

**Knowledge and Innovation Community (KIC) in the Cultural and Creative Sectors
and Industries**

“EIT CCSI”

By-Laws

of

EIT CCSI e.V.

Preamble

- (A)** EIT CCSI e.V., a non-profit association incorporated under German Law with seat at Cologne (hereinafter the **“Association”**) and its members form, together with the KIC LE and the Co-location Centre (CLC), the EIT Knowledge and Innovation Community (KIC) in the Cultural and Creative Sectors and Industries (EIT CULTURE & CREATIVITY) initiated and funded by the European Institute of Technology and Innovation (EIT).
- (B)** The purpose of the Association is the advancement of art and culture, science and research as well as upbringing and professional education in the field of Cultural and Creative Sectors and Industries (CCSI) in Europe by promoting the establishment and the development of the EIT CULTURE & CREATIVITY. In this context, the Association *inter alia* aims to empower network opportunities, collaboration, co-creation and know-how transfer within the Extended Knowledge Triangle between education, research, business, public and civil society organizations, enterprises and intermediaries, within the cultural and creative sectors and industries (CCSI) and with other sectors of the society and the economy.
- (C)** In accordance with Clause 10.2.9 of the Articles of Association (AoA) the General Assembly of the Association may adopt By-Laws (*Vereinsordnung*) of EIT CCSI e.V. supplementing the AoA of the Association.

NOW THEREFORE, the General Assembly of the Association has adopted in its founding meeting dated 5 April 2023 the following By-Laws (*Vereinsordnung*):

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1. Definitions

Terms with a capital letter in these By-Laws shall have the meaning as defined in this Clause 1:

Affiliate	shall mean a legal entity that belongs to the same Group.
Admission Application	shall have the meaning as set out in Clause 4.2.1.
Articles of Association or AoA	shall mean the core regulations governing the Association (<i>Satzung</i>) as adopted by the General Assembly in its founding meeting dated 5 April 2023 and as amended from time to time.
Association	shall mean the non-profit association called "EIT CCSI e.V." established as <i>eingetragener Verein</i> (e.V.) under German law to which these By-Laws relate.
Associate Executive Board Members	shall have the meaning as set out in Clause 6.2.1.
Business Plan	shall mean the business plan as defined in the Partnership Agreement prepared by the management of the KIC LE.
Business Partner	shall have the meaning as set out in Clause 4.4.7
Business Partner Special Contribution	shall have the meaning as set out in Clause 4.4.7.
Co-Location Center or CLC	shall mean an organization established in each CLC region that is organized in the form of a separate legal entity wholly owned or controlled by the KIC LE.
Confidential Information	shall mean any data, materials, trade secrets or other information of a confidential nature in whatever form or mode of communication (including, without limitation: written, oral, visual, electronic, magnetic, digital form), which is directly or indirectly disclosed by a Member ("Disclosing Party") in connection with the Association's activities, previously not disclosed in any publication and explicitly classified and identified by the Disclosing Party as "Confidential Information", "confidential", "secret" or similar (either verbally or in writing) before or at the time of the disclosure. In the case of oral disclosure, the confidential nature of the disclosed matter shall be confirmed and designated by the Disclosing Party in writing within 30 calendar days following the disclosure. Confidential Information includes also all copies, presentation, reproduction, summaries, analyses, extracts or other documents or records holding the Confidential Information.
Confidential Minutes	shall have the meaning as set out in Clause 10.1.2.

EIT	shall mean the European Institute of Innovation and Technology, established by Regulation (EC) N° 294/2008 of the European Parliament and of the Council of March 11 2008.
EIT CULTURE & CREATIVITY	shall mean one of the EIT Knowledge and Innovation Communities (KIC). This is an autonomous collaborative partnership of higher education institutions, research organizations, companies and other stakeholders in the innovation process in the form of a strategic network based on joint mid-to long-term innovation planning to achieve the EIT strategic objectives in the Cultural and Creative Sectors and Industries (CCSI) comprising the Association, the KIC LE, the CLC's and its Partners.
EIT RIS Eligible Countries	shall mean the countries eligible to take part in the EIT Regional Innovation Scheme (RIS).
ELSI Board	shall mean an advisory body mandatory under the PA which shall be established on the level of KIC LE in order to advise its management on ethical and social aspects including the implementation of processes to ensure that the actions of EIT CULTURE & CREATIVITY reflect the key principles of good governance and good conduct.
Executive Board	shall mean the corporate body of the Association competent for the management of the day to day business and operations of the Association as described in Clause and composed by the chairperson, the deputy of the chairperson and the treasurer.
Extended Executive Board	shall have the meaning as set out in Clause 13.7 of the AoA.
Extended Knowledge Triangle	shall mean higher education, research and innovation, business, public and civil society organizations within the cultural and creative sectors and industries (CCSI) and the integration of these areas.
General Assembly	shall mean is the highest corporate body of the Association competent for all matters which are not assigned to other corporate bodies of the Association and composed by the Core Partners (with voting rights) and Cooperation Partner (no voting rights).
Group	shall have the meaning as set out in Clause 3.3. of the AoA.
IP-Board	shall mean an advisory body mandatory under the PA which shall be established on the level of KIC LE in order to advise its management on intellectual property rights related issues.
KIC LE	shall mean EIT Culture & Creativity GmbH, a German limited liability company wholly owned by the Association, which shall operate as Knowledge and Innovation Community Legal Entity for the EIT CULTURE & CREATIVITY in accordance with the PA.
KIC Added Value Activities or KAVA	shall mean activities carried out by EIT CULTURE & CREATIVITY, in accordance with the Business Plan, contributing to the

