



Statutes of the Carl Zeiss Foundation

Statutes of the Carl Zeiss Foundation

Version: October 14, 2009

As far as the interpretation of the statutes is concerned,
solely the German version will apply.

Carl-Zeiss-Stiftung, January 2021

Introduction

Entrepreneur and scientist Professor Dr. Ernst Abbe founded the Carl Zeiss Foundation (Carl-Zeiss-Stiftung) on May 19, 1889. Two days later, the Ministry of Culture of the Grand Duchy of Weimar approved its charter, thereby granting the Foundation the rights of a legal person under private law.

The Carl Zeiss Foundation has been the sole proprietor of the Carl Zeiss company since 1891 (named “Carl Zeiss AG” as of July 1, 2004). In 1919, it became sole proprietor of the Jenaer Glaswerk Schott & Gen. (renamed “Schott Glas” as of December 10, 1997 and became “SCHOTT AG” on July 1, 2004).

The founder introduced the first edition of the statutes with the following explanation:

“Before the expiration of the 50th year from the founding of the Optical Works, in fulfillment of former promises, I make known to the officials and the body of workers of this and the Glass Works, what arrangements have been made with a view to the final settlement of the constitution of both firms as well as with a view to the regulation of the scope of influence of the Carl-Zeiss-Stiftung – in that I now hereby hand to all employees engaged in the two Works the Statutes of the Carl-Zeiss-Stiftung now determined on and accepted by the Government. (...) It is my earnest desire and hope that the Optical Works and the Glass Works may flourish and thrive upon these principles, on which these statutes place both organizations - to the advantage of all who enter their portals, to the service of the common weal, to the honor of German precise technical industry. Jena, August 26, 1896. Dr. Ernst Abbe”

The operating enterprises of the Foundation in Jena, Carl Zeiss and Schott Glas, were expropriated on June 1, 1948. Thereafter, the Foundation received a new legal registered office in Heidenheim an der Brenz, Germany. Its operating enterprise Carl Zeiss became established in

Heidenheim/Oberkochen, its operating enterprise Schott Glas settled in Mainz.

The legal and economic reconstruction of the Carl Zeiss Foundation with its operating enterprises Carl Zeiss and Schott Glas in West Germany made it necessary to adapt the Foundation to new circumstances. Initially, the Managing Boards of Carl Zeiss and Schott Glas exercised the rights of the Foundation Administration. On July 1, 1959 they placed it in the hands of the Ministry of Education of the Baden-Württemberg region. As the Foundation Administration, the Ministry then appointed a Foundation Commissioner. The legal provisional arrangements caused by the war and expropriation thus ended.

1978 and 1996 important changes to the statutes came into force which mainly affected the constitutions of the operating enterprises.

Following the reunification of Germany in 1990, it proved possible to reunite significant parts of the operating enterprises in Jena which were expropriated in 1948 with Carl Zeiss and Schott Glas. In this context, the statutes were rewritten in a series of provisions. Jena once more became a registered office of the Foundation in addition to Heidenheim an der Brenz.

In the year 2003, the statutes were thoroughly revised and rewritten in connection with the transformation of the Foundation’s operating enterprises into the legal form of stock companies. The Carl Zeiss Foundation is sole shareholder of Carl Zeiss AG and SCHOTT AG.

The statutes of the Foundation were amended in 2009 to enable the previous fixed age limit for the members of the Shareholder Council to be handled more flexibly.

Heidenheim an der Brenz and Jena, January 2021
Carl Zeiss Foundation

Contents

Part 1	Constitutive provisions	6			
§ 1	Purposes of the Foundation	6	§ 18	Additional payments	25
§ 2	Name of the Foundation	7	§ 19	Maintenance of rights	26
§ 3	Assets and registered offices of the Foundation	8	§ 20	Pension scheme and compensation claims	26
Part 2	Management bodies of the Foundation	9	§ 21	Representation of interests	27
§ 4	Management bodies of the Foundation	9	§ 22	Training	28
§ 5	Foundation Administration	9	§ 23	Scope of the regulations for employees	28
§ 6	Shareholder Council	12	Part 5	Generation and use of the Foundation funds; Foundation accounting	29
§ 7	Management Advisory Board	15	§ 24	Generation and use of the funding	29
§ 8	Liability of members of the management bodies	16	§ 25	Administrative costs of the Foundation	30
Part 3	Operating enterprises of the Foundation	17	§ 26	Administrative year and accounting of the Foundation	31
	First section: Constitution of the operating enterprises	17	Part 6	Amendments to the statutes	32
§ 9	Operating enterprises of the Foundation	17	§ 27	Amendments to the statutes	32
§ 10	Executive Boards	18	§ 28	Contesting of amendments to the statutes	33
§ 11	Supervisory Boards	19	§ 29	Unalterable principles	34
§ 12	General Meetings	20	Part 7	Final provisions	35
	Second section: Activities and accounting of the operating enterprises	21	§ 30	Representation of the Foundation in the absence of the Foundation Administration	35
§ 13	Principles of economic activity	21	§ 31	Dissolution of the Foundation	35
§ 14	Accounting of the operating enterprises	22	§ 32	Publication of the statutes	36
Part 4	Rules for the employees	23	§ 33	Entry into force and transitional provisions	36
§ 15	Principles of employment	23	Attachment		
§ 16	Design of the employment relationship	23		Organizational structure of the Carl Zeiss Foundation and its operating enterprises	38
§ 17	Principles of remuneration	24		Management bodies of the Carl Zeiss Foundation	39

§ 1 Purposes of the Foundation

(1) The purposes of the Foundation are:

- to uphold the precision engineering industry by continuing to run the two operating enterprises Carl Zeiss and Schott Glas¹⁾ in accordance with these statutes and
- to promote general economic, scientific and charitable interests and institutions.

