Charter and Bylaws of the AO Foundation

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Charter of the AO Foundation
(English Translation of the German "Stiftungsreglement")
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I. NAME, DOMICILE, FOUNDERS, PURPOSE AND ASSETS

1. Name and Domicile

A foundation with a registered office in Chur, Switzerland, exists under the name “AO STIFTUNG (AO FOUNDATION)”

2. Founders

The Founders were:

Prof. Martin Allgöwer, M.D., Davos (deceased October 27, 2007)
Prof. Peter Matter, M.D., Davos
Robert Mathys, Dr.h.c., Bettlach (deceased August 19, 2000)
Prof. Maurice E. Müller, M.D., Bern (deceased May 10, 2009)
Prof. Stephan Perren, M.D., Davos
Peter von Rechenberg, Dr. oec. publ., Chur (deceased July 2, 1992)
Prof. Thomas Rüedi, M.D., Maienfeld
Prof. Robert Schneider, M.D., Biel (deceased May 15, 1990)
Fritz Straumann, Dr. h.c., Waldenburg (deceased September 7, 1988)
Prof. Hans Willenegger, M.D., Pratteln (deceased December 21, 1998)
Hansjörg Wyss, Dr. h.c., dipl. Ing. ETH, MBA, Devon, PA, USA

3. Purpose

The AO Foundation is a non-profit, surgeon-driven organization dedicated to progress in the fields of trauma and diseases of the musculoskeletal system through research, development, clinical investigation and documentation as well as education. The assets and income of the AO Foundation will be used to attain the purpose by supporting and promoting:

- The foundation of the “AO Research Institute” in Davos.
- The worldwide advancement of the AO concept.
- Research, development, clinical investigation and documentation, as well as education.
4. **Assets**

The following assets were permanently and irrevocably contributed to the AO Foundation:

- Messrs Allgöwer, Matter, Müller, Perren, von Rechenberg, Rüedi, Schneider and Willenegger, the entire capital stock of Synthes AG Chur, consisting of 50 bearer shares with a par value of CHF 1000 per share. According to a confirmation from Credit Suisse in Chur, dated December 4, 1984, the above shares have been deposited in the securities account No. 0175-614225-35 in favour of the AO Foundation.

- Mr Robert Mathys, the amount of CHF 500,000 (five hundred thousand Swiss francs) in cash, which, according to a bank statement, was deposited in account No. 0175-614225-31 at Credit Suisse in Chur in favour of the AO Foundation which is to be established. The bank confirmation is dated December 4, 1984.

- Mr Fritz Straumann, the amount of CHF 100,000 (one hundred thousand Swiss francs) in cash, which, according to a bank statement, was deposited in account No. 0175-614225-31 at Credit Suisse in Chur in favour of the AO Foundation which is to be established. The bank confirmation is dated December 4, 1984.

- Mr Hansjörg Wyss, the amount of CHF 100,000 (one hundred thousand Swiss francs) in cash, which, according to a bank statement, was deposited in account No. 0175-614225-31 at Credit Suisse in Chur in favour of the AO Foundation which is to be established. The bank confirmation is dated December 4, 1984.

The assets of the AO Foundation will be increased by the income from the AO Foundation’s assets and by contributions. They will be used in such a way that the viability of the AO Institutions supported by the AO Foundation is ensured as long as the AO Institutions serve the purpose of the AO Foundation.
II. ORGANIZATION

5. Bodies and their principal tasks

5.1. Assembly of Trustees

The Assembly of Trustees is responsible for the approval of the scientific and clinical mission of the AO Foundation, important elections and the modification of the AO Foundation Charter and Bylaws.

5.2. AO Foundation Board

The AO Foundation Board is the governing body of the AO Foundation responsible for the supervision and conduct of business of the AO Foundation and its external representation, including the clinical and scientific programs to achieve the mission of the AO Foundation as determined by the Assembly of Trustees. To support its governance function, the AO Foundation Board may establish subcommittees, such as the Audit Committee and the Remuneration Committee, and advisory committees/platforms.

5.3. Nominating Committee

The Nominating Committee consists of the following eight members:

- 4 members representing the AO Foundation: President, Immediate Past-President, President-Elect of the AO Foundation, and Vice-Chair of the AO Foundation Board;

- 4 members representing the Clinical Divisions: Chairs of the international Clinical Division boards.