		integration of the Extended Knowledge Triangle, including the establishment, administrative and coordination activities of the EIT CULTURE & CREATIVITY, and contributing to the overall objectives of the EIT. KAVA is included in the EIT CULTURE & CREATIVITY Business Plan and fully or partly funded by the EIT.
Large Member		shall mean a legal entity which is a Member of the Association, and meets the following criteria: <ul style="list-style-type: none">- employing more than 250 (two hundred and fifty) full time equivalents; and- having a turnover exceeding EUR 50,000,000 (Euro fifty million); or- having a balance sheet total exceeding EUR 43,000,000 (Euro forty-three million), each as demonstrated in the annual accounts.
Nominated Representative	Repre-	shall have the meaning as set out in Clause 5.1.1(b).
Material Transactions		shall have the meaning as set out in Clause 6.4.3.
Medium-sized Member	Mem-	shall mean a legal entity which is a Member of the Association, and meets the following criteria: <ul style="list-style-type: none">- employing not more than 250 (two hundred and fifty) full time equivalents; and- having a turnover not exceeding EUR 50,000,000 (Euro fifty million); or- having a balance sheet total not exceeding EUR 43,000,000 (Euro forty-three million), each as demonstrated in the annual accounts.
Member		shall mean a natural person or a public or private legal entity that is member of the Association as Core Partner or Cooperation Partner.
Partnership Agreement or PA	Agree-	shall mean the agreement between the KIC LE/Association and the EIT as amended from time to time, laying down the general terms and conditions under which the EIT CULTURE & CREATIVITY shall operate. A copy of the Model Partnership Agreement in agreed form is attached as <u>Annex</u> to this By-Laws.
Permanent Representative	Repre-	shall have the meaning as set out in Clause 5.1.1(a).
Rules of Use		shall mean the regulation as adopted by the Executive Board and amended from time to time which defines the terms of use of the facilities of the Association and other offers and services

made available by the Association (e.g. material resources, contacts and networks), including the charges and fees applicable for the respective use of the facilities, services and offers.

Small Member

shall mean a legal entity which is a Member of the Association, and meets the following criteria:

- employing not more than 50 (fifty) full time equivalents; and
- having a turnover not exceeding EUR 10,000,000 (Euro ten million); or
- having a balance sheet total not exceeding EUR 10,000,000 (Euro ten million);,

each as demonstrated in the annual accounts.

Strategic Agenda

shall mean the document as developed by the management of the KIC LE and adopted by the General Assembly of the Association that defines the targets of EIT CULTURE & CREATIVITY in the field of education, research, innovation, and business creation for a period of 7 years and provides a roadmap for the execution of such targets.

Supervisory Board

shall mean the corporate body of the Association competent for the monitoring and supervision the Executive Board of the Association and composed by at least seven (7) and at most eleven (11) natural persons.

2. General purpose of the By-Laws

- 2.1** These By-Laws supplement the provisions of the AoA of the Association and specifies the rights and duties of its Members as well as the governance, organization and activities of the Association and the EIT CULTURE & CREATIVITY. If these By-Laws are open to interpretation or supplementation, they shall be interpreted and supplemented in accordance with the provisions of the AoA and Partnership Agreement with EIT.
- 2.2** In the event of a conflict or the incompatibility of any of the provisions of these By-Laws with the provisions of the AoA, the AoA shall always take precedence.
- 2.3** These By-Laws are binding for all Members of the Association and govern together with the AoA and the German statutory law the rights and obligations of the Members.
- 2.4** The corporate bodies of the Association shall be obliged to conduct the business and the affairs of the Association and the EIT CULTURE & CREATIVITY in accordance with these By-Laws.

3. Compliance with the Partnership Agreement

- 3.1** The EIT CULTURE & CREATIVITY as institutionalized European partnership shall act in the EU public interest and shall be committed to implement the European vision, law, principles, ethical standards and values. For this purpose, the Association and the KIC LE, have entered or will enter into the Partnership Agreement (PA) with the EIT, on behalf of EIT CULTURE & CREATIVITY and with the authorization of the General Assembly of the Association. In line with the PA, these By-Laws, together with the AoA, aim to transpose the provisions of the PA and its key principles of, *inter alia*, good governance, good conduct, openness and transparency as well as anti-fraud and diversity in the Association in order to ensure that the Association, its members and its corporate bodies endorse and implement the PA and co-operate in a coordinated and integrated way and work towards reaching the objectives set out in the Strategic Agenda of EIT CULTURE & CREATIVITY.
- 3.2** The Association, its corporate bodies and its Members shall be committed to the principles and objectives of the EIT CULTURE & CREATIVITY. As long as the Association and/or the KIC LE are parties to the Partnership Agreement with the EIT, the Association, its corporate bodies and its Members shall carry out its activities within the EIT CULTURE & CREATIVITY in accordance with the Partnership Agreement.
- 3.3** In particular, the corporate bodies of the Association shall ensure an open and high-quality decision-making process. The corporate bodies of the Association acknowledge the principle that the supervisory function is separated from the operations and when taking decisions, checks and balances should be taken into account.
- 3.4** A copy of the Partnership Agreement will be made available to each applicant for membership together with these By-Laws. The Members undertakes to take part in the efficient implementation of the EIT CULTURE & CREATIVITY and to cooperate, perform and fulfil their obligations under the Partnership Agreement. The Members acknowledge and accepts that the compliance with the Partnership Agreement by the Members will be monitored and controlled by the KIC LE on behalf of the Association.
- 3.5** Any Member who participates in KIC Added Value Activities and, thus, benefits from financial support under a grant awarded by EIT will, starting from year 2024, further enter into separate contractual arrangements under a financial support to third party agreement with the KIC LE, under which the respective Member (like any other third party receiving a KIC subgrant) assumes the grant-related obligations requested by the EIT and to be implemented by the KIC LE.