The Foundation will endeavor to ensure the economic security of the two operating enterprises and will assume social responsibility in the operating enterprises and their subsidiaries in an exemplary manner. General economic, scientific and charitable interests and institutions will be promoted on terms of political and religious neutrality.

(2) The Foundation will pursue its purposes within the operating enterprises

- a) through the activities of the operating enterprises with their characteristic purposes of the development, manufacture, processing and distribution, including the performance of services, of
- optical, precision engineering and opto-electronic products and instruments and other devices at the Carl Zeiss operating enterprise and its subsidiaries and investments,
 - products, components, instruments and other devices made from or using glass and glass ceramics and materials related in nature or purpose at the Schott Glas operating enterprise and its subsidiaries and investments,

- b) through the promotion of the general interests of the precision engineering industry within the sphere of influence of the operating enterprises and their subsidiaries and, in addition, of charitable institutions and measures benefiting the population living and working in the local environment of the operating enterprises, as far as the economic situation of the operating enterprise in question allows such promotion.

The Foundation may – without amending these statutes – change and extend the objects of its operating enterprises within the boundaries of the characteristic activities in accordance with clause 1 lit. a).

- (3) The Foundation will pursue its purposes outside the operating enterprises by the promotion of scientific and mathematical studies in research and teaching, and of other sciences underlying the activities of the operating enterprises and their subsidiaries.

§ 2 Name of the Foundation

The Foundation will bear for all time the name of
“Carl-Zeiss-Stiftung” (“Carl Zeiss Foundation”).

It is named in honor of the services of the man who laid the first foundations of the Foundation’s operating enterprises and who made lasting contributions to the combination of science and technology.

¹⁾ Since July 1, 2004: Carl Zeiss AG and SCHOTT AG

Part 2 Management bodies of the Foundation

§ 3 Assets and registered offices of the Foundation

- (1) The assets of the Carl Zeiss Foundation consist of shares in the operating enterprises Carl Zeiss and Schott Glas.
- (2) The statutory registered offices of the Foundation are Heidenheim an der Brenz and Jena.
- (3) The Foundation is subject to the law of the Baden-Württemberg region of Germany.

§ 4 Management bodies of the Foundation

- (1) The management bodies of the Foundation are
 - a) the Foundation Administration,
 - b) the Shareholder Council,
 - c) the Management Advisory Board.
- (2) The management bodies will perform the duties assigned to them in these statutes and will endeavor to work together on a basis of trust in the interests of the Foundation.
- (3) The members of the Foundation's management bodies will undertake to carry out their offices carefully and conscientiously in accordance with the provisions of the statutes, and in so doing will exclusively protect the interests of the Foundation and the operating enterprises. The members of the management bodies must maintain silence about confidential data and secrets, in particular business and trade secrets of the operating enterprises and their subsidiaries, which become known to them through their work in the management bodies.

§ 5 Foundation Administration

- (1) The members of the Foundation Administration are the Ministers with responsibility for the scientific universities of the regions of Baden-Württemberg and Thuringia. The chairmanship will be incumbent on the Minister for Baden-Württemberg.
- (2) The Foundation Administration will have the following duties:
 - a) to appoint, dismiss and discharge of their responsibilities the members of the Shareholder Council (§ 6 paragraphs 1 and 5),

- b) to administer and apply the funding (§ 24 paragraph 2) and the funds to cover administrative costs (§ 25 paragraph 1),
 - c) to prepare and approve the annual financial statements of the Foundation (§ 26 paragraphs 3 and 5),
 - d) to make amendments to the statutes (§ 27 paragraph 1),
 - e) to fulfill all the duties of the Foundation that are not assigned to another management body under these statutes.
- (3) The Foundation Administration will have its registered office in Stuttgart.
 - (4) The Foundation Administration will form the Managing Board within the meaning of §§ 86, 26 German Civil Code (BGB). It will represent the Foundation judicially and extrajudicially except where the representation of the Foundation is incumbent on the Shareholder Council in accordance with § 6 paragraph 8. The Chairman of the Foundation Administration will be authorized to issue and receive the necessary acts and deeds in the name of the Foundation Administration.
 - (5) The Foundation Administration will take decisions by resolutions on which both members must vote. A record will be made of the resolutions passed. The Foundation Administration may pass resolutions outside meetings in writing or in text form. Resolutions on amendments to the statutes (§ 27 paragraph 1) may only be passed at meetings and must be signed by both members.
 - (6) The Foundation Administration will meet at least once a year. In addition, a joint meeting with the Shareholder Council and the Management Advisory Board will take place, coordinated with the timing of the Annual General Meetings of the operating enterprises, at the invitation of the Foundation Administration. At this meeting, the Foundation Administration

will decide on the discharge of the members of the Shareholder Council from responsibility for their actions in the year ended (§ 6 paragraph 1) and the management bodies of the Foundation will report on their activities. The Foundation Administration and the Management Advisory Board will make written reports for the Foundation meeting on the use of the funding for the purposes stated in accordance with § 1 paragraph 3 and the funding in accordance with § 1 paragraph 2 lit. b) in the administrative and fiscal year just ended and the planned use of the funding in the new administrative and fiscal year, as well as, if appropriate, in the foreseeable future beyond this period.

