

Charter of the TUM University Foundation

Whereas

The Technical University Munich was founded in 1868 by King Ludwig II as a polytechnic school. Today, it occupies a leading position in Germany thanks to its achievements in research and teaching, its unique attributes as well as its successful reform work. With its focal areas natural sciences, engineering, life sciences and medicine, the TUM brand competes at international level.

Private and industrial sponsors make a significant contribution towards ensuring that the Technical University Munich is in a position to purposefully expand its position in the global competitive situation. Against this background, as an active contribution towards the future viability of the Technical University Munich and in pursuit of its concept “TUM. The Entrepreneurial University”, the TUM University Foundation is being established as an independent funding body, in order to also create an increasingly sustainable financing base for the far-reaching activities of the university.

The Foundation gives responsible patrons and companies, associated with the Technical University Munich, the opportunity of a visible and lasting commitment. It will be structured and developed as a community facility in which private, patronage-motivated investments in the Technical University Munich are bundled and managed competently. The Foundation’s funding activities are intended to sustainably motivate and strengthen the Technical University Munich in mobilising innovative forces and transcending boundaries between disciplines, or between theory and practice, in knowledge-building manner.

Section 1: Name, legal form, registered office, financial year

- (1) The name of the Foundation is TUM University Foundation (hereinafter the “Foundation”).
- (2) It is a civil law foundation with legal capacity and with registered office in Munich.
- (3) The financial year is the calendar year.

Section 2: Purpose

- (1) The purpose of the Foundation is the promotion of science and research, education and learning, including student assistance, the public health system and public health care, civic engagement to the benefit of non-profit and charitable purposes, of art and culture, international understanding as well as charitable purposes at the Technical University Munich.
- (2) The purpose as per the Charter is achieved through the provision of non-material and material support for the Technical University Munich and its institutions in the fulfilment of their tasks in research and teaching, in particular via
 - funding of research projects and suitable schemes of all university disciplines (project funding),
 - start-up financing for innovative university schemes,
 - strengthening and stabilisation of the successful projects under the excellence initiatives of the federal government and the Länder in the entire field of the TUM,
 - awarding of research contracts whose results are made accessible to the general public in a timely and suitable manner,
 - establishment of Foundation professorships,
 - organisation and support of training, further and advanced training programs,

- awarding of scholarships for outstanding German and international visiting professors and lecturers as well as highly talented German and international students,
 - support for cross-border or intercultural cooperation arrangements with other research and educational institutions,
 - collaboration with universities and other institutions with similar objectives on a regional, national and international level,
 - promotion of dialogue, knowledge and technology transfer between theory and practice, for example via the financing of teaching assignments to representatives of business,
 - informing the public on matters and progress of science and research, and related funding,
 - promoting the willingness of citizens, companies, graduates and private organisations to support the tax-privileged purposes of the Foundation through endowments, donations and contributions,
 - financing of measures in the fields of occupational health and safety, accident prevention and patient care, in particular at the university medical institutions,
 - organisation and support of scientific events,
 - awarding of prizes for special achievements in research, teaching and scientific communication,
 - financial assistance for the printing of scientific works.
- (3) The purpose of the Foundation can also be achieved through the procurement and forwarding of funds pursuant to Section 58 (1) of the German Tax Code (AO) for the promotion of science and research, education and learning, including student assistance, the public health system and public health care, civic engagement to the benefit of non-profit and charitable purposes, of art and culture, international understanding as well as charitable purposes for the achievement of the tax-privileged purposes of another corporation or for the achievement of tax-privileged purposes by a public-law corporation, primarily those of the Technical University Munich and its institutions (institutional funding).

Section 3: Non-profit status

- (1) The Foundation exclusively and directly pursues non-profit and charitable purposes as defined in the section of the AO entitled “Tax-privileged purposes”.
- (2) The Foundation works on a selfless basis. It does not primarily pursue own economic purposes.
- (3) Foundation funds must be used solely for the purposes under the Charter. The Foundation is not entitled to favour any purpose through payments that are not consistent with the purpose of the Foundation or through disproportionately high remuneration.
- (4) The Foundation fulfils its duties itself or via an auxiliary person as defined in Section 57 (1) Sentence 2 AO, unless it works by way of fundraising pursuant to Section 58 (1) AO.