4. Rules for Members

4.1 General Application Requirements

- 4.1.1** In accordance with Clause 3.2 of the AoA the applicant must comply with the following requirements for application of membership in the Association:

- the applicant is a public or private legal entity or a natural person;
- the applicant approves and supports the purposes of the Association;
- the applicant resides or has his/her/its registered office within the European Union, the United Kingdom (UK), Switzerland and/or a third country associated with the Horizon Europe Programme;
- the applicant is active within at least one of the aforementioned countries in the Extended Knowledge Triangle (education, research, business, public and civil society organizations) in the Cultural and Creative Sectors and Industries (CCSI).

4.1.2 By submitting the membership application, the applicant adheres to the AoA, the By-Laws and any further internally rules of the Association (including Code of Conduct and Anti-fraud Strategy) in the respective valid version in case of acceptance of the application.

4.2 Application Form

4.2.1 According Clause 4.1 of the AoA, the application for admission to the Association (“**Admission Application**”) must be addressed in writing to the Executive Board. The Admission Application shall contain in particular the following:

- (a) Name of applicant;
- (b) Type of membership to be applied for (ordinary membership as a Core Partner or extraordinary (supporting) membership as a Cooperation Partner);
- (c) Registered office (in case of legal persons);
- (d) Email address;
- (e) Postal address;
- (f) Website address of applicant (if any);
- (g) Name and title of person to represent the applicant in the Association;
- (h) Acknowledgement of receipt of the AoA, the By-Laws, the Partnership Agreement as well as any other internal rules of the Association binding for the Members;
- (i) Confirmation by the applicant that he/she/it will comply with the AoA, the By-Laws, the Partnership Agreement, the decisions of the bodies of the Association and any further internal rules of the Association once it becomes a Member
- (j) List of any Affiliates, which are or have been a Member of the Association or which are in the process of joining the Association as Member; and
- (k) Description of the intended activities and contributions to promote the purposes, tasks and activities of the association.

4.2.2 The Executive Board may adopt the content of the Admission Application in its free discretion from time to time.

4.3 Change of membership status

4.3.1 According to Clauses 4.1 and 5.6 of the AoA, a Member is entitled to change between an ordinary membership as a Core Partner and an extraordinary (supporting) membership as a Cooperation Partner and vice versa.

4.3.2 The respective change request in the membership must be addressed in writing to the Executive Board in observance of a notice period of three (3) months to the end of a financial year in order to become effective in the following financial year. The Executive Board shall comply with any change request made in due time.

4.4 Annual Membership Fee, Special Contributions/Charges

4.4.1 According to Clauses 6.2 and 10.2 of the AoA, the amount of the annual membership fee shall be determined by the General Assembly upon proposal of the Executive Board. The respective proposal by the Executive Board shall be derived from the annual budget plan for the Association to be prepared by the Executive Board for the respective next financial year.

4.4.2 The annual membership fee shall be determined separately for each membership category (Core Partner and Cooperation Partner). In compliance with the financial sustainability requirements of the KIC the annual membership fees shall exclusively be used to promote the purposes of the Association within the framework of the EIT CULTURE & CREATIVITY as set out in the as in the AoA and the Strategic Agenda approved by the General Assembly.

4.4.3 No annual membership fees will be charged for the year of the establishment of the Association (2023). The obligation to pay annual membership fees thus begins with the financial year 2024.

4.4.4 The annual membership fee for Core Partners as ordinary Members of the Association amount to

EUR 25,000 (in words: Euro twenty-five thousand).

The annual membership fee for Cooperation Partners as extraordinary (supporting) Members depends on the size/type of the respective Member (natural persons (such as Students/Freelancers/Self-Employed Entrepreneurs), Small Members, Medium-sized Members and Large Members) and shall amount as shown in the following table:

Size/Type	Annual Membership Fee
Natural Persons	EUR 1,000
Small Members	EUR 5,000
Medium-sized Members	EUR 15,000
Large Members	EUR 20,000