- (7) The members of the Foundation Administration will receive for their services, in addition to reimbursement of their expenses, an annual fee from the Foundation's resources in the amount of the average of the fixed annual fees paid to the ordinary Supervisory Board members of the operating enterprises Carl Zeiss and Schott Glas.
- (8) The ongoing business of the Foundation Administration will be handled by a managing director at the registered office of the Foundation Administration. He will be appointed by the Foundation Administration, after giving the Shareholder Council a right to be heard, for a maximum period of office of five years. A deputy managing director will be appointed. The managing director will prepare the resolutions of the Foundation Administration, will have them executed and will in particular ensure the due implementation of the resolutions of the Foundation Administration on the administration and use of the Foundation's funding (§ 24). The managing director may maintain a secretary's office for the Foundation in order to conduct his business. § 4 paragraph 3 applies mutatis mutandis to the managing director and deputy managing director of the Foundation.

§ 6 Shareholder Council

- (1) The Shareholder Council will consist of a Chairman and two other members. The Chairman and the two other members will be appointed by the Foundation Administration, which will also decide on their discharge from responsibility for their actions in the relevant fiscal year just ended.
- (2) Only such persons should be appointed members of the Shareholder Council who offer a guarantee that they will perform the tasks expertly, independently and in faithful observance of the statutes on the grounds of professional experience gained from managing or extensively supervising international companies as well as their personal attitude.
- (3) The Shareholder Council may make proposals to the Foundation Administration on the person to be selected as Chairman of the Shareholder Council. Before appointing the Chairman, the Foundation Administration will give the Management Advisory Board a right to be heard on the matter. The Stifterverband für die Deutsche Wissenschaft (the business community's innovation agency for the German science system; Stifterverband) and the Deutsche Industrie- und Handelskammertag (Association of the German Chambers of Industry and Commerce; DIHK) will each have the right to propose another member of the Shareholder Council. The Foundation Administration will give the Management Advisory Board and the Chairman of the Shareholder Council a right to be heard on the matter after receiving the proposals. The Foundation Administration may reject a proposal from the Stifterverband or the DIHK for important reasons. If the Foundation Administration rejects the proposal, it will inform the Stifterverband or the DIHK immediately of the reason. The proposing institution will submit a new proposal within four weeks of receiving the Foundation Administration's message.
- (4) The members of the Shareholder Council will be appointed for a period of office of five years. If they are reappointed, a shorter period of office may be set. Their office will terminate at the end of the year in which they reach their 70th birthday; for objective reasons and in the interests of the Foundation the Foundation Administration may extend the period of office of a member of the Shareholder Council until the end of the year in which the member reaches his 73rd birthday. The successor of a member who leaves before the end of his period of office will be appointed for a period of five years.
- (5) The members of the Shareholder Council may be dismissed prematurely by the Foundation Administration for an important reason. If the Foundation Administration dismisses another member on its own initiative, it will inform the proposing institution of the important reason for the dismissal. Another member of the Shareholder Council will be dismissed by the Foundation Administration upon the written demand of the proposing institution, which must be submitted to the Foundation Administration in writing stating an important reason. Before a member of the Shareholder Council is dismissed, the Management Advisory Board must be given a right to be heard. The dismissal of a member of the Shareholder Council will be effective until its ineffectiveness becomes *res judicata*.
- (6) The Shareholder Council will have the following duties:
 - a) to exercise the rights of the Foundation arising from the shares in the operating enterprises of the Foundation, in particular to exercise the voting rights (§ 12 paragraph 1),
 - b) to act in the economic interests of the Foundation vis-à-vis the operating enterprises,
 - c) to make proposals and be heard on amendments to the statutes (§ 27 paragraphs 2 and 3),

- d) to pass resolutions contesting amendments to the statutes by the Chairman of the Shareholder Council (§ 28 paragraph 2),
 - e) to perform all other duties assigned to it under these statutes.
- (7) In the context of its duties, the Shareholder Council will see to it and will work towards ensuring that the operating enterprises comply with the provisions of these statutes, in particular that they operate and prepare and publish annual financial statements in accordance with the principles set forth in §§ 9 to 12 and in accordance with the standards contained in §§ 13 and 14 and that they comply with the principles laid down in §§ 15 to 23.
- (8) The Shareholder Council will represent the Foundation within the framework of its duties in accordance with paragraph 6 lit. a) and b) as special representatives within the meaning of §§ 86, 30 German Civil Code vis-à-vis the operating enterprises and third parties. The Chairman of the Shareholder Council will be authorized to issue and receive the necessary acts and deeds in the name of the Shareholder Council.
- (9) The Shareholder Council will take decisions by resolutions. A quorum will be constituted even if only two members participate in passing a resolution. In the event of an equality of votes, the Chairman will have the casting vote. The Shareholder Council will provide itself with rules of internal procedure and may use the Foundation secretary's office in order to conduct its business.
- (10) The Chairman of the Shareholder Council will receive for his services, in addition to reimbursement of his expenses, an appropriate fixed annual fee from the resources of the Foundation. The annual fee will be set by the Foundation Administration. Fees which the Chairman receives as a Supervisory Board member of the operating enterprises will be offset

against this fee. The other members of the Shareholder Council will receive for their services, in addition to reimbursement of their expenses, an annual fee from the Foundation's resources in the amount of the average of the fixed annual fees paid to the ordinary Supervisory Board members of the operating enterprises Carl Zeiss and Schott Glas.

