpose of the foundation and its restructuring are permissible even without material changes to the circumstances.
3. To the extent that applications may affect the tax-privileged status of the foundation they must be presented to the competent tax office for review.

#### **§ 15**

##### **Accrual of Assets**

If the foundation is dissolved or liquidated or if it no longer has tax-privileged status the assets shall go to a corporation governed by public law or other tax-privileged body designated by the board of trustees by way of amendment to the articles of association for use directly and exclusively in accordance with the in purposes set out under § 2 (1) of these articles of association.

## **Part Six**

### **Miscellaneous**

#### **§ 16**

##### **Supervisory Authority of Foundation**

1. The foundation is subject to the supervision of the Government of Upper Bavaria.
2. The supervisory authority shall be informed of any amendments to the address, powers of representation and make-up of the bodies without delay.

#### **§ 17**

##### **Founder**

Any mention of the founder in these articles of association shall mean not only the founder but also its legal successor or another individual named by the founder or the legal successor that replaces the founder.

#### **§ 18**

##### **Effective Date**

The articles of association come into force upon recognition of the foundation by the Government of Upper Bavaria.

[Version dated September 22, 2008, recognized by the Government of Upper Bavaria in a letter dated September 24, 2008, amended with the approval of the Government of Upper Bavaria in a letter dated December 12, 2012.]