

### **FOUNDATION STATUTES**

## Article 1: Name

#### The WORLD ECONOMIC FORUM

which is also known under the names of

FORUM MONDIAL DE L'ÉCONOMIE

WELTWIRTSCHAFTSFORUM

FORO MUNDIAL DE LA ECONOMIA

is a Foundation according to Article 80 et seq. of the Swiss Civil Code. The Foundation was created by Klaus Schwab on 29 January 1971; since then its statutes were modified several times. The Foundation is under the supervision of the Swiss Federal Authorities.

### **Article 2: Head Office**

The Foundation is based in Cologny/Geneva, Switzerland.

#### Article 3: Mission

The Foundation is an international organization integrating leaders from business, governments, academia and society at large into a global community committed to improving the state of the world.

To achieve its mission, the Foundation acts as a catalyst for thought leadership and action mainly in the form of public-private partnerships.

For this purpose, the Foundation identifies issues on the global, regional and industry agendas, seeks solutions and, wherever possible, creates partnerships for action.

The Foundation always acts in the spirit of entrepreneurship in the global public interest, combining the forces of creative thinking, innovative initiatives and intellectual integrity with the will to advance peace and prosperity in the world.

In its activities, the Foundation fully respects the essential role played by governments and international organizations, in particular by the United Nations, as well as by their various affiliated institutions.

#### Article 4: Status

The Foundation is a public interest, not-for-profit organization. The Foundation is independent and does not pursue any political or ideological interests. In its activities the Foundation proves in all circumstances its independence and impartiality.

#### Article 5: Duration

The duration of the Foundation is indefinite.

## **Article 6: Associated Communities**

The Foundation engages in the creation and management of high-level personalized communities. In this respect, the Foundation may create different forms of partnerships, memberships and associations under its legal framework.

The Foundation may elaborate special directions defining the rights and obligations of these different categories of associated communities.

#### Article 7: Affiliated Organizations

The Foundation may create, participate in, promote and support other legal entities if they contribute to the purpose of the Foundation. The relationship has to be defined in affiliation agreements.

#### **Article 8: Academic Programmes**

The Foundation may create its own academic programmes and issue corresponding academic degrees.

# Article 9: Initial Endowment and Financing

At the creation of the Foundation, the initial endowment was Swiss Francs 25,000.00.

The financing is mainly assured by annual fees of associated communities and their cost contributions for services provided.

The Foundation may accept donations, legacies, grants and other third-party contributions or subsidies provided that they do not contradict its mission (see Art. 3 of the Statutes), that they do not affect its independence and that they are not linked to any restricting objective.

To guarantee its long-term autonomy, the Foundation shall endeavour to establish sufficient reserves to assure its development and independence.

The Foundation will use the funds at its disposal pursuing a cautious financial strategy. In case of necessity the foundation capital may be appropriately reduced.

### **Article 10: Bodies**

The Foundation bodies are:

- 1. The Foundation Board
- 2. The Committees of the Foundation Board
  - a) Executive Committee
  - b) Other Committees
- 3. The Managing Board
- 4. The Auditors

### **Article 11: The Foundation Board**

The Foundation Board supervises the activities of the Foundation and its bodies. It acts as the Board of Trustees.

The Foundation Board establishes, modifies and abolishes, as the case may be, the statutory dispositions, applicable to the activities of the Foundation and to those of the institutions associated with it.

The Foundation Board defines the rights, obligations and powers of the various Foundation bodies.

Specific rules regarding the decision-making processes of the Foundation Board are stipulated in the Regulations.

All modifications, additions or suppressions of statutory and regulatory dispositions and their entry into force are subject to prior approval by the Supervisory Authority.

#### Article 12: Composition of the Foundation Board

The Foundation Board is composed of at least 12 personalities from business, politics, academia and civil society who identify themselves particularly with the Foundation's mission and who contribute through their own involvement to the realization of its objectives.

Mr Klaus SCHWAB who created the Foundation, or at least one member of his immediate family designated by it, is a member of the Foundation Board. The Founder himself designates his successor in the Board and so forth for the latter's succession. If this disposition is not applicable, the Foundation Board will decide.

The Foundation Board co-opts its members and elects from among its members the Chairman and the Vice-Chairman (men).

Specific rules regarding the appointment of members of the Foundation Board, their representation and the term of office are included in the Regulations.