§ 7 Management Advisory Board

- (1) The Management Advisory Board will consist of the members of the Executive Boards of the two operating enterprises. The members of the Executive Boards of the operating enterprises Carl Zeiss and Schott Glas will have one shared vote on the Management Advisory Board for each of the enterprises. The two Chairmen or Spokesmen of the Executive Boards of the operating enterprises will represent the Management Advisory Board together. Further details will be arranged in rules of internal procedure which the Management Advisory Board will provide for itself.
- (2) The Management Advisory Board will advise and support the other management bodies of the Foundation in the performance of their duties. In particular, the Management Advisory Board will have the following duties:
- a) to be heard before the appointment of the Chairman of the Shareholder Council by the Foundation Administration (§ 6 paragraph 3 clause 2) or before an extension of a period of office (§ 6 paragraph 4 clause 3),
 - b) to be heard before the appointment of other members of the Shareholder Council (§ 6 paragraph 3 clause 4) or before an extension of a period of office (§ 6 paragraph 4 clause 3),
 - c) to be heard before the dismissal of a member of the Shareholder Council (§ 6 paragraph 5 clause 4),

Part 3 Operating enterprises of the Foundation

- d) to make proposals and be heard on amendments to the statutes (§ 27 paragraphs 2 and 3),
 - e) to pass resolutions on the contesting of amendments to the statutes by the two Chairmen or Spokesmen of the Executive Boards of the operating enterprises together (§ 28 paragraph 2),
 - f) to perform all other duties assigned to it under these statutes.
- (3) The members of the Executive Boards of the two operating enterprises will not receive any special fee for their services on the Management Advisory Board.

§ 8 Liability of members of the management bodies

- (1) Members of the management bodies of the Foundation who breach their obligations in the performance of their office will owe the Foundation compensation for the resulting damage. The members of the management bodies of the Foundation will be liable in cases of intent and gross negligence.
- (2) Damage claims by the Foundation will be asserted by the Foundation Administration unless the state Stiftungsbehörde (the supervisory authority for foundations) is responsible.

First section: Constitution of the operating enterprises

§ 9 Operating enterprises of the Foundation

- (1) The operating enterprises Carl Zeiss and Schott Glas are intended to continue in perpetuity and be run as legally independent companies in the legal form of stock companies constituted under German law. The rights and obligations of their management bodies will be determined in accordance with the relevant statutory provisions and articles of association. The Shareholder Council must take care that the articles of association of the operating enterprises do not conflict with the provisions of these statutes.
- (2) The operating enterprises are entitled to carry out all transactions and measures that appear appropriate to serve their business purposes in accordance with § 1 paragraph 2. They may also set up, acquire or invest in other companies for this purpose and sell businesses and parts of businesses or carve them out into subsidiaries or investments. However, they may not become financial holding companies exclusively engaging in asset management through such measures.
- (3) The shares of the Foundation in the operating enterprises may not be sold. Third parties may not participate in the operating enterprises Carl Zeiss and Schott Glas, and the Foundation may not surrender its sole control over the operating enterprises in any other way. This does not apply in the cases of paragraph 4 below and § 31.

- (4) Should it prove necessary in order to defend against a threat to the continued existence of one of the operating enterprises, the Foundation will be entitled to sell shares in this operating enterprise or to allow third parties to participate in this operating enterprise by way of a capital increase. The decision on the sale of the shares or the participation of third parties by way of a capital increase will be taken by the Foundation Administration and the Shareholder Council together, after giving the Executive Board and Supervisory Board of this operating enterprise a right to be heard. The consent of all members of both these management bodies of the Foundation is required for a sale or participation through a capital increase. If the decision relates to the operating enterprise Schott Glas, prior to the decision of the foundation's management bodies the regional government of Rhineland Palatinate must have the opportunity to give an opinion on the plan within a reasonable period. The proceeds from the sale must, in the case of a partial sale, be allocated by priority to the operating enterprise whose continued existence is threatened, otherwise and in the case of a total sale it must be allocated to the other operating enterprise.
- (5) The Foundation may not take up financial or liability obligations in favor of its operating enterprises.

§ 10 Executive Boards

- (1) The Executive Boards of the operating entities will be independently responsible for their management. They will manage the business of the operating enterprises in accordance with the legislation, the articles of association, the rules of internal procedure for the Executive Boards and the provisions of these statutes. In managing the operating enterprises, the Executive Boards will work towards fulfilling the duties incumbent on the operating enterprises in accordance with these statutes.

- (2) The members of the Executive Committee of an operating enterprise will be appointed, hired and dismissed by the Supervisory Board of the operating enterprise in accordance with the applicable rules of the law and the articles of association. There must be at least three members of the Executive Board of an operating enterprise. The Supervisory Board will appoint one member of the Executive Board as the Spokesman or Chairman of the Executive Board.
- (3) The operating enterprises will be legally represented by two members of the Executive Board or one member of the Executive Board together with a Prokurist (a senior executive with extensive power of attorney in commercial matters).
- (4) The Executive Board will provide itself with rules of internal procedure with the consent of the Supervisory Board.
- (5) In setting the total remuneration, or any severance payments or pension payments, of the individual Executive Board members, the Supervisory Board must ensure that the remuneration bears a reasonable relationship with the duties and performance of the Board member and the position of the company.

§ 11 Supervisory Boards

- (1) The Supervisory Boards of the operating enterprises will be composed of representatives of the Foundation and the employees in accordance with the current rules of corporation law and co-determination law.
- (2) Persons from the business and scientific spheres with international experience who appear particularly suited to the work of a Supervisory Board on the grounds of their education, knowledge and experience should be selected as the Supervisory Board members who are elected

as representatives of the shareholder by the Annual General Meetings of the operating enterprises.

- (3) Before the election of the Supervisory Board members, the Shareholder Council will give the Foundation Administration a right to be heard as to its proposal. The Foundation Administration may reject a proposal of the Shareholder Council for an important reason and will inform the Shareholder Council immediately of the reason for the rejection. The Shareholder Council must then submit a new proposal.
- (4) The Chairman of the Shareholder Council must be elected a member of the Supervisory Boards of the operating enterprises and should be elected Chairman of the Supervisory Boards. The other members of the Shareholder Council may not be elected members of the Supervisory Boards.
- (5) At the end of his appointment as the Chairman of the Shareholder Council the Chairman must resign from his offices as member of the Supervisory Boards of the operating enterprises.

