



## **Statutes of IMD – International Institute for Management Development**

### **Article 1 – NAME**

Under the name

#### **IMD – International Institute for Management Development**

the Founders hereby create a foundation (hereafter called “the Foundation”) within the meaning of articles 80 et seq. of the Swiss Civil Code.

### **Article 2 – OBJECT**

The object of the Foundation is the establishment and then the management and administration of an independent Institute (hereafter IMD) intended to educate business and private and public administration executives at the international level and to pursue all research and teaching activities connected with its objectives. This Institute shall take over the activities presently exercised by the Founders and shall develop them; to this end, the Foundation may enter any merger agreement or analogous agreement with the Founders. The Foundation may set up branch offices or subsidiary companies in Switzerland or abroad within the scope of its object, as well as acquire, hold or sell any participation in companies which are directly or indirectly related to its object. Further the Foundation may grant loans or any other type of funding to companies of the same group of companies as well as give securities of any kind, in particular guaranties, pledges or securities on the Foundation’s assets, provided that it is in the interest of the Foundation.

### **Article 3 – CENTRAL OFFICE – DURATION**

The registered office of the Foundation shall be at Lausanne. The Foundation is registered in the Commercial Registry of Lausanne and under the surveillance of the competent authority of the canton de Vaud. The Foundation may also exercise, temporarily or permanently, a part of its activities outside of the canton de Vaud. The duration of the Foundation is unlimited.

### **Article 4 – CAPITAL AND RESOURCES**

To complete the initial capital of the Foundation of CHF 40’000.- (forty thousand Swiss Francs), each Founder shall contribute the sum of CHF 20’000.- (twenty thousand Swiss Francs) in favour of the object specified in Article 2 above. The capital may be increased at any time.

In addition, the resources of the Foundation shall be the following:

- a) contributions by the Founders and business enterprises;
- b) contributions, subsidies, donations, legacies and testamentary appointments which may be made in its favour by any person or company provided that the same are not subject to any charge or condition incompatible with the object of the Foundation;



- c) the tuition fees and return on its assets;
- d) all other income that the Institute receives from its activities.

#### **Article 5**

The assets of the Foundation shall be invested in accordance with the applicable legal provisions.

The Foundation may purchase buildings as well as shares of companies (“sociétés immobilières”) which will give the Foundation effective control of buildings which are property of the said companies provided that the buildings are intended for the pursuit of the activities of the Institute.

#### **Article 6**

The Foundation’s assets alone shall be available for satisfaction of the Foundation’s obligations. Any liability of the Founders is excluded.

#### **Article 7 – THE FOUNDATION BOARD**

The Foundation is administered by a Foundation Board having at least twelve members. The first members shall be named by the Founders. Thereafter they shall be elected during the Annual Meeting by a simple majority of the members of the Board present, such election to be for a period of three years.

The Board of the Foundation shall appoint its officers, in particular it shall appoint its own Chairperson and Secretary.

#### **Article 8 – COMPOSITION OF THE FOUNDATION BOARD**

The following institutions and bodies shall be represented directly or indirectly on the Foundation Board:

- Business enterprises. Foundation board members in this category will be recruited mainly but not exclusively among the donors (“Partners”) and Business Associates of IMD. Adequate international representation and reflection of the diversity of the client base is a prime objective. The Founders of IMEDE and IMI, namely Nestlé and Alcan, will be members, assuming their continued active support of IMD.
- Academic institutions and Governments.
- The Alumni. The Foundation Board will elect an alumnus based on a proposal of the Alumni Association or an equivalent body.
- The Faculty. The Foundation Board will elect a member of the IMD faculty based on a proposal from the Faculty.
- The Management. The President will be an ex-officio member of the Foundation Board and act as its secretary.

In addition, the Foundation Board might wish to elect persons who do not belong to the above categories but who due to their experience and possible contributions could enhance the work of the



Foundation Board and of IMD. Foundation Board members receive no compensation for their work, nor coverage of expenses.

#### **Article 9 – ELECTION AND TERMS OF OFFICE**

Foundation Board members are elected by a simple majority of the members present at the Annual Meeting for a period of three years. Their mandate is renewable. In view of the large number of Business Associates and in order to ensure an active participation of the highest possible number, a rotation in the Foundation Board membership of the Business Associates is foreseen and therefore their mandate can be renewed only once. Upon recommendation of the Chairman, the Foundation Board may exceptionally waive this restriction for a limited number of deserving Business Associates whose experience and contributions to IMD are of particular value to the Institute.

