

The Foundation's statutes

The Statutes of the Cultural Foundation of the German Federal States (Kulturstiftung der Länder) were adopted on 17 November 1987, as presided by Franz Josef Strauß, Minister-President of Bavaria.

The foundation shall have the following Statutes:*

SECTION 1 – NAME, SEAT, LEGAL FORM

(1) The name of the Foundation shall be “Kulturstiftung der Länder” (Cultural Foundation of the German Federal States).

(2) It shall be a foundation under civil law with legal capacity and shall have its seat in Berlin.

SECTION 2 – PURPOSE OF THE FOUNDATION

(1) The purpose of the Foundation is to support and preserve art and culture of national standing.

(2) The purpose of the Foundation shall be realised in particular by:

1. Financially supporting the acquisition of cultural objects of particular importance to German culture and worthy of preservation, especially in order to prevent them from being transferred abroad or in order to reacquire them from abroad, e.g. through financial and/or immaterial support of non-profit and publicly accessible cultural institutions;

2. Financially supporting and participating in projects for the documentation and presentation of German art and culture, e.g. by supporting exhibition projects, restoration projects and the release of publications of self-funded projects; support shall only be directed to projects or cultural institutions that are either non-profits or public corporations (Section 58 (2) of the German Fiscal Code, *Abgabeordnung*);

3. Financially supporting contemporary forms and developments of particular significance in the realm of art and culture, e.g. by supporting the awarding of prizes;

4. Financially supporting nationally and internationally significant artistic and cultural projects, for example by supporting selected cultural institutions from the *Länder*; only projects or cultural institutions that are either non-profits or public corporations shall be supported (Section 58 (2) of the German Fiscal Code);

(3) The Cultural Foundation shall exclusively and directly pursue public-benefit purposes as defined by the section “Tax-privileged purposes” in the German Fiscal Code. It shall act selflessly and shall not primarily pursue its own economic interests.

SECTION 3 – REGIONAL BALANCE

The Foundation's financial support of art and culture shall strive for a regional balance; this does not apply to the realisation of the Foundation's purpose as per Section 2 (2) (2).

SECTION 4 – FOUNDATION FUNDS

(1) As of 1 October 1991, the Foundation's endowment consists of securities and cash with a total value of approximately DM 500,000 as well as office equipment. In addition to the Foundation's endowment, a special fund may be formed which may be used exclusively to grant loans for the fulfilment of tasks in accordance with the Statutes. The Board of Trustees shall decide on the formation and dissolution of this special fund.

(2) To fulfil its tasks, the Foundation shall receive funds from the German federal states as stipulated by the Agreement to Establish the Cultural Foundation of the German Federal States in the most recent version.

(3) The Foundation may receive grants from the Federal Government.

(4) The Foundation shall endeavour to solicit one-time and ongoing third-party grants.

(4) The Foundation may receive support from a society of patrons (*Förderverein*).

(6) Only the proceeds from the Foundation's endowment, the annual funds from the *Länder* and third-party donations may be used towards fulfilling the Foundation's purpose, provided that these funds have been donated and earmarked for the Foundation's endowment.

(7) The Foundation's funds may only be used for purposes in keeping with these Statutes. No individual may be favoured by expenses that are alien to the purpose of the Foundation or by disproportionately high remuneration.

(8) The beneficiaries of the Foundation shall have no legal claim to benefits under these Statutes.

SECTION 5 – BODIES OF THE FOUNDATION

The foundation shall have the following bodies:

1. The Board of Trustees (*Stiftungsrat*)
2. The Executive Board (*Vorstand*)
3. The Advisory Board (*Kuratorium*)

SECTION 6 – BOARD OF TRUSTEES

(1) The Board of Trustees shall consist of one member of each of the governments of the *Länder* participating in the Foundation as well as one or two members of the Federal Government, which may also appoint state secretaries as members. Representation by proxy is permissible.

(2) The members of the Executive Board as well as the Chair of the Advisory Board and his or her deputy may participate in the meetings of the Board of Trustees in a consultative capacity.

(3) The Board of Trustees shall be chaired by the Head of Government of the *Land* currently chairing the Conference of Minister-Presidents, who in turn may be represented by proxy by another member of the *Land* government. The deputy chair is the member appointed by the government of the *Land* that chaired the Conference of Minister-Presidents the previous year. In the event that these *Länder* are not participating in the Foundation, the term of the previous chair and the previous deputy chair of the Board of Trustees shall be extended to include the time period in question.

(4) The Trustees shall be appointed by the respective governments.

(5) The Board of Trustees shall advise and decide on all matters within the Foundation's remit apart from the management of day-to-day operations.

(6) The Board of Trustees shall decide on the breakdown of the budget.

(7) The Board of Trustees shall issue by-laws for the Foundation.

SECTION 7 – RESOLUTIONS BY THE BOARD OF TRUSTEES

(1) The Board of Trustees shall reach resolutions unanimously. Each voting member of the Board of Trustees shall have one vote.

(2) Resolutions on the basis of Sections 2 (2) 1–3, 12 and regarding amendments to these Statutes require only the votes of the members from the *Länder*.

(3) Resolutions may also be made outside meetings if all voting members participate in them in writing. The resolution shall pass unanimously. If there are more than three abstentions, no resolution shall be made.