§ 12 General Meetings

- (1) The Shareholder Council will decide on the exercise of the voting rights arising from the Foundation's shares in the operating enterprises. This applies mutatis mutandis to the exercise of the other administrative rights (e.g. rights of participation, information and litigation). The Shareholder Council will inform the Foundation Administration in good time before exercising the voting right about the agenda items on which resolutions are to be passed and the proposals of the Executive and Supervisory Boards of the relevant operating enterprise on the resolutions to be passed at the General Meeting and will give it the opportunity for comment.

- (2) The voting rights and other administrative rights may be exercised at the General Meetings of the operating enterprises in accordance with instructions from the Shareholder Council by a member of the Shareholder Council or other representative appointed by the Shareholder Council for this purpose.

Second section: Activities and accounting of the operating enterprises

§ 13 Principles of economic activity

- (1) The operating enterprises must make sure in their economic activities that their financial independence from the Foundation and the other operating enterprise is preserved, their affiliation with the Foundation is not put at risk and their activities do not lead to any risk to the Foundation or the other operating enterprise.
- (2) Within the framework of the business purposes laid down in § 1 paragraph 2 lit. a), the operating enterprises must operate primarily in areas that guarantee a combination of technology and science. They should take care in their business direction and activities that technically leading-edge work will continue to be performed in the future, and should therefore aim at leadership positions in technological development.
- (3) The operating enterprises and their subsidiaries will view it as a key corporate duty to comply with high environmental standards. They will likewise be committed to industrial and health protection.
- (4) Competition among the operating enterprises and their subsidiaries should always be avoided, in order to guarantee the best possible use of the available resources. Details will be dealt with in a directive prepared by the Executive Boards of the operating enterprises, taking this goal into account.

Part 4 Rules for the employees

Should the operating enterprises be unable to agree on an individual competition issue, the Shareholder Council will submit a reasoned opinion at the request of one of the operating enterprises.

§ 14 Accounting of the operating enterprises

Each of the operating enterprises is obligated to prepare annual financial statements and consolidated annual financial statements in accordance with the accounting standards legally permissible for the operating enterprises.

§ 15 Principles of employment

- (1) No one may be disadvantaged in the operating enterprises and their subsidiaries on the grounds of race, gender, faith or religious and political beliefs. Only the skills, performance and conduct of employees will determine whether they are hired and how they are subsequently deployed.
- (2) The operating enterprises and their subsidiaries will support the skill development and autonomy of the employees and involve them in improving the business processes. The knowledge and skills of the employees will be used in the context of business decision making processes.

§ 16 Design of the employment relationship

- (1) The operating enterprises and their subsidiaries must observe the applicable statutory and collectively negotiated provisions as well as works agreements in designing employment relationships. Employees' employment contracts may not contain any rules through which the employees would be discriminated against with respect to the provisions contained in this section of the statutes.
- (2) Unless otherwise agreed in a legally permissible manner in a collectively negotiated agreement or works agreement, the design of employees' working conditions must meet the following criteria:
 - a) it may not in principle allow regular working hours on weekdays to exceed eight hours,
 - b) it may not obligate anyone to work overtime or on public holidays against his will; agreements on overtime work during undisrupted operation may not be made for more than one month,

- c) employees who have been employed for at least one year may not be refused entitlement to at least 15 working days' paid vacation per annum,
- d) employees who are appointed to voluntary services in the service of the state or community may not be refused the necessary leave to perform this work properly upon application.

§ 17 Principles of remuneration

- (1) Employees must be granted appropriate remuneration for their work, taking a good industrial standard and the financial position of the company into account. Employees must be paid the same remuneration for time not worked due to a statutory public holiday which they would have received if the time had been worked.
- (2) Apart from senior executives, employees must be paid an extra allowance for overtime and work on public holidays in the amount of at least 25% of their basic salary, unless other legally permissible, collectively negotiated provisions or works agreements apply.
- (3) Employees' remuneration which is granted on one occasion without being subject to explicit reservations or is paid for more than one year despite a reservation may not be reduced unilaterally by the operating enterprises even in the event of a temporary or long-term reduction in their working hours, unless this is permitted by other legally permissible, collectively negotiated provisions or works agreements.

§ 18 Additional payments

- (1) Employees will be entitled to appropriate payments if their company uses inventions developed by them as individuals or together with others that can be protected by patents or utility models, or suggestions for other technical innovations which cannot be protected by patents or utility models (suggestions on technical improvements). The same applies when employees contribute services to the economic benefit of their company that go significantly beyond the due performance of their duties (suggestions on business improvements). The operating enterprises and their subsidiaries must lay down the detailed prerequisites and the amount of the appropriate payment in directives unless a mandatory payment for these cases is provided for by law.
- (2) The operating enterprises and their subsidiaries will examine the possibility of appropriate profit sharing for the employees, taking into account the business situation and the industrial standard at the respective locations. In so far as the profit share is not granted to all employees equally, in other words as a certain percentage of their basic salary, the bodies with responsibility under the law on employees' representation and co-determination must be involved in setting the profit share in accordance with the relevant applicable legislation.