- 4.4.5** All annual membership fees for Members located in any of the EIT RIS Eligible Countries will be adjusted downwards following the Country Correction Coefficient used in Horizon Europe's Marie Skłodowska-Curie programme.
- 4.4.6** In addition to the annual membership fees, according to Clause 6.2. of the AoA, special contributions and/or charges up to an amount of two annual membership fees may be levied by resolution of the General Assembly to finance special projects. The Executive Board will include the corresponding projects, if any, in the annual budget plan for the respective next financial year to be approved by the General Assembly in accordance with Clause 10.2 of the AoA. Any special contributions and/or charges shall be levied only in proportion to the amount of the annual membership fee payable by the respective member, thus, taking into account the membership category (Core Partner or Cooperation Partner) as well as within the group of the Cooperation Partners the size/type of the respective Member (natural persons, Small Members, Medium-sized Members and Large Members).
- 4.4.7** From Members who are not public institutions or tax-exempt entities/organisations (the "**Business Partner**"), special contributions and/or charges may also be levied by resolution of the General Assembly in accordance with Clause 6.2. of the AoA in order to finance projects of the KIC LE (the "**Business Partner Special Contribution**"). The funds generated by the Business Partner Special Contribution shall be forwarded to the KIC LE and shall be used for economic purposes in connection with the purposes of the Association as described in Clause 2 of the AoA ("*Verwendungsauflage*"). The funds generated under the Business Partner Special Contribution shall in particular be used for the capitalization of the KIC LE and its subsidiaries (including the CLCs), as liquidity buffer for costs in connection with KIC Activities ineligible for EIT funding as well as to fund other economic activities of KIC LE.
- 4.4.8** The annual membership fee specified herein shall apply for the financial year 2024 and for future financial years until the General Assembly resolves on a new membership fee scheme. Any new membership fee scheme resolved by the General Assembly shall either be included in the By-Laws or otherwise communicated to all Members (including future Members).
- 4.4.9** For the avoidance of doubt: It shall be safeguarded that any membership fees and other financial contributions/charges of Members which are public institutions or tax exempt entities/organizations shall only be used by the Association for tax exempt purposes as set out in Clause 2 of the AoA.
- 4.4.10** The annual membership fees for every financial year are due by 31 January of the respective year; this also applies to any special contributions and/or charges adopted by the General Assembly in accordance with Clause 6.2. of the AoA (including the Business Partner Special Contribution), unless the respective resolution provides for another due date. If the membership begins during the course of an ongoing financial year (first year of membership), the new Member has to pay the annual membership fee and any other special contributions and/or charges adopted by the General Assembly (if applicable) in full for the respective ongoing financial year. The respective amount has to be paid by the new Member within 30 days after the beginning of his/her/its membership in accordance with Clause 4.5 of the AoA.

4.4.11 The annual membership fee and any special contributions and/or charges adopted by the General Assembly (if applicable), have to be paid by bank wire transfer to a bank account of the Association as separately indicated by the Executive Board.

4.5 Use of facilities, services and offers of the Association

The Members are entitled to use the facilities of the Association and other offers and services made available by the Association (e.g. material resources, contacts and networks) in accordance with the respective Rules of Use as adopted by the Executive Board. The Rules of Use shall also define the charges and fees applicable for the respective use of the facilities, services and offers. The access to the facilities, offers and services of the Association as well as the charges and fees may vary depending on the membership category (Core Partner or Cooperation Partner).

5. Rules for the General Assembly

5.1 Representation of Members in the General Assembly

5.1.1 Each Member is represented in meetings of the General Assembly by one delegate. For the purpose of organizing their representation in the meetings of the General Assembly, Members have the following options:

- (a) The Member is represented by the person who has been indicated vis-à-vis the Executive Board in accordance with Clauses 4.6 and 6.3 of the AoA as representative who shall exercise the membership rights vis-à-vis the Association (the “**Permanent Representative**”); or
- (b) the Member nominates for each separate meeting a representative on the basis of a written power of attorney provided specifically for that meeting (the “**Nominated Representative**”). The power of attorney must either be signed on behalf of the Member by the Permanent Representative or by the legal representative(s) of the respective Member.

5.1.2 Any Nominated Representative (indicating the name and e-mail address and including the underlying power of attorney) as well as any change of the Permanent Representative in accordance with Clause 6.3 of the AoA shall be communicated to the Executive Board at least one week prior to the meeting of the General Assembly in order to be effective. The Executive may depart from this rule and also accept communications after the above deadline.

5.1.3 No member of the Supervisory Board or the Executive Board shall be allowed to act as a representative at the Partner Assembly.

5.2 Virtual meetings of the General Assembly

5.2.1 According to Clause 12.4 of the AoA, the General Assembly may be held in the form of a face-to-face meeting, a simultaneous virtual meeting (i.e. without the presence of the members at a meeting place, in particular by means of any kind of telecommunication and data transmission) or a combination of a face-to-face meeting and a simultaneous virtual meeting (semi-virtual or hybrid). The decision on the form of the meeting is at the free discretion

of the Executive Board. In order to enable the widest possible participation of Members in the General Meeting, the Executive Board will provide for virtual participation in the General Assembly as a rule.

- 5.2.2** In case a virtual participation in the General Assembly is provided for, the invitation shall specify the software enabling members to participate in the General Assembly. The software shall be a software generally available in the market or made available by the Association to the Members.