Section 4: Assets

- (1) The endowment assets at the time of establishment of the Foundation can be seen from the agreement to set up the Foundation.

- (2) The assets bestowed on the Foundation for the lasting and sustainable fulfilment of its purpose (endowment assets) must be maintained at their unimpaired value and also managed economically efficiently and safely. They can be regrouped for achievement of the purpose of the Foundation within the scope of proper business management, in particular for the purpose of value retention or for enhancing their earning power.
- (3) In exceptional cases, the endowment assets can be utilised in individual financial years if this is urgently necessary for fulfilment of the purpose of the Foundation and the continued existence of the Foundation is not endangered. A minimum level of 500,000 EUR (endowment assets as defined in Art. 6 (2) BayStG (Bavarian Foundation Act)) must not be breached. A renewed decision on utilisation of the endowment assets is then only possible if the value basis of the endowment assets, existing prior to any preceding utilisation, has again been reached.
- (4) All allotments intended for this purpose (contributions) shall accrue to the endowment assets. Contributions can also be limited to the pursuit of individual purposes of the Foundation. If contributions are made solely for the pursuit of specific purposes of the Foundation, they themselves, their surrogates as well as the earnings achieved from them or their surrogates must be shown separately in the Foundation accounting and used separately. So-called consumption contributions or temporary contributions are intended for use in accordance with the declared will of the contributor. They are not governed by the principle of asset retention pursuant to (2) Sentence 1.
- (5) In order to achieve the purpose of the Foundation, the Foundation can maintain special-purpose operations, involve auxiliary persons and manage foundations or other special-purpose funds on a fiduciary basis. Upwards of an appropriate endowment level and at the wish of the donor, these can be associated with the latter's name and/or envisaged for a special subject area within the purpose of the Foundation. It can establish or participate in operating and management companies for the pursuit of the purpose.

Section 5: Funds

- (1) The earnings of the endowment assets, the allotments (donations) and other income not accruing to it must be used promptly for the fulfilment of the purpose of the Foundation.
- (2) The Foundation can transfer all or part of its funds to a reserve if and insofar as this is necessary for sustainable fulfilment of its tax-privileged purposes under the Charter and insofar as specific target and time visions exist for the use of the reserves. Within the scope of that permissible under tax law, funds can be transferred to the free reserve or to the Foundation assets. Profits from asset regrouping can be transferred to a regrouping reserve that can be dissolved in favour of the funds or the endowment assets.
- (3) The Foundation beneficiaries have no legal entitlement to benefits of the Foundation under the present Charter.

Section 6: Executive bodies

- (1) The executive bodies of the Foundation are
 - (a) The Board of Management (Section 7)
 - (b) The Board of Trustees (Section 10)
 - (c) The University Committee (Section 13)

- (d) The Conference of Donors (Section 14).
- (2) The members of the executive bodies should have particular specialist expertise and experience in respect of fulfilment of the Foundation's duties and should support its objectives to a particular extent. They are obliged to manage the Foundation conscientiously and thriftily.
 - (3) The incumbent Chancellor of the Technical University Munich can participate with an advisory vote in meetings of those executive bodies of which he/she is not already a member.
 - (4) As a rule, the members of the executive bodies work for the Foundation in an honorary capacity. They are entitled to reimbursement of appropriate disbursements and expenses. The Board of Trustees can determine an appropriate lump-sum amount for the material and time investment of the members of the Board of Management and of the University Committee.
 - (5) The members of the executive bodies are obliged to provide clarification given the possibility of a conflict of interests. This shall apply in particular to the passing of resolutions on matters touching on the private interests of a member or of his/her closest family. The respective executive body can exclude the member concerned from the passing of resolutions on these matters.

