

Statutes of the "European School of Social Innovation"

Association statutes based on the 2002 Associations Act

§1 Name, location and scope of activity

(1) The association bears the name "European School of Social Innovation (ESSI) – European School of Research and Transfer of Knowledge on Social Innovation". It is based in Vienna and extends its activities to the rest of Austria, as well as to cooperation within European and international networks.

§2 Purpose

(1) The association pursues exclusively charitable purposes, which, beyond its scientific objectives, also directly serve to fund social innovations. The association is non-profit and shall not allow anyone to take a share in its success or assets. Likewise, no unauthorized or misappropriated funds may be paid out.

(2) The objectives of the association are:

a) the international strengthening of research, academic and vocational education, further education and consulting in the field of social innovation.

b) the development of a scientific basis for international comparative research on social innovation, analogous to existing research methods and manuals on economically relevant innovations.

c) the profiling of specific European forms and conditions of social innovation based on history and welfare state concepts, under consideration of the EU Treaty and relevant guidelines of EU research and innovation policy, in conjunction with comparisons of developments in other world regions and global cooperation.

d) the promotion of young researchers and the dissemination of relevant qualifications for the development and application of social innovations, ranging from specialized vocational training to postgraduate further education.

e) the support of the transfer of knowledge between scientific disciplines, science and practice, and between all sectors of society, including politics and international organizations.

§3 Means of achieving the association's purpose

(1) The association's purpose is to be achieved by means of the material resources listed in paragraphs 2 and 3.

(2) The requisite material resources are to be secured through

a) admission and membership fees.

- b) grants from public and private institutions.
- c) income from events and association facilities.
- d) publications, lectures and other income.
- e) contributions from members.
- f) research projects (external funding).
- g) donations, legacies and other contributions.
- h) participation in other legal entities and/or partnerships under commercial law, as long as the charitable purpose of the association is neither thwarted nor endangered.

(3) Additional resources with which to achieve the association's purpose may be decided upon by the General Assembly.

§4 Forms of membership

(1) There are three forms of membership: Regular Members, Associate Members, and Partners.

(2) Regular Members may be physical or legal persons, and Associate Members and Partners must manifest a separate legal entity (legal person or legal non-incorporated partnership).

a) Physical persons serving as Regular Members are persons who carry out research, teaching and consulting activities in the interest of the ESSI association, are qualified to do so through training and professional experience, and thereby or by means of other services directly contribute to the fulfilment of the association's purpose.

b) Legal persons serving as Regular Members are institutions that enable or fund research, teaching and consulting services through the use of their own resources or other resources or other means, and thereby directly contribute to the fulfilment of the association's purpose.

c) Associate Members are organizations vested with legal capacity that pursue a similar purpose to those pursued by the ESSI association, are prepared to engage in temporary or permanent cooperation, and, thus, on the basis of consortium agreements indirectly contribute to the achievement of the association's purpose through joint project work and comparable agreements.

d) Partners are public or private organizations (commercial or non-governmental) that have an interest in the application or introduction of social innovations within their field and indirectly contribute to the achievement of the

association's purposes, either as long-term providers of funding or as partners in the implementation of social innovation.

(3) Other forms of membership may be decided upon by the General Assembly.

§5 Acquisition of membership

(1) Members of the association may be physical persons or legal entities that meet or are prepared to meet the criteria set out in §4.

(2) The Board decides on the admission of members, which is then confirmed by the General Assembly. Admission may be refused without stating a reason.

(3) Pending the establishment of the association, the admission of members shall be carried out by the association's founders. Membership shall only go into effect when the association is founded.

§6 Termination of membership

(1) Membership is terminated through death, loss of legal personality, voluntary resignation or expulsion. It is possible to resign membership at any time. The resignation must be communicated to the Board in writing. In the event of resignation, membership fees must be paid for the remainder of the current year.

(2) The Board may expel a member if the member neglects to pay membership dues for a period longer than six months, despite the issuance of two written warnings and the granting of a reasonable grace period. The obligation to pay outstanding membership dues remains unaffected by the expulsion.

(3) The exclusion of a member from the association may also be ordered by the Board for gross violations of other membership duties or dishonorable conduct.

§7 Rights and duties of members

(1) The members are entitled to participate in association events and avail themselves of its facilities. The right to vote in the General Assembly and to vote and stand for election are only afforded to Regular Members (§4.2).

(2) All members shall commit themselves to promoting the interests of the association through their own efforts and to refrain from any actions that could damage the reputation or purposes of the association. They must respect the statutes and decisions of the association.