6. Rules for the Executive Board

6.1 Criteria and Election of the Executive Board

- 6.1.1** In the terms of Clause 13.1 of the AoA the Executive Board of the Association consists of three individuals (chairperson, deputy of the chairperson and treasurer). All three members must be “external independent persons” as specified in Clause 13.2 of the AoA in order to avoid conflict of interest with Members. The members of the Executive Board shall be highly qualified and have a professional background in the thematic fields of the extended knowledge triangle of the EIT CULTURE & CREATIVITY, including the public administration and/or the culture/cultural heritage organizations. The Executive Board composition should be balanced in terms of regions knowledge areas and gender. At least one member of the Executive Board should come from a RIS Region. The chairperson shall have a relevant network in the EIT CULTURE & CREATIVITY sector and experience as board member.
- 6.1.2** Based on the criteria set out above in Clause 6.1.2, the Supervisory Board shall prepare a profile of skills and expertise for the candidate(s) and initiate a public, open and transparent call for candidates that meets the mandatory requirements of the EIT for such calls. For the avoidance of doubt: Candidates for the Executive Board shall be selected by the Supervisory Board exclusively through a public, open and transparent call for candidate’s procedure compliant with the mandatory EIT requirements.
- 6.1.3** In accordance with Clause 13.3 of the AoA, the members of the Executive Board are elected by the General Assembly upon proposal by the Supervisory Board by simple majority. Only persons proposed by the Supervisory Board may be elected to the Executive Board. The proposal for a candidate shall be accompanied by a curriculum vitae, providing information on the candidate’s relevant knowledge, skills and professional experience; it shall be supplemented by an overview of the candidate’s material activities in addition to the Executive Board mandate and a motivation letter.
- 6.1.4** In accordance with 12.5 of the AoA, the chair of the meeting of the General Assembly shall be transferred to the chairperson of the Supervisory Board for the duration of the process of the election of Executive Board members and preceding discussions.

6.2 Nomination of Associate Executive Board Members

6.2.1 According to Clause 13.7 of the AoA, the Executive Board may be complemented by an indefinite number of advisors ("**Associate Executive Board Members**") composing, together with the Executive Board, the Extended Executive Board. The Associate Executive Board Members are appointed and revoked by the Executive Board and shall advise the Executive Board in all matters relevant for the KIC. The Associate Executive Board Members may also be Members of the Association or work for a Member of the Association. The Associate Executive Board Members shall reflect diversity in terms of gender, geographical and professional background and shall be representative of all relevant areas of the Extended Knowledge Triangle.

6.2.2 It is at the sole discretion of the Executive Board to decide on the nomination of Associate Executive Board Members and their revocation. If the Executive Board decides to nominate one or several Associate Executive Board Members, it shall prepare a profile of skills and expertise for the candidate(s) meeting the requirements as set out above in Clause 6.2.1 above and select appropriate candidate(s) in a public and open call process in compliance with mandatory requirements of the EIT for such calls. The Members shall be informed about any nomination of Associate Executive Board Members in accordance with Clause 6.6.2 below.

6.3 Incompatibility

Members of the Executive Board as well as Associate Executive Board Members must not be simultaneously members of the Supervisory Board, the board of managing directors of the KIC LE, the IP-Board or the ELSI Board or have a function in the management of the CLCs.

6.4 Conduct of business of the Association by the Executive Board

6.4.1 In line with Clause 14.4 of the AoA, the Executive Board in its entirety and each single member of the Executive Board shall conduct the business of the Association in accordance with the statutory law, the AoA, these By-Laws and on the basis of the resolutions adopted by the General Assembly.

6.4.2 Within the embedded legal framework specified in 6.4.1, the Executive Board may adopt internal rules of procedure to be approved by the Supervisory Board. Notwithstanding the joint responsibility of the Executive Board for managing the Association's business and operations the Executive Board may assign in the rules of procedure individual areas of responsibilities to the respective members of the Executive Board. However, each member of the Executive Board shall always subordinate the interests of his/her area of responsibilities for the benefit of the Association.

6.4.3 All measures and transactions that are important for EIT CULTURE & CREATIVITY as a whole or beyond the scope of ordinary business activities of the Association (the "**Material Transactions**") require prior approval of the Supervisory Board of the Association and may not be taken by the Executive Board without such prior approval. Any requirements for prior approval of actions and measures stipulated under the AoA remains unaffected. In particular, the following measures and transactions constitute Material Transactions in the aforementioned sense and, thus, require prior approval of the Supervisory Board:

- (a) adoption of the annual plan for the Association to be presented to the General Assembly for approval;
- (b) adoption of the annual financial statement to be presented to the General Assembly for approval;
- (c) appointment and dismissal of members of the Board of Managing Directors of the KIC LE and any other subsidiaries of the Association as well as conclusion, amendment or termination of the service agreements with the respective Managing Directors;
- (d) exercise of the shareholder rights in the KIC LE and any other direct subsidiaries of the Association in relation to all matters, upon which the shareholders' meeting of the KIC LE or the respective other direct subsidiaries have to decide according to mandatory statutory law or the respective statutes of the KIC LE or the other direct subsidiaries, respectively (e.g. amendment of the statutes, measures under the German Transformation Act (UmwG); if members of the Supervisory Board also assume offices in supervisory boards of the KIC LE or other direct subsidiaries of the Association, any decisions on (i) the remuneration or compensation for their respective activities in such supervisory board, (ii) their discharge or (iii) any similar measures that have an inherent conflict of personal interest do not require the prior approval of the Supervisory Board of the Association.
- (e) entering into, amendment or termination of the Partnership Agreement on behalf of the Association;
- (f) entering into or amendment of legal transactions and/or contracts between the Association or one of its Affiliates on the one hand, and a member of the Executive Board (or an Affiliate/related party of a member of the Executive Board) on the other hand; or
- (g) approval of Code of Conduct and Anti-fraud Strategy;
- (h) making individual investments exceeding an amount of EUR 100,000.00, unless these investments are provided for in the annual plan for the Association already approved by the Supervisory Board;
- (i) entering into individual contracts triggering an annual payment obligation, expenses, liabilities or indebtedness for the Association exceeding EUR 100,000.00 (e.g., leasing, rent, contract for delivery) and any increase of the volume of an existing contract exceeding EUR 100,000.00, in each case unless already provided in the annual plan already approved by the Supervisory Board;
- (j) any disposal, sale, pledge or transfer of assets of the Association, if such transaction individually exceeds EUR 100,000.00 in a given financial year, or, if such transaction pertains to material assets of the Association;
- (k) any formation or liquidation of subsidiaries or other entities, any disposal, acquisition or sale of interests in other entities, as well as any acquisition or sale of business establishments in its entirety or substantial parts thereof;
- (l) any formation, acquisition, closure and sale of establishments, branches, or branch offices of the Association;