§ 19 Maintenance of rights

In so far as employees are temporarily prevented from performing their duties under their employment contracts, the employment will be suspended if the temporary hindrance is due to

- a) the consideration of important interests of the employee or a close relative, if the non-performance of the service is agreed with the company in which the employee works, does not continue for more than one year and the employee has already been employed at his company for five years,
- b) a call-up for military service or a military exercise or due to alternative civilian service or corresponding obligations under public law,
- c) pre-trial custody or penal confinement of no more than six months, provided that these are not based on actions by the employee which would entitle the employer to dismiss him without notice.

Such suspension will have the consequence that the employment will not be deemed to have been interrupted where rights arising from the employment depend on the period of tenure or the duration of the period of employment or service.

§ 20 Pension scheme and compensation claims

- (1) Employees will have an actionable entitlement to pension benefits (including survivor's pension) from the company in which they are employed. The prerequisites and the amount will be based on the pension scheme regulations applicable to the employees.

- (2) Employees who leave their company after an eligible service period of at least five years and lose their future pension rights will be entitled to compensation if
 - a) they joined their company before reaching the age of 40 and
 - b) the employment is dissolved by their company without an important reason for the dissolution lying in the person of the employee.
- (3) The compensation claim will be calculated from the fictional monthly future pension rights arising up to the time when the employment is terminated, multiplied by one quarter of the eligible service period actually reached, measured in months. The amount of the future pension rights and the eligible service period will be derived from the applicable pension scheme regulations.
- (4) The compensation will be due 30 days after the end of the employment. It will be inheritable. Claims to the entitlement will not be permissible after the expiry of 90 days from the due date.

§ 21 Representation of interests

- (1) The interests of the employees will be protected by the works employee representatives put in place in accordance with the prevailing legislation.
- (2) The operating enterprises and their subsidiaries will work together with the employee representatives on a basis of trust.

Part 5 Generation and use of the Foundation funds; Foundation accounting

§ 22 Training

- (1) The operating enterprises and their subsidiaries will train young people within the framework of their business requirements. The training must be designed in such a way that the trainees can reach a qualified training objective in the training period provided.
- (2) The operating enterprises and their subsidiaries will display exemplary commitment towards in-house training for their employees within the possibilities of the business. Within the framework of the prevailing rules under the law or collectively negotiated agreements, the operating enterprises and their subsidiaries will support external training for their employees.

§ 23 Scope of the regulations for employees

The regulations in §§ 16 to 22 apply to the employees of the operating enterprises and – for § 20, at least as a general rule – also to the employees of German plants belonging to subsidiaries of the operating enterprises.

§ 24 Generation and use of the funding

- (1) The Shareholder Council must ensure that the following rules on the minimum and maximum distribution are followed in decisions on the use of the operating enterprises' profit:
 - a) The net income for the year shown in the consolidated annual financial statements of the operating enterprise in question, net of the profit or loss accruing to minority interests ("consolidated net income for the year") and the share of equity in net assets shown in the consolidated annual financial statements before the use of the net income ("consolidated equity ratio") will be decisive.
 - b) If the equity ratio is up to 20%, no profit will be distributed. If the equity ratio is
 - over 20%, a minimum of 2% and a maximum of 4%,
 - over 25%, a minimum of 3% and a maximum of 7%,
 - over 30%, a minimum of 4% and a maximum of 10%,
 - over 35%, a minimum of 4.5% and a maximum of 12%,
 - over 40%, a minimum of 5% and a maximum of 14%,

of the consolidated net income for the year of the relevant operating enterprise will be distributed as net profit for the year. The decision on the amount of the distribution within the framework set above will be made by the Shareholder Council at its proper discretion with the aim of realizing the purposes of the Foundation described in § 1 to the best possible effect, particularly taking into consideration the sustainable economic security of the operating enterprises and the effective promotion of the sciences.

- (2) Decisions on the administration and use of the funding will be incumbent on the Foundation Administration. The funding should be granted in particular to universities and other research and teaching institutions in those Federal regions where the Foundation or the operating enterprises have their registered offices. The Federal regions should be considered equally as far as possible. The Foundation Administration will consult the Management Advisory Board on the use of the funding before taking its decision and will make use of representatives from the scientific community in working out funding programs.
- (3) The Foundation may only take on obligations to be fulfilled in future administrative years if their total amount is foreseeable at the time the obligation is undertaken and is covered by statutory reserves.

§ 25 Administrative costs of the Foundation

- (1) The administrative costs of the Foundation will be borne by the Foundation. The Foundation must create statutory reserves to cover the foreseeable administrative costs for three years.
- (2) Two months before the end of an administrative year, the Foundation Administration will prepare, in consultation with the Chairman of the Shareholder Council, an administrative cost budget for the coming administrative year. Budget overruns in the course of the administrative year will require the consent of the Foundation Administration and the Shareholder Council.

§ 26 Administrative year and accounting of the Foundation

- (1) The administrative year will correspond to the operating enterprises' fiscal year. If the operating enterprises have different fiscal years, the fiscal year of the operating enterprise Carl Zeiss will apply.
- (2) The Foundation is obligated to prepare and publish annual financial statements. Such preparation and publication must comply with the principles of adequate and orderly financial accounting.
- (3) The Foundation Administration will prepare annual financial statements and a management report for the Foundation for the past administrative year in the first three months of the administrative year. The annual financial statements and management report must be examined by an auditor to be appointed and instructed by the Foundation Administration before the end of each administrative year.
- (4) The commercial accounting standards for large stock companies, unless the specific features of a foundation require otherwise, will be applied to the annual financial statements of the Foundation. The management report of the Foundation must also include the report on the fulfillment of the purposes of the Foundation.
- (5) The annual financial statements for the past administrative year must be approved by the Foundation Administration within the first eight months of the administrative year of the Foundation. The Foundation Administration will publish the annual financial statements and management report.