Section 7: Board of Management

- (1) The Board of Management consists of four members and can be increased to five persons given the existence of particular reasons.
- (2) Born members of the Board of Management are the incumbent President and the incumbent Chancellor of the Technical University Munich. The President is the Chair of the Board of Management.
- (3) The Vice Chair of the Board of Management as well as the other members of the Board of Management are appointed and dismissed by the Board of Trustees. Their period of office is four years from the date of appointment. In these cases, members of the Board of Management remain in office until such time as a successor is appointed. Re-appointment is admissible twice.
- (4) The period of office shall also end through dismissal and resignation. With the exception of inopportune times, this is possible at any time even without special reasons as well as in the event of death of a member. In these cases, the minimum number of members of the Board of Management as defined in (1) shall be reduced by the number of persons departing in this manner.
- (5) Members of the Board of Trustees cannot simultaneously be members of the Board of Management.

Section 8: Rights and obligations of the Board of Management

- (1) The Board of Management shall manage the Foundation on its own responsibility in accordance with the law, the present Charter as well as the resolutions of the Board of Trustees. It has the status of a legal representative.
- (2) External representation of the Foundation within the meaning of Section 26 BGB (German Civil Code) shall be by two members of the Board of Management respectively. The Chair shall represent alone in all cases. In an internal relation, the members of the Board of Management are authorised and obliged to manage jointly. The Board of Management is released from the limitations of Art. 14 (1) Sentence 1 of the Bavarian Foundation Act.
- (3) The Board of Management must fulfil the purpose of the Foundation as effectively as possible. Its duties shall be in particular the following:
 - (a) conscientious and thrifty management of the endowment assets and other funds,
 - (b) correct accounting,
 - (c) preparation of the business plan (budget) in sufficient time prior to the start of the financial year,
 - (d) acceptance of donations and conclusion of trust and agency agreements,
 - (e) passing of resolutions concerning use of the funds,
 - (f) preparation of the final accounts and of the list of assets (annual accounts),
 - (g) annual preparation of a report on the fulfilment of the purpose of the Foundation,
 - (h) reporting to the supervisory authority.
- (4) For the purpose of preparing its resolutions and performing its duties, the Board of Management can involve experts, delegate management tasks, engage auxiliary personnel and, with the consent of the Board of Trustees, appoint a management body.
- (5) The Board of Management can issue itself with Rules of Procedure. These must be notified to the Board of Trustees for information purposes.

Section 9: Resolutions of the Board of Management

- (1) Meetings of the Board of Management must be convened by the Chair or, in the event of his/her unavailability, by the Vice Chair. Meetings must be convened as often as appears necessary for proper management, at least however once per year. A meeting of the Board of Management must also be convened if demanded by at least one third of its members, of the Board of Trustees or of the Conference of Donors.
- (2) Meetings shall be convened in writing or electronically with a period of advance notice of two weeks and stating the agenda. Observance of form and advance notice of the convening can be waived with the consent of all members. Convening errors shall apply as rectified if all members are present and no objection is raised. If an incorrectly invited member is not present, the incorrect invitation can be rectified through retrospective approval of the resolutions by the member concerned.
- (3) The Board of Management shall be quorate if more than half of its members participate in the passing of the resolution. The Board of Management shall pass its resolutions with a

simple majority of the members participating in the passing of the resolution, unless otherwise provided for in the present Charter. In the event of a tied vote the Chair of the Board of Management shall have the casting vote.

- (4) Each member of the Board of Management can have himself/herself represented at meetings, including the passing of resolutions, by means of a written power of attorney.
- (5) With the consent of all members of the Board of Management, the passing of resolutions via a written, electronic or telephone circulation procedure or via video conference is permissible.
- (6) Minutes must be drawn up of the resolutions of the Board of Management. These must be signed by the Chair of the Board of Management or, if he/she is unavailable, by the Vice Chair as well as by the taker of the minutes. Resolutions must be recorded verbatim. They must be forwarded to all members of the Board of Management for information purposes.