- (m) any disposal, acquisition, sale or encumbrance of real property, rights equivalent to real property and any other measure with equivalent effect;
- (n) providing collateral, issuing suretyships, guarantees or joint liability, as well as entering into bills payable;
- (o) any incurrence of financial debt (loans or credit, including factoring agreements) exceeding EUR 50,000.00 in the aggregate, unless the incurrence of financial debt is provided for in the annual plan for the Association already approved by the Supervisory Board;
- (p) appointment of external auditor (certified public accountant or auditing company);
- (q) any other transactions which, by their nature, scope and magnitude of risk or for other reasons, exceed the ordinary scope of the Association's ordinary business activities or are important for as a whole.

6.4.4 The Executive Board and Supervisory Board shall cooperate closely to the benefit of the Association and the EIT CULTURE & CREATIVITY as a whole.

6.5 Governance of KIC LE

6.5.1 The Association will be the sole shareholder of the KIC LE. Thus, the Executive Board is competent to represent the Association in the shareholder's meeting of the KIC LE under the control and supervision of the Supervisory Board the approval of which is required pursuant to Clause 6.4.3(d) above when exercising the shareholder rights in the KIC LE. The shareholder's meeting of the KIC LE is, *inter alia*, competent for:

- adoption and amendment of the statutes of the KIC LE;
- determination of the annual financial statements, including resolving on profits distribution and appropriation;
- appointment, dismissal and discharge of the managing directors of KIC LE; and
- appointment and dismissal of the members of the IP-Board and ELSI Board.

6.5.2 The board of managing directors (*Geschäftsführer*) of the KIC LE shall consist of up to four directors, including the chief executive officer (CEO) as chairperson, who is core representative of the KIC LE granted with the corporate power to represent the KIC LE alone. All members of the board of managing directors of the KIC LE must be external independent persons. An "external independent persons" shall mean in this context an individual who, while serving as member of the board of managing directors is not (i) a member of the Association, (ii) a director, officer, employee, agent, consultant or (direct or indirect) shareholder, partner or member of any Member of the Association or an Affiliate of a Member, (iii) a person with a direct or indirect financial interest in any contract with any member of the Association or an Affiliate of a Member, or (iv) a direct relative (spouse, life partner, parent, sibling or lineal descendant) of any person referred to in clauses (i) to (iii). The CEO shall be appointed for a maximum term of office of up to four (4) years. Reappointment or extension of the term of office, in each case for a maximum term of up to four (4) years, shall be permissible once, subject to the CEO may remain in office until a successor is appointed. The statutory right of dismissal of the CEO by the shareholder's meeting of the

KIC LE at any time and the right of the CEO to resign from office at any time shall remain unaffected. This shall apply mutatis mutandis to the contract of employment, which shall provide for an ordinary right of termination for both parties in compliance with the applicable law.

6.5.3 The management of the KIC LE will be controlled and supervised by an own a supervisory board established on the level of the KIC LE which may, however, be identical in person with the Supervisory Board of the Association.

6.6 Reporting Obligations of the Executive Board

6.6.1 According to Clause 10.2.4 and 10.2.5 of the AoA the Executive Board has to submit to the General Assembly for its approval the (audited) annual financial statement as well an annual plan for the Association for the respective next financial year. The annual plan shall in particular include a budget plan of the following fiscal year (objectives and key performance indicators (KPIs), activities, finances, human resources, risks) of the Association and basic facts on its subsidiaries.

6.6.2 The Executive Board shall further inform the Members at least quarterly in appropriate form (e.g. in form of a newsletter) about the current activities of the Association and significant developments relevant for the Association and its subsidiaries.

6.6.3 The Executive Board shall establish and maintain internal procedures and reporting lines that ensure that the Supervisory Board receives all information necessary for the proper performance of its duties. This shall comprise that the Executive Board informs the Supervisory Board regularly, without delay and comprehensively, of all issues important to the Association with regard to strategy, planning, business development, risk situation, risk management and compliance. In this context the Executive Board shall address departures in the actual development from previously formulated plans and targets, indicating the reasons for such departures. The Executives Board's reports to the Supervisory Board are, as a rule, to be submitted in writing (including electronic form). Documents required for decisions, in particular regarding the approval of Material Transactions according to Clause 6.4.3 above, are to be sent to the members of the Supervisory Board, to the extent possible, in due time before the Supervisory Board meeting. The Supervisory Board may at any time require the Executive Board to provide additional information. Between meetings, the Supervisory Board chairperson shall be in regular contact with the Executive Management– in particular, with its chairperson, in order to discuss with them issues of strategy, business development, the risk situation, risk management and compliance of the Association. The Executive Board's information and reporting duties may be specified in more detail in the rules of procedures of the Executive Board to be approved by the Supervisory Board.