The Nominating Committee prepares the elections and submits candidates to the Assembly of Trustees for all elections to be held by the latter.

5.4. TK Executive Board

The TK Executive Board (TKEB) is the steering and supervising board of the AOTK System ("TK" stands for "Technische Kommission", i.e., Technical Commission). The AOTK System consists of the TKEB, the AOTKs and Expert Groups for every Clinical Division.

5.5. AO Executive Management

The AO Executive Management is responsible for the conduct of business of the AO Foundation as far as delegated to the AO Executive Management by the AO Foundation Board according to the organizational regulation of the AO Foundation Board.

5.6. Auditors

The Auditors are responsible for the annual auditing of the annual financial statements of the AO Foundation.
6. **Bylaws and other additional regulations**

6.1. **Bylaws**

The particulars of the AO Foundation’s organization are ruled in the bylaws of the AO Foundation (“Stiftungsreglement”), issued and altered by the Assembly of Trustees on application of the AO Foundation Board with the consent of two-thirds of the members present.

6.2. **Organizational Regulations**

Each body as listed in Section II/5 hereinbefore is competent to issue and modify its own rules of procedure and internal organization, as far as not determined by the Charter and/or the Bylaws of the AO Foundation.
III. FINAL PROVISIONS

7. Signature power

The President of the AO Foundation and the Vice-Chairman of the AO Foundation Board, sign jointly on behalf of the AO Foundation. Rights of others to sign on behalf of the AO Foundation will be established by the AO Foundation Board.

8. Modifications

The Assembly of Trustees is competent to resolve upon a change of the AO Foundation Charter to the extent legally admissible. Such resolution requires the consent of two-thirds of the members present. The modified AO Foundation Charter becomes effective upon approval by the Governmental Supervisory Authority and after registration by the Commercial Registry of the Canton of Grisons.


The modifications of the Bylaws require the consent of two-thirds of the members present.
9. **Dissolution**

If, according to the law, there is a cause to dissolve the AO Foundation, the assets of the AO Foundation, if possible while preserving the purpose of the AO Foundation, will be transferred to the foundation "AO Research Institute" in Davos, and if the latter no longer exists, to an organization with similar purposes, in accordance with a resolution of the Assembly of Trustees.

10. **Executions**

The present document has been prepared in 15 executions, 12 executions for the AO Foundation and the Founders, one execution each for the Governmental Supervisory Authority, the Commercial Registry and the Tax Authorities of the Canton of Grisons.

Lima, June 13, 2013
President AO Foundation
Chair AO Foundation Board

Lima, June 13, 2013
Vice-Chair AO Foundation Board
CEO AO Foundation

Prof. Dr. Jaime Quintero
Dr. Rolf Jeker
Bylaws of the AO Foundation
(English Translation of the German "Stiftungsreglement")
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In accordance with Section II/6.1 of the AO Foundation Charter of June 13, 2013, the Assembly of Trustees approves the following Bylaws:

I. DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Meeting</td>
<td>Shall mean the annual meeting of the Assembly of Trustees as described in 1.4.1.</td>
</tr>
<tr>
<td>AO Affiliated Units</td>
<td>Shall mean all AO Institutions, Clinical Divisions, Institutes, Support Units and legal entities of the AO Foundation.</td>
</tr>
<tr>
<td>AOCID</td>
<td>Shall mean AO Clinical Investigation and Documentation.</td>
</tr>
<tr>
<td>AOCID Advisory Committee</td>
<td>Is an advisory committee to the AOCID (see 1.1.1.(b)).</td>
</tr>
<tr>
<td>AOEI</td>
<td>Shall mean AO Education Institute.</td>
</tr>
<tr>
<td>AOEI Advisory Committee</td>
<td>Is an advisory committee to the AOEI (see 1.1.1.(b)).</td>
</tr>
<tr>
<td>AO Executive Management</td>
<td>Shall have the meaning set forth in the AO Foundation Charter, sec. 5.5, and hereinafter in 6.</td>
</tr>
<tr>
<td>AO Foundation Board</td>
<td>Shall mean the AO Foundation board as described in the AO Foundation Charter, sec. 5.2, and shall consist of the members as defined in 2.1. and have the powers and responsibilities as described in 2.2.</td>
</tr>
<tr>
<td>AO Foundation Charter</td>
<td>Shall mean the Charter of the AO Foundation, dated as of June 13, 2013.</td>
</tr>
<tr>
<td>AO Institutions</td>
<td>Shall include the AO Research Institute Davos, AO Documentation and Publishing Foundation, AOSpine International Association, (see 2.2.1.(a)); 2.2.1.(b); 2.2.1.(c); 7.).</td>
</tr>
<tr>
<td>ARI Advisory Committee</td>
<td>Is an advisory committee to the AO Research Institute Davos (see 1.1.1.(b)).</td>
</tr>
<tr>
<td>Assembly of Trustees</td>
<td>Shall mean the assembly of Trustees as described in the AO Foundation Charter, sec. 5.1, and shall consist of the members as defined in 1.1. and have the powers as described in 1.3.</td>
</tr>
<tr>
<td>Audit and Remuneration Committee</td>
<td>Shall mean the audit and remuneration committee as defined in 2.4.1.</td>
</tr>
<tr>
<td>Auditors</td>
<td>Shall mean the auditors elected by the Assembly of Trustees as described in 7.</td>
</tr>
<tr>
<td>Development Incubator</td>
<td>Shall support IP development for AO and be guided by a board (see 1.1.1.(b)).</td>
</tr>
<tr>
<td>Ex Officio Members</td>
<td>Shall be the members of the Assembly of Trustees as defined in 1.1.1.(b).</td>
</tr>
</tbody>
</table>

1 The male form includes the female form
**Extraordinary Members**

Shall mean Honorary Members and Senior Members as defined in 1.1.2.

**Founders**

Shall mean the founders of the AO Foundation as described in Charter, sec. 2 (see 1.1.1.(a)).

**Honorary Members**

Shall have the meaning set forth in 1.1.2.(a)

**Immediate Past-President**

See 2.1.1; 2.1.4.a; 2.3.

**Institutes**

Shall be the institutes of the AO Foundation, i.e. AO Education Institute, AOTK System, AOCID and AO Research Institute Davos.

**Mission Statement**

Shall mean the mission statement of the AO Foundation as approved by the Assembly of Trustees (see 1.3.1; 3.2).

**Nominating Committee**

Shall have the meaning set forth in the AO Foundation Charter, sec. 5.3, and hereinafter in 4.

**Ordinary Members**

Shall mean the Founders and Past-Presidents, the Ex Officio Members and the Regional Members as defined in 1.1.1.

**Peer Review Policy**

Shall have the meaning set forth in 2.2.1.(c).

**President**

Shall mean the president of the AO Foundation as described in 3.

**President-Elect**

Shall mean the president-elect of the AO Foundation as described in 3.

**Regional Members**

Shall be the elected members of the Assembly of Trustees as described in 1.1.1.(c).

**Senior Members**

Shall have the meaning set forth in 1.1.2.(b).

**Support Units**

Shall be the support units, i.e. Finance, HR, Information Technology, Communications & Events, Legal.

**Shared Values**

Shall mean the latest shared values of the AO Foundation as approved by the Assembly of Trustees (see 1.3.1; 3.2).

**AOTK Executive Board**

Shall have the meaning set forth in the AO Foundation Charter as TK Executive Board, sec. 5.4, and hereinafter in 5.

**Trustee**

Shall mean a member of the Assembly of Trustees as defined in 1.1.

**Trustee Formula**

Shall have the meaning set forth in 1.4.3.

**Vice-Chair**

Is the vice-chair of the AO Foundation Board as defined in 2.1.1., 2.1.3.(b), 2.1.4., and 2.2.3.
II. ORGANIZATION

1. Assembly of Trustees

1.1. Categories of members and term of office

1.1.1. Ordinary Members

There shall be a maximum number of 100 Ordinary Members of the Assembly of Trustees.

To manage potential imbalance with regard to regions a reserve of maximum five (5) wildcards for Regional Members can be used so that temporarily the maximum number of Ordinary Members can be exceeded.

(a) Founders and Past-Presidents

The Founders according to section I/