Section 10: Board of Trustees

- (1) The Board of Trustees is made up of six members and can, given the presence of special reasons and at the suggestion of the Board of Management, be increased to eight, ten or twelve persons by resolution of the Board of Trustees. Half the members shall be appointed by the Board of Management and half elected by the Conference of Donors.
- (2) Membership of the Board of Trustees shall end upon reaching the age of 80 or five years after appointment or election. Renewed appointment or election is admissible once. In these cases, the departing member shall remain in office until such time as a successor is appointed or elected.
- (3) Members of the Board of Trustees can be dismissed at any time for important cause. The resolution requires a corresponding recommendation by the Board of Management and a two-thirds majority of the members of the Board of Trustees. The member concerned shall be excluded from voting on this matter. Nevertheless, he/she should be given the opportunity to comment beforehand. The period of office shall also end through resignation - with the exception of inopportune times this is possible at any time even without special reasons - as well as in the event of death of a member. In these cases, the minimum number of members of the Board of Trustees as defined in (1) shall be reduced by the number of persons departing in this manner.
- (4) The Board of Trustees shall elect a Chair and a Vice Chair from its members for a period of three years. Re-election is admissible.
- (5) Persons who have made a particularly outstanding contribution to the Foundation can be appointed as honorary members by the Board of Trustees following a proposal by the Board of Management. These must be invited to the meetings of the Board of Trustees and shall have an advisory vote.

Section 11: Rights and obligations of the Board of Trustees

The Board of Trustees shall advise, support and monitor the Board of Management in its work and shall decide on matters of fundamental importance. Its duties are in particular:

- (a) the passing of resolutions on fundamental principles of the management of the Foundation assets and the use of its funds,
- (b) the approval of the business plan,

- (c) the approval of the annual accounts,
- (d) receipt of the report on the fulfilment of the purpose of the Foundation,
- (e) the appointment of an auditor,
- (f) the exoneration of the Board of Management,
- (g) the appointment and dismissal of the other members of the Board of Management.

Section 12: Resolutions of the Board of Trustees

- (1) As a rule, resolutions of the Board of Trustees are passed in meetings. The Board of Trustees should hold an ordinary meeting at least once per year. An extraordinary meeting must be convened if at least half the members or the Board of Management demands such. The Board of Management should participate in meetings of the Board of Trustees in an advisory capacity.
- (2) Meetings of the Board of Trustees shall be convened by the Chair or, if he/she is unavailable by the Vice Chair, in writing or electronically with a period of advance notice of two weeks and stating the agenda. Observance of form and advance notice of the convening can be waived with the consent of all members. Convening errors shall apply as rectified if all members are present and no objection is raised. If an incorrectly invited member is not present, the incorrect invitation can be rectified through retrospective approval of the resolutions by the member concerned.
- (3) Following correct convening, the Board of Trustees shall be quorate if at least half its members, including its Chair or Vice Chair, are present.
- (4) Each member of the Board of Trustees can have himself/herself represented at meetings, including the passing of resolutions, by means of a written power of attorney.
- (5) Unless otherwise provided for in the Charter, resolutions shall be passed with a simple majority of the members participating in the passing of the resolution. In the event of a tied vote the Chair of the Board of Trustees shall have the casting vote.
- (6) With the consent of all members of the Board of Trustees, the passing of resolutions via a written, electronic or telephone circulation procedure or via video conference is permissible.
- (7) Minutes must be drawn up of the resolutions of the Board of Trustees. These must be signed by the Chair of the Board of Trustees or, if he/she is unavailable, by the Vice Chair of the Board of Trustees as well as by the taker of the minutes. Resolutions must be recorded verbatim. They must be forwarded to all members of the Board of Trustees for information purposes.
- (8) Further rulings concerning the course of business of the Board of Trustees can be included in Rules of Procedure to be issued by it.

Section 13: University Committee

- (1) A University Committee shall be formed. It shall have the task of submitting proposals to the Board of Management for the use of funds within the limits of the requirements of the present Charter and the fundamental resolutions of the Board of Trustees.

- (2) The University Committee shall consist of ten persons who must be members of the Technical University Munich. They will be appointed by the University Presidium for a period of five years.
- (3) The University Committee shall elect a Chair and a Vice Chair from its members for a period of five years.
- (4) The incumbent President of the Technical University Munich shall be a permanent guest member of the University Committee.
- (5) As a rule, resolutions of the University Committee shall be passed at meetings convened by the Chair in writing with an appropriate period of advance notice. The rules for the Board of Trustees (Section 12) shall apply accordingly for the passing of resolutions by the University Committee.