7. Rules for the Supervisory Board

7.1 Criteria for Supervisory Board Members

According to Clause 16.1 of the AoA, the Supervisory Board shall consist of a minimum of seven (7) and a maximum of eleven (11) members. The majority of the members, including

the chairperson, shall be “external independent persons” as specified in Clause 16.2 of the AoA in order to avoid conflict of interest with Members. In line with Clause 16.7 of the AoA, the Supervisory Board is to be composed in such a way that (i) its members collectively have the knowledge, skills and professional experience necessary for the proper performance of its responsibilities, (ii) it reflects the diversity in terms of gender, geographical spread, inter-generational representation, cultural background and (iii) represents all relevant fields of the Extended Knowledge Triangle represented in the composition of the membership.

7.2 Supervisor Board Selection Committee

7.2.1 The Supervisory Board shall set up the Supervisor Board Selection Committee as specified in Clause 16.3 of the AoA as permanent committee. The Supervisor Board Selection Committee shall consist of five (5) members to be nominated by the Supervisory Board from among its members. At least (3) of the members of the Supervisor Board Selection Committee shall be “independent external persons” “as specified in Clause 16.2 of the AoA. The members of the Supervisor Board Selection Committee nominated by the Supervisory Board shall be approved by the General Assembly.

7.2.2 The Supervisory Board Selection Committee shall appoint one of the independent Committee members as chairperson. The chairperson shall be primarily responsible for the proper functioning of the Supervisor Board Selection Committee. He/she shall act as the spokesman of the Supervisor Board Selection Committee and shall be the main contact for the Supervisory Board.

7.2.3 The Supervisor Board Selection Committee shall have the following responsibilities:

- (a) preparation of profiles of skills and expertise for the candidate(s) of the Supervisory Board based on the criteria set out above in Clause 7.1;
- (b) determination of the number of Supervisory Board members to be proposed to the General Assembly for election in accordance with Clause 16.1 of the AoA, provided that the General Assembly may reject any proposal that exceeds the minimum number of seven (7) Supervisory Board members;
- (c) drawing up a plan for the succession of the members of the Supervisory Board, taking into account the concept of ensuring a mix of continuity and renewal of perspectives as specified in Clause 16.4 of the AoA;
- (d) initiating a public, open and transparent call for candidates that meets the mandatory requirements of the EIT for such calls;
- (e) selection of suitable and qualified candidates, and
- (f) their proposal to the General Assembly for election.

7.2.4 For the avoidance of doubt: Candidates for the Supervisory Board shall be selected by the Supervisory Board Selection Committee exclusively through a public, open and transparent call for candidate’s procedure compliant with the mandatory EIT requirements.

7.2.5 The Supervisory Board Selection Committee will hold at least one meeting per year in accordance with an annual schedule. The Supervisory Board Selection Committee shall also be convened if it is necessary or expedient for the fulfilment of its tasks. Supervisory Board Selection Committee meetings shall be convened by the chairperson of the Supervisory Board Selection Committee. The provisions in Clauses 18.2 to 18.7 of the AoA regarding the meetings and resolutions of the Supervisory Board shall apply *mutatis mutandis* to the Selection Committee, unless otherwise provided in these the By-laws.

7.3 Election of Supervisory Board Members

7.3.1 In accordance with Clause 13.3 of the AoA, the members of the Supervisory Board are elected by the General Assembly upon proposal by the Supervisory Board Selection Committee by simple majority. Only persons proposed by the Supervisory Board Selection Committee may be elected to the Executive Board. The proposal for a candidate shall be accompanied by a curriculum vitae (in compliance with the Europass CV template), providing information on the candidate's relevant knowledge, skills and professional experience; it shall be supplemented by an overview of the candidate's material activities in addition to the Supervisory Board mandate.

7.3.2 In accordance with 12.5 of the AoA, the chair of the meeting of the General Assembly shall be transferred to the chairperson of the Supervisory Board for the duration of the process of the election of Executive Board members and preceding discussions.

8. Conflict of Interest

8.1.1 The members of the Executive Board and Supervisory Board are bound to observe the Association's best interests in accordance with the EIT good governance principles as set out in the PA. In all their decisions, they must neither pursue personal interests nor exploit for themselves opportunities to which the Association is entitled.

8.1.2 Each member of the Supervisory Board shall inform the Chairperson of the Supervisory Board of any conflicts of interest without undue delay. Material conflicts of interest involving a member of the Supervisory Board that are not merely temporary shall result in the termination of that member's Supervisory Board mandate. Each Executive Board member shall disclose conflicts of interest to the chairpersons of the Supervisory Board and the Executive Board without undue delay and shall inform the other members of the Executive Board.

8.1.3 Further details on the conflict of interest policy may be set out in a Code of Conduct as elaborated by the KIC LE and adopted by the Association. The Executive Board and the Supervisory Board (including the Supervisory Board Selection Committee) shall act at all times in accordance with the Code of Conduct.