#### **Article 10 – POWERS OF THE FOUNDATION BOARD**

The Foundation Board shall administer the Foundation and represent the Foundation towards third parties; the Board shall determine signature rights.

Within the confines of these Statutes the Foundation Board may, either by issuing regulations or by specific decision – passed in particular by circular resolution – take all useful measures in the administration and the representation of the Foundation and generally, all steps permitting the Foundation to achieve its object.

The Foundation Board may delegate part of its powers, such a delegation to be the object of provisions contained in the Regulations of the Foundation that it may promulgate.

In particular it will nominate a Supervisory Board amongst its members to oversee the operations of the Foundation and to make recommendations on key issues to the Foundation Board.

The following shall be its exclusive prerogatives:

- the approval of regulations and strategies of IMD as well as necessary plans for their implementation;
- the approval of the Annual Report;
- the appointment of the Foundation Board members;
- the appointment of the Chairperson, the Vice-Chairperson(s) and the Secretary of the Foundation Board;
- the appointment of members of the Supervisory Board;
- the appointment of the Auditors;
- the approval of the Regulations of the Foundation.

#### **Article 11 – MEETINGS AND DECISIONS OF THE FOUNDATION BOARD**

The Board of the Foundation shall meet as often as circumstances require but at least once a year. Decisions of the Board shall be taken in meeting or by circular resolution.

Meetings shall be convened with at least two weeks prior notice; a valid meeting of the Foundation Board may only be held if at least one third of its members are present.



To take effect, any decision shall receive the affirmative vote, either in meeting, of the majority of Foundation Board members present, or by circular resolution, of the majority of the members of the Board.

During any consultation of the Foundation Board by circular resolution one third of the members may demand that such consultation be the object of a discussion of the Board in meeting.

Decisions of the Foundation Board shall be recorded in a minute signed by the Chairman and another member of the Board.

### **Article 12 – FUNCTIONS AND ORGANS DEFINED IN THE REGULATIONS OF THE FOUNDATION**

In particular the Regulations of the Foundation shall specify:

- the organization, powers and duties of the Supervisory Board;
- the organization and tasks of the Consultative Councils (including the Executive Education Advisory Council);
- powers and duties of the Chairperson and Vice-Chairperson(s) of the Foundation Board, the President, the Faculty;
- equally the Regulations of the Foundation shall specify the organization, powers and duties of all other bodies which may be established by the Supervisory Board.

### **Article 13 – ACCOUNTS AND AUDITORS**

The Foundation Board shall see to the keeping of accounts of the Foundation and shall have a balance sheet and a profit and loss statement established. The annual accounts shall be closed on the thirty-first December.

The accounts of the Foundation shall be submitted each year for auditing by a fiduciary company designated by the Foundation Board.

### **Article 14**

The Auditors shall present each year to the Foundation Board a written report of the results of its audit.

### **Article 15 – REPORTS**

Each year, in the six month following the end of the financial year, the Foundation shall present to the surveillance authority its management report, annual accounts and the Auditor's report.

### **Article 16 – LIQUIDATION**

In the event of liquidation, the net assets resulting from the liquidation shall be allocated either to the Société Académique Vaudoise and the Société Académique de Genève who shall allocate them to the development and teaching of business management, or other similar objects in the cantons of Vaud and Geneva. In no case shall they be returned to the Founders or to businesses represented on the Foundation Board or any person connected with them.



The liquidation shall be carried out by the Foundation Board or by persons designated by it.  
All steps in the liquidation shall be subject to the consent of the surveillance authority.

**Article 17- AMENDMENT OF STATUTES**

The Foundation Board, if it considers it desirable, may at any time propose to the surveillance authority to add to or vary the Statutes of the Foundation.

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Adopted on 14<sup>th</sup> November 1989

Amended on 2<sup>nd</sup> November 1995, on 18<sup>th</sup> November 2010, on 13<sup>th</sup> November 2014 and 19<sup>th</sup> November 2015

Peter Wuffli, Chairman of the IMD Foundation Board :

A handwritten signature in blue ink, appearing to read 'P. Wuffli', is written above a horizontal line.

Bo Risberg, Vice-Chairman of the IMD Foundation Board :

A handwritten signature in blue ink, appearing to read 'Bo Risberg', is written above a horizontal line.