Section 14: Conference of Donors

- (1) The Conference of Donors shall initially consist of the founding donors. It can be extended to include those persons who, as donors or contributors, have made a significant contribution to the Foundation assets or to the foundations or special-purpose funds managed by it on a fiduciary basis. The level of what constitutes a significant contribution shall be decided by the Conference of Donors on the basis of a proposal by the Board of Management. The period of membership of the Conference of Donors can be limited by a corresponding resolution based on the level of the amount contributed.
- (2) The Board of Management and the Board of Trustees can appoint members to the Conference of Donors on an honorary basis by means of a joint decision, if such persons have made a particularly outstanding contribution to the purpose of the Foundation. The decision must also cover the period of membership and the voting rights.
- (3) Membership of the Conference of Donors by natural persons shall be of a personal nature and neither transferrable nor hereditary. If an amount is contributed through a will, the final will can determine a natural person who is to become a member of the Conference of Donors.
- (4) Juridical persons can only be members of the Conference of Donors if and for as long as they appoint a natural person as their representative at the Conference of Donors and notify the Foundation of this in writing.
- (5) Membership shall end through notice of resignation addressed to the Board of Management or through death.
- (6) Ordinary meetings of the Conference of Donors shall be convened at least once per year by the Chair of the Conference of Donors in writing, with a period of advance notice of four weeks and stating the agenda. The Chair of the Conference of Donors shall also chair these meetings. An extraordinary meeting must be convened if at least one third of the members of the Conference of Donors or the Board of Management demands such. Given correct

invitation, the Conference of Donors shall be quorate irrespective of the number of members appearing.

- (7) All members shall have a seat and a vote at the Conference of Donors. Voting rights at the constitutive meeting shall be per head. Alternatively, the Conference of Donors can provide for voting rights based on the level of the amount contributed. At the suggestion of the Board of Management, the Conference of Donors can decide honorary titles for the members of the Conference of Donors.
- (8) Minutes must be drawn up of the resolutions of the meetings. These must be signed by the chair of the meeting and by the taker of the minutes. Resolutions must be recorded verbatim. The minutes must be forwarded to all members of the Board of Management, of the Board of Trustees and of the Conference of Donors for information purposes.
- (9) The Conference of Donors shall take receipt of the report of the Board of Management, can make suggestions concerning the work of the Foundation, and shall elect the members of the Board of Trustees to be elected by it pursuant to Section 10 (1) Sentence 2. The Board of Management and the Board of Trustees can make corresponding suggestions.

Section 15: Amendments to the Charter, alteration of the purpose of the Foundation, amalgamation and closure

- (1) Amendments to the Charter shall be decided by the Board of Management and the Board of Trustees if they appear necessary for adaptation to changing circumstances. Alteration of the purpose of the Foundation, amalgamation with another foundation or closure of the Foundation is permissible only if fulfilment of the purpose of the Foundation is impossible or if circumstances change to such an extent that fulfilment of the purpose of the Foundation no longer appears sensible. These resolutions also require the consent of the Conference of Donors. Amendments to Sections 2 (1) and 7 (2) require the consent of the incumbent President of the Technical University Munich.
- (2) The resolutions as per (1) require a three-quarters majority of the executive bodies involved and – with the exception of a resolution amending the Charter – must be passed at a meeting. The measures require the approval of the foundation authority. Measures that can affect the tax-privileged status require the approval of the responsible tax office.

Section 16: Entitlement to accrual

In the event of dissolution or closure of the Foundation, or in the event of falling away of its tax-privileged purposes, the assets of the Foundation shall accrue to the Technical University Munich that must use these directly and exclusively for the promotion of science and research, education and learning, including student assistance, the public health system and public health care, civic engagement to the benefit of non-profit and charitable purposes, of art and culture, international understanding as well as charitable purposes at the Technical University Munich.

Section 17: Supervision of the Foundation

The Foundation is subject to government supervision in accordance with the respectively applicable Regulations exercised at the time of establishment by the Government of Upper Bavaria. The foundation supervisory authority must be notified immediately of changes to the address, the powers of representation and the composition of the executive bodies.

Munich, 22 July 2010