9. Other Bodies and Functions

9.1 Office of the Association (*Geschäftsstelle*)

9.1.1 According to Clause 14.5 of the AoA, the Executive Board shall be responsible for the management of any office of the Association (*Geschäftsstelle*).

9.1.2 In order to keep the structure of the EIT CULTURE & CREATIVITY as lean and efficient as possible and as long as the Executive Board not decides otherwise, the Association will not establish its own administration office with own employees but designate these tasks to the KIK LE under a separate service agreement. Without being exhaustive, the office functions contracted to the KIC LE comprises inter alia:

- (a) assistance with the organization of meetings of the Partner Assembly;
- (b) assistance with the process for application for membership and day-to-day correspondence with the Members;
- (c) supervision and monitoring of the compliance by the Members with their obligations under the PA, as transposed in the AoA and these By-Laws;
- (d) administrative support to the Executive Board and other corporate bodies of the Association;
- (e) keeping of records and accounting information; and
- (f) support with respect to (i) marketing and communications, (ii) infrastructure, (iii) accounting, (iv) finance, (v) legal and (vi) human resources.

9.2 Working Groups

According to Clause 9.2 of the AoA, the Association, by resolution of the General Assembly upon proposal of the Executive Board, establishes working groups or committees. These working groups or committees have a purely advisory function and shall not be considered as corporate bodies of the Association. The specific tasks of the working groups/ committees are assigned by the General Assembly upon proposal of the Executive Board. In line with Clause 7.1.4 of the AoA, the Core Partners are entitled to appoint members of the working groups. For this purpose, the Executive Board will make for each working group calls for the expression of interest to all Core Partners, open for at least 4 weeks.

10. Miscellaneous

10.1 Confidentiality

10.1.1 All Members of the Association and all members of the corporate bodies of the Association are bound to apply for the security of Confidential Information at least the same degree of care as it applies for the security of its own Confidential Information (but in no case less than reasonable care). They agree, that the Confidential Information (i) shall not be disclosed to any third party; and (ii) shall only be disclosed to its employees who have a need to know, and (iii) in any other case, shall not be disclosed without the prior written consent of the other Member and/or any member of the corporate bodies of the Association involved who disclosed the Confidential Information and is owner of this Confidential Information. The disclosure of information under this Clause 10.1 does not imply any title or license or right of use of the received information unless otherwise agreed between the disclosing and the receiving party

10.1.2 The disclosing Member and any member of corporate bodies of the Association may propose before a meeting within the framework of the Association that all Members or members of corporate bodies of the Association attending the respective meeting may decide

as first agenda item that this meeting shall be regarded as confidential. In this case, the minutes will be marked as confidential (“**Confidential Minutes**”) and shall be enumerating and confirming all Confidential Information exchanged or created during the meeting. Each disclosing Member and/or any member of the corporate bodies of the Association has the right to request that its Confidential Information is not included in the Confidential Minutes or included in an encrypted or limited way suitable to protect confidentiality. These Confidential Minutes will only be sent to the member’s representatives present at the respective meeting. Within 30 days of receipt of these Confidential Minutes, the Member and/or any other member of the corporate bodies of the Association present at the respective meeting shall have the chance to add and inform the other present members in written form about such information it wants to be regarded as Confidential Information and/or about any other desired changes/amendments. Additionally, in this specific case all members will receive only after the period mentioned in the sentence before, a second version of the Minutes with all the issues discussed at the meeting and not containing any Confidential Information.

10.1.3 The restrictions set out in this Clause 10.1 will not apply to any Confidential Information which (a) is, proven on the basis of written documents, rightfully known or to be in the rightful possession of the receiving Member and/or any member of the corporate bodies of the Association at the date of its disclosure by the disclosing Member and/or any member of the corporate bodies of the Association; (b) is in the public domain or generally distributed or made available to others, through no fault of the receiving Member and/or any member of the corporate bodies of the Association; (c) lawfully becomes known or available to the receiving Member and/or any member of the corporate bodies of the Association from third parties that are to the best of the receiving member’s knowledge not in violation or breach of any contractual or legal obligation of confidentiality with regard to such information; (d) is required to be disclosed by the receiving Member and/or any member of the corporate bodies of the Association to comply with applicable laws or regulations or with a court or administrative order, provided that if the receiving Member and/or any member of the corporate bodies of the Association becomes aware that it will be required, or is likely to be required, to disclose Confidential Information, it shall promptly notify, to the extent it is lawfully able to do so, the disclosing Member and/or any member of the corporate bodies of the Association and comply with the disclosing Member’s and/or any member’s of the corporate bodies of the Association reasonable instructions to protect the confidentiality of the Confidential Information; (e) at any time is independently developed by the receiving Member and/or any other member of the governing bodies of the Association who has not had access to and/or been informed of the information in question; or (f) is no longer confidential according to the disclosing Member and/or the member concerned of the corporate bodies of the Association.

10.1.4 These confidentiality obligations under this Clause 10.1 shall apply for a period of five years from the date of disclosure.

10.2 Language

10.2.1 The official version of these By-Laws is English. In case these By-Laws need to be drafted in German in order to comply with German laws, it is expressly understood that in case of discrepancies the English version shall prevail over the German version.

10.2.2 In general and except if requested otherwise by law, correspondence, the agenda of meetings, working documents and minutes of the Association will, in principle, be in English only. Except for special cases, the Association is not obliged to supply translations of documents received from outside sources.