Part 6 Amendments to the statutes

§ 27 Amendments to the statutes

- (1) Should the legal bases or technical and economic conditions change in the course of time in such a way that it becomes either immediately impossible or unfeasible within the foreseeable future to maintain the provisions of these statutes or if such maintenance would be in obvious conflict with the discernable intentions of the founder, the Foundation Administration will be entitled to amend the statutes to the extent required in order to eliminate the impossibility of maintaining, foreseeable unfeasibility or conflict with the intentions of the provisions concerned.
- (2) The Shareholder Council and the Management Advisory Board will both be entitled to submit proposals on amendments to the statutes to the Foundation Administration. In the case of a proposal from the Shareholder Council, the Foundation Administration must give the Management Advisory Board the opportunity to comment, in the case of a proposal from the Management Advisory Board, it must give the Shareholder Council the same opportunity. It must send written comments on a proposal to the other management bodies of the Foundation within two months of receiving it.
- (3) The Foundation Administration must give the Shareholder Council and the Management Advisory Board the opportunity to comment prior to any amendment to the statutes which it intends to make. The Shareholder Council and the Management Advisory Board have to comment in writing on the intended amendment to the statutes within two months of receiving the text of an intended amendment.
- (4) The Foundation Administration must give reasons in writing for the amendment to the statutes. Furthermore, it must obtain the approval of the state Stiftungsbehörde (supervisory authority for foundations)

for the said amendment. The amendment to the statutes, with the reasons for it, must be announced to the Shareholder Council, the Management Advisory Board, the operating enterprises of the Foundation, the employees of the operating enterprises and the German plants of these enterprises' subsidiaries, as well as descendants of the founder resident in Germany to the third generation. In the announcement, the Foundation Administration must draw attention to the right to contest the amendment in accordance with § 28.

- (5) A duly announced amendment to the statutes will – unless otherwise stipulated by the Foundation Administration in the announcement – come into force on the date of the announcement. Any amendment to the statutes will be deemed to be the intentions of the founder after the expiry of the statutory time limit for an appeal if it is not contested in accordance with § 28 paragraph 3 or – if it is contested within that time limit – after the action to set aside the amendment has been dismissed or settled and is res judicata. From then onwards, it is subject to the provisions of §§ 27 and 28.

§ 28 Contesting of amendments to the statutes

- (1) Any amendment to the statutes may be contested on the grounds of an infringement of § 27 by an action before the civil courts. The action must be filed against the Foundation, represented by the Foundation Administration.
- (2) The following are authorized to contest amendments:
 - a) the Chairman of the Shareholder Council, if the Shareholder Council decides to contest an amendment,

- b) the two Chairmen or Spokesmen of the Executive Boards of the operating enterprises of the Foundation together, if the Management Advisory Board decides to contest an amendment,
 - c) any member of the Executive Board of the operating enterprise Carl Zeiss or the operating enterprise Schott Glas,
 - d) any employee of an operating enterprise,
 - e) any employee of a German plant of an operating enterprise's subsidiary,
 - f) descendants of the founder resident in Germany, to the third generation.
- (3) The action may only address the issue of having the amendment to the statutes set aside effective from the filing of the action, it may never take the form of a claim for damages. The action must be filed within twelve months from the time when the amendment is announced by the Foundation Administration (§ 27 paragraph 4 clause 3). The Foundation Administration must immediately announce the filing of the action and the date of the hearing, applying § 27 paragraph 4 clause 3 mutatis mutandis.
- (4) The court must make the decision at its free discretion, taking into account the intentions of the founder as discernible from the statutes. A non-appealable declaratory judgment will be effective for and against all management bodies and beneficiaries of the Foundation. The Foundation Administration will announce the court's decision immediately, applying § 27 paragraph 4 clause 3 mutatis mutandis.

§ 29 Unalterable principles

§§ 1 to 4 and §§ 27, 28 may not be altered or repealed.

§ 30 Representation of the Foundation in the absence of the Foundation Administration

If the Foundation Administration is incapable of acting for objective reasons or should a Foundation Administration in accordance with the provisions of § 5 paragraph 1 not exist at any time, the rights and duties of the Foundation Administration will pass to the Shareholder Council until such time as its ability to act is restored. The Shareholder Council will form the Managing Board within the meaning of §§ 86, 26 German Civil Code (BGB) in such an event. The Shareholder Council will, in such an event, work within the bounds of its possibilities towards restoring the existence of a Foundation Administration with the ability to act.

§ 31 Dissolution of the Foundation

The Foundation must be dissolved if both operating enterprises are no longer able to carry out activities within the framework of their business purposes and the work of the Foundation is reduced to pure asset management and the pursuit of the general purposes in accordance with § 1 paragraph 3. In the event of the dissolution of the Foundation, the Foundation's shares in the operating enterprises will be sold after giving the Executive Board and the Supervisory Board of the enterprise in question a right to be heard. One sixth of the assets of the Foundation, including the proceeds from the sale, will go to each of the municipalities of Jena, Mainz and Oberkochen as well as the universities in Jena, Mainz and Ulm for the purpose of their further independent use for the purposes intended by the Foundation.

§ 32 Publication of the statutes

A current version of the statutes must be given to every employee of the Foundation's operating enterprises and of the German plants of their subsidiaries.