(3) Regular Members and Associate Members are required to pay the membership fee established by the General Assembly on an annual basis. Voluntary higher contributions are possible. In individual cases, a reduced fee may be approved by the General Assembly for a Regular Member or Associate Member which cannot afford the full amount and has submitted a well-founded application for reduction.

(4) Partners are committed to making a financial, tangible or intangible contribution to the association for the duration of their membership, which is to be agreed upon on an individual basis with the Board and confirmed by the General Assembly.

§8 Association bodies and committees

(1) The bodies of the association are the General Assembly (§§ 9 and 10), Board (§§ 11 to 13), Auditors (§14) and Court of Arbitration (§15).

(2) Further committees may be established on the basis of internal rules of procedure prepared by the Board and approved by the General Assembly.

§9 General Assembly

(1) The General Assembly is the "assembly of members" in the sense of the 2002 Associations Act. An ordinary general assembly shall be held once a year.

(2) An extraordinary general assembly shall be called within four weeks by order of the board, by decision of the annual general assembly, at the written request of at least one tenth of the Regular Members or at the request of the Auditors.

(3) Invitations to the ordinary and extraordinary general assemblies must be extended to all Regular and Associate Members, as well as Partners, at least two weeks prior to the date of the meeting by post, fax or e-mail (to the fax number or e-mail address provided by the member to the association). The setting of the annual general assembly must include details of the agenda. The meeting is to be called by the Board.

(4) Motions for the General Assembly must be submitted to the Board by post, fax or e-mail at least three days prior to the date of the General Assembly.

(5) Valid resolutions – with the exception of those pertaining to a request for an extraordinary general assembly – may only be submitted to the agenda.

(6) All Regular and Associate Members, as well as Partners, are eligible to attend the General Assembly.

(7) Only Regular Members are eligible to vote. Regular Institutional Members have 5 votes. An Individual Regular Member (i.e. a physical person) has 1 vote. The transfer of the right to vote to another Regular Member by written proxy is admissible.

(8) The General Assembly has a quorum regardless of the number of members in attendance.

(9) Elections and the passing of resolutions the General Assembly are usually carried out based on a simple majority of valid votes cast. Decisions that would

modify the statutes of the association or dissolve the association, however, require a qualified majority of two thirds of the valid votes cast.

(10) The chairing of the General Meeting is carried out by the chairperson of the association. If the chairperson is unable to attend the meeting, a member of the Board may be appointed as chairperson by the General Assembly for the duration of the meeting. Should, for whatever reason, all members of the Board be unable to attend, another Regular Member of the association may be entrusted with the chairmanship.

§10 Duties of the General Assembly

(1) The General Assembly shall perform the following duties:

- a) Election and dismissal of members of the Board and the Auditors
- b) Decisions on the internal rules of procedure and their amendment
- c) Receipt and approval of the annual report and accounts based on the involvement of the auditor
- d) The passing of the budget
- e) Discharge of the Board
- f) Determination of the amount of membership fees
- g) Confirmation of the contribution agreements for Partners
- h) Passing of resolutions regarding amendments to the statutes and the voluntary dissolution of the association
- i) Debate and decisions on other issues on the agenda

§11 The Board

(1) The Board consists of three to seven members, whose function is described in the internal rules of procedure. The minimum requirements for the composition of the Board include the functions of a chairperson, a managing director and a scientific director.

(2) The board is elected by the General Assembly. Upon resignation of an elected member, the Board has the right to co-opt another eligible member to take his or her place, for which subsequent approval must be obtained at the following General Assembly. If the Board is not completed by co-optation or for an indefinite period, each Auditor is obliged to immediately convene an extraordinary general assembly for the purpose of electing a new Board. Should the Auditors also be unable to act, then each Regular Member who recognizes the emergency situation must immediately apply for the appointment of a

curator at the responsible court, who will in turn immediately convene an extraordinary general assembly.

(3) The term of the Board is three years. Re-election is possible.

(4) The Board shall be convened by the chairperson. If the chairperson is unavailable, the Board may be convened by any other member of the Board.

(5) The Board has a quorum if all members have been invited and at least half are present. Board meetings may also be conducted as virtual meetings on the internet. These meetings are subject to the same internal rules of procedure as physical meetings.

(6) The Board shall make its decisions by simple majority of votes. In a tie vote, the chairman's vote shall be decisive.

(7) The Board is chaired by the chairperson. If the chairperson is unable to be present, the Board shall appoint a chairperson from his circle. The Board may also afford one of its members permanent representation.

(8) Apart from death or the expiration of the elected term (paragraph 3), the function of a board member may be removed by dismissal (paragraph 9) and resignation (paragraph 10).

(9) The General Assembly may dismiss the entire Board or individual board members by a two-thirds majority of votes at any time. The dismissal shall take effect when the new Board or board member is appointed.