The Foundation Board meets at least twice a year. It is convened in writing generally at least 21 days before the meeting. The agenda is included in the convocation.

#### Article 13: Powers

The Foundation Board has the following non transferable powers:

- 1. to approve the strategic direction of the Foundation
- 2. to nominate the members of the Committees and their Chairmen
- 3. to appoint and remove the members of the Managing Board and its Chairman
- 4. to determine the right of signature and representation of the Foundation

- 5. to nominate the Auditors
- 6. to approve the Foundation's annual report and the annual accounts
- 7. to approve the Foundation's budget.

Additional powers and competences are more specifically described in the Regulations.

Decisions are taken with the simple majority of the members present at the meeting. In the case of equality of votes in an election or vote, the Chairman's vote is decisive.

Unless a member explicitly requests a discussion, the decisions of the Foundation Board and its Committees may also be taken by simple majority of all members by correspondence or by any other reliable means of telecommunication.

#### Article 14: The Executive Committee

The Executive Committee of the Foundation Board comprises three to nine members selected from the members of the Board. The Executive Committee includes at least the Chairman of the Foundation Board, the Vice-Chairman(men) and the Chairman of the Managing Board.

## **Article 15: Powers of the Executive Committee**

The Executive Committee oversees the activities of the Foundation and its bodies; it has the powers and responsibilities as specifically determined in the Regulations.

The following fundamental powers are delegated to the Executive Committee:

 to develop the Regulations defining the rights, obligations and powers of the various Foundation bodies and to submit these to the Foundation Board for approval

- 2. to propose the candidates for membership of the Foundation Board and its Committees to the Foundation Board
- 3. to determine the strategic directions of the Foundation and to submit these to the Foundation Board for approval
- 4. to recommend the candidates for the Managing Board to the Foundation Board where appropriate
- 5. to propose the annual report, the annual accounts and the budget to the Foundation Board
- 6. to approve affiliation agreements (see article 7)
- 7. to acquire or dispose of real estate.

In general, the Executive Committee may raise any issue of importance that the Foundation faces and take any decision which is not explicitly reserved for any other body.

The Executive Committee informs the other members of the Foundation Board at regular intervals about its activities and decisions.

### **Article 16: Other Committees**

The Foundation Board may institute other Committees whose functions, powers, composition, term and organization are more precisely defined in the Regulations.

### **Article 17: Managing Board**

The tasks and powers of the Managing Board and its Chairman are defined in the Regulations of the Foundation.

In general, the Managing Board has the overall executive responsibilities for the management of the Foundation.

The Foundation Board appoints the members and the Chairman of the Managing Board and determines their respective titles.

### **Article 18: The Auditors**

The Foundation Board designates independent Auditors from outside the Foundation.

The Auditors examine the balance sheet and the accounts of the Foundation. Each year they submit a written report to the Foundation Board for deliberation.

The audit of the accounts must be completed no later than three months after the end of the fiscal year.

The beginning and end of the fiscal year is determined by the Executive Committee of the Foundation Board.

#### **Article 19: Supervisory Authority**

The Executive Committee will inform the Supervisory Authority, on a regular basis, comprehensively about the activities of the Foundation.

### **Article 20: Modification of the Statutes**

The Foundation Board may at any time suggest to the Supervisory Authority, after having obtained the explicit agreement of at least three quarters of its members, to modify or amend the present Statutes and any Regulations in order to better adapt them to the needs and activities of the Foundation.

**Article 21: Dissolution** 

The dissolution of the Foundation can only be declared after a decision taken by

at least three quarters of the members of the Foundation Board inclusive of the

Founder or the representative of the Founder's family in a meeting devoted

expressly and exclusively to the purpose of this item.

Such decision requires the approval of the Supervisory Authority.

This meeting must be preceded by another meeting at least six months earlier

where the members of the Foundation Board, duly convened for this purpose,

debate without taking a decision.

In case of the dissolution of the Foundation, the Foundation Board will make a

proposal to the Supervisory Authority on how to distribute the property and funds

of the Foundation to an international governmental or non-governmental

organization with a similar goal.

**Article 22: Entry into Force** 

The present Statutes adopted today by the Foundation Board replace those

enacted on 27 January 2003, and entered into force on 26 June, 2003.

The present Statutes enter into force upon their approval by the Supervisory

Authority.

Cologny, 17 November 2006

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