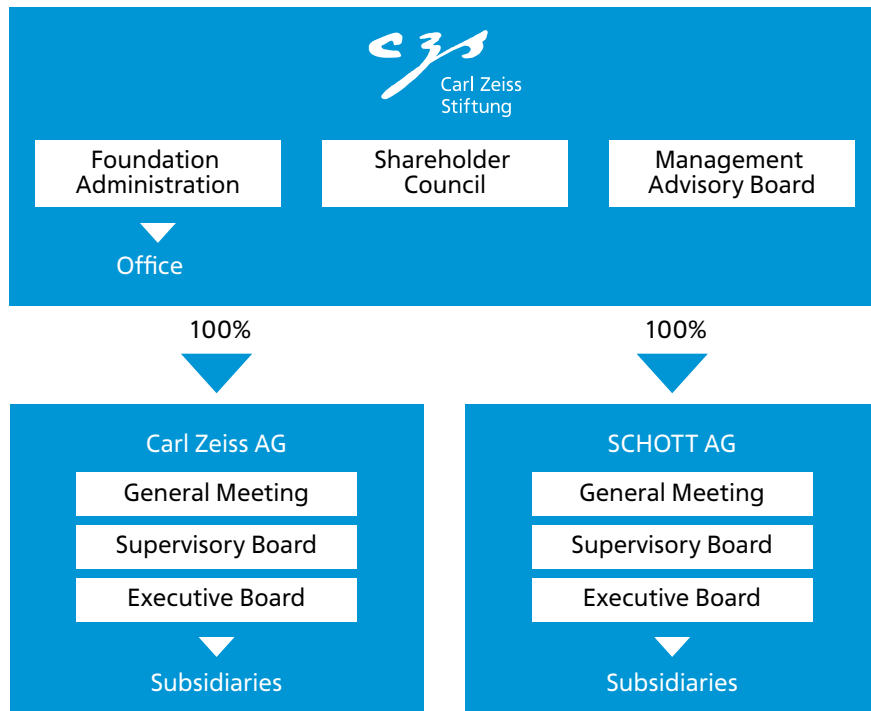
§ 33 Entry into effect and transitional provisions

- (1) This version of the statutes will enter into effect when the carve-out of the operating enterprises to form Schott Glas AG and Carl Zeiss AG becomes effective. It replaces the previous version of the statutes.²⁾
- (2) When the new statutes enter into effect, the offices of the members of the management bodies and the members of the Corporate Supervisory Committees under the previously valid statutes will end. The Foundation Commissioner in office will become Chairman of the Shareholder Council for the period of his appointment. The managing director and deputy managing director will remain in office for the period of their appointment.

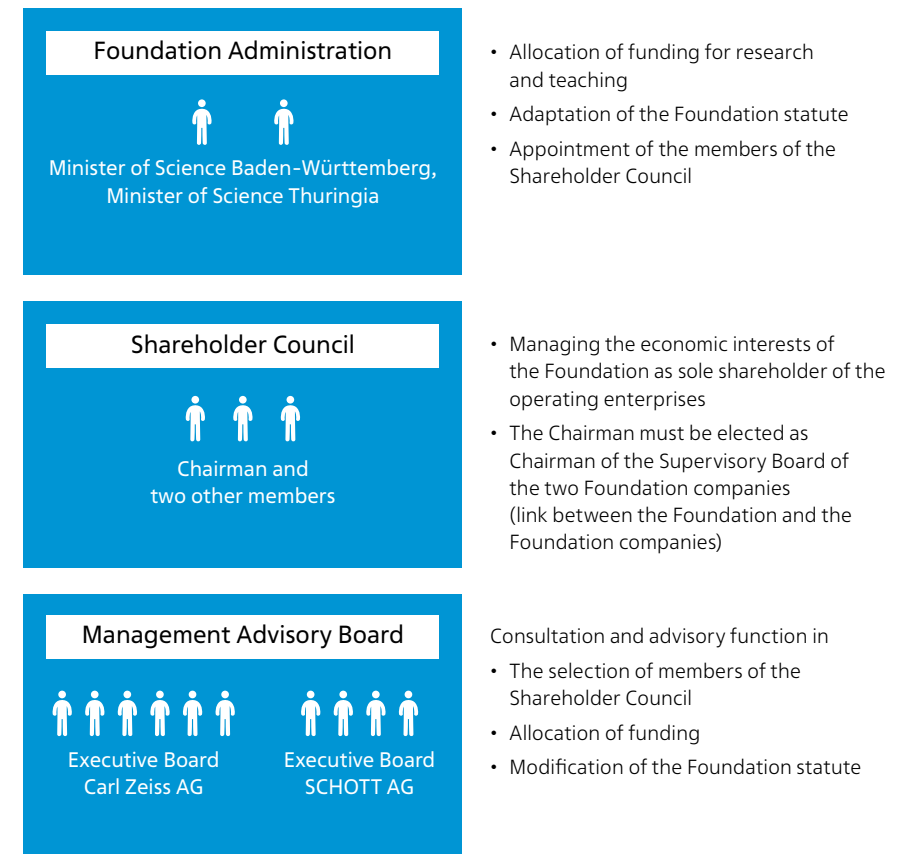
²⁾ The carve-out of the Foundation enterprises took effect July 1, 2004. On October 14, 2009, amendments were announced to §6 paragraph 4 and §7 paragraph 2 of the Foundation statute following explicit approval by the Stiftungsbehörde (the supervisory authority for foundations) on September 24, 2009 and have been in effect since.

Attachment

Organizational structure of the Carl Zeiss Foundation and its operating enterprises



Management bodies of the Carl Zeiss Foundation



Imprint

Carl-Zeiss-Stiftung
Heidenheim an der Brenz und Jena
January 2021

Office:
Carl-Zeiss-Stiftung
Kronprinzstraße 11, 70173 Stuttgart
T +49 (0) 711 162213-0
info@carl-zeiss-stiftung.de
www.carl-zeiss-stiftung.de

The wording in this document generally refers to members of all genders.