(10) The board members may declare their resignation in writing at any time. The resignation shall be submitted to the Board and, in the event of the resignation of the entire Board, to the General Assembly. The resignation becomes effective upon the election or co-optation (paragraph 2) of a successor.

§12 Duties of the board

(1) The Board is responsible for the operational and strategic direction of the association. It is the "governing body" in the sense of the 2002 Associations Act. It is responsible for all tasks that are not assigned another organ by the statutes.

(2) The Board shall make its decisions by majority vote, and by a qualified majority in those cases specified in the internal rules of procedure.

(3) The Board's scope of responsibility includes the following:

a) The preparation of the annual budget and drafting of the annual report and accounts (= accounting);

b) Preparation of the General Assembly;

- c) Convening of an ordinary and extraordinary General Assembly;
- d) Administration of the association's assets;
- e) Admission and exclusion of members;
- f) Hiring and firing of employees of the association.
- g) Establishment of committees or offices, laboratories, etc., in order to achieve and implement the association's purposes.
- h) Planning and implementation of the association's activities in all areas of research, teaching and consulting (development of research, education and further education programs, the signing of cooperation agreements, etc.).

§13 Special duties of individual board members

- (1) The chairperson directs and represents the association. He or she is responsible for representing the association externally toward authorities and third parties. He/she shall preside over the General Assembly and the Board. In case of emergency, he/she is entitled to decide with sole responsibility upon matters that fall within the scope of the General Assembly; these decisions require subsequent approval by the competent body of the association.
- (2) The managing director is responsible for office organization, finances, personnel and administrative matters.
- (3) The scientific director is responsible, in particular, for external communication with funding organizations, clients, prospective interested parties and cooperation partners.
- (4) Written notices and announcements of the association are to be signed by the chairperson. If they relate to financial matters (contracts) they are to be signed by the chairperson together with the managing director. Legal transactions among board members or other bodies of the association and the association (self-dealing) require the consent of the Board.
- (5) Legal authorization to represent the association externally and act on its behalf may only be granted by the board members, as listed in paragraph 4.
- (6) The Board may appoint board members for specific functions, as well as co-opt other regular members for certain functions.
- (7) The functions of possible further board members, a more detailed description of functions, as well as organizational structures and processes, shall be determined by the internal rules of procedure, which shall also contain rules on internal representation.

§14 Auditors

(1) Two internal Auditors shall be elected by the General Assembly for a term of two years. Re-election is possible.

(2) The internal Auditors are responsible for the ongoing financial controlling and auditing of the financial management of the association with regard to proper accounting and the statute-adhering use of the funds.

(3) The provisions of §11, paragraphs 8 to 10, shall also apply to the internal Auditors.

(4) If the ordinary income or ordinary expenditures of the association in two consecutive fiscal years are higher than 3 million EUR, or if the annual revenue of the public funds raised during this time exceeds the amount of 1 million EUR, then the Board must create an extended financial statement (balance sheet, profit and loss statement, notes) and ensure an annual audit by an annual auditor. This auditor may be a certified public accountant and tax consultant or a certified public accounting and tax consulting firm.

§15 Court of Arbitration

(1) The internal Court of Arbitration shall settle all disputes arising within the association. It is a "mediation service" in the sense of the 2002 Associations Act and not a court of arbitration in accordance with §§ 577 ZPO.

(2) The Court of Arbitration shall consist of three ordinary members. It is formed when a disputing party names a member to the court by submitting this to the Board in writing. On request of the Board, the other disputing party must for his/her part designate another member of the association to the court by submitting this in writing to the Board within 14 days. After notification by the Board, the named arbitrators shall select a third regular member to chair the court of arbitration within a further 14 days. If there is a tie, the matter will be decided by lot. The members of the court of arbitration may not belong to any organizational body of the association whose activities are the subject of the dispute, with the exception of the General Assembly.

(3) The Court of Arbitration shall make its decision after hearing both parties in the presence of all its members by a simple majority vote. It decides based on the best of its knowledge and conscience. Its decisions are final within the association.

§17 Dissolution and annulment of the association

(1) The voluntary dissolution of the association may only be decided at a General Assembly convened for that sole purpose, and only by a qualified majority of 3/4 of the valid votes.

(2) Upon dissolution, annulment of the association or discontinuation of the association's purposes, the association's assets are to be used for charitable purposes according to §§ 34 ff. BAO.

§18 Liability for debts of the association

The association is liable for debts with its own assets. Association leaders and members are only personally liable if this liability is established by other legal regulations or legally binding personal commitments. In the case of claims by association members against leaders within the association, §§ 24 and 25 of the 2002 Associations Act apply.