SECTION 8 – EXECUTIVE BOARD

(1) The Board of Trustees shall appoint the Executive Board, which shall consist of two individuals: the Secretary-General and his or her Deputy.

(2) The Secretary-General shall manage the day-to-day operations of the Foundation and prepare and execute the Board of Trustees' resolutions.

(3) Each member of the Executive Board shall represent the Foundation alone in and out of court. In regard to their internal relationship, the deputy member shall only act in the event that the Secretary General is absent or unable to carry out her or his duties.

(4) The members of the Board of Directors may receive an appropriate remuneration, which shall be determined by the Board of Trustees. In addition, they shall be entitled to reimbursement of necessary expenses incurred on official business.

SECTION 9 – ADVISORY BOARD

(1) The Advisory Board consists of up to 15 patrons and up to 15 subject-matter experts.

(2) The members of the Advisory Board are appointed by the Board of Trustees for a 5-year term; re-appointments are permissible. The members of the Advisory Board may be dismissed for cause.

(3) The Advisory Board can also call upon non-members to carry out individual tasks in a consultative capacity.

(4) The Advisory Board shall elect its own chair and a deputy chair.

(5) The Advisory Board shall take its decisions with a majority of votes. It has a quorum when half of the members are present.

(6) The members of the Advisory Board shall participate on a voluntary basis.

Section 10 – Duties of the Advisory Board

(1) The Advisory Board shall advise the Board of Trustees on the fulfilment of its duties, especially in regard to identifying focus areas for the financial support programmes within the Foundation's work.

(2) The members of the Board of Trustees are entitled to attend the meetings of the Advisory Board without voting rights.

SECTION 11 – BALANCE OF GRANTS

Inasmuch as Foundation funds are used to acquire particularly important artefacts of German culture that are worthy of preservation, a suitable balance shall be sought between the *Länder* in regard to the use of acquisition funding.

SECTION 12 – DISSOLUTION OF THE FOUNDATION

(1) The Cultural Foundation shall be dissolved by the Board of Trustees in the event that: at least six *Länder* have withdrawn from the agreement to establish the Cultural Foundation, the sixth *Land's* withdrawal has taken effect and the remaining funds are no longer adequate for the further sustainable fulfilment of the Foundation's purpose.

(2) In the event that the Foundation is dissolved or that the tax-privileged purposes lapse, its endowment shall be divided among the *Länder* of Baden-Württemberg, Bavaria, Berlin, Bremen, Hamburg, Hesse, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland and

Schleswig-Holstein in proportion to the amounts they contributed to its formation. The *Länder* must use it exclusively and directly for similar non-profit purposes in the spirit of these Statutes.

SECTION 13 – ACCOUNTING AND AUDITING

(1) The Court of Audit of the State of Berlin shall audit the Foundation's budgetary and economic management.

(2) Irrespective of the audit pursuant to paragraph (1), the Secretary General shall arrange for the statements of the Foundation's income and expenditures as well as its assets – these statements are to be prepared at the end of each fiscal (calendar) year – to be audited by a publicly appointed auditor or a recognised auditing company.

SECTION 14 – SUSPENSION OF VOTING RIGHTS AND CHAIR OF THE BOARD OF TRUSTEES

(1) In the event that a *Land* fails to make any payments in accordance with Section I of the Agreement on the Establishment of the Cultural Foundation of the German Federal States, apart from the jointly financed funds (see Part II of the List of Projects pursuant to Section 2 (2) no. 4), the voting rights of the member of the Board of Trustees appointed by said *Land* are to be suspended. If said *Land* is serving as chair of the Conference of Minister-Presidents at the time, the tenure of the previous chair and the previous deputy chair of the Board of Trustees (Section 6 (3)) shall be extended by the corresponding period.

(2) Paragraph (1) does not apply to the *Länder* of Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt or Thuringia until 31 December 1994.

* Statutes as of 4 June 1987, approved on 17 November 1987; amended on 12 June 1992 by a resolution of the Board of Trustees – with revisions to Sections 4, 7 and 14 – approved on 28 August 1992; amended on 24 June 1994 by a resolution of the Board of Trustees – with an addition to Section 4 – approved on 7 September 1994; amended on 5 December 1997 by a resolution of the Board of Trustees – with a revision to Section 11 – approved on 23 July 1998; amended on 11 December 1998 by a resolution of the Board of Trustees – to include feminine forms in the applicable passages of the Statutes – approved on 9 April 1999; amended on 16 June 2000 by a resolution of the Board of Trustees – with a revision to Section 9 (1) regarding the composition of the Advisory Board – approved on 18 September 2000; amended on 25 June 2007 by a resolution of the Board of Trustees – in particular, discontinuing the expanded configuration of the Board of Trustees – approved on 2 November 2007; amended on 26 November 2014 by a resolution of the Board of Trustees – with an addition to Section 8 (4) – approved on 11 June 2015; amended on 4 December 2015 by a resolution of the Board of Trustees – with a revision to Section 2 (2) and Section 12 (2) – approved on 28 February 2017; amended on 22 June 2016 by a resolution of the Board of Trustees – in particular, detailing the Foundation's mission in Section 2 (2) – approved on 19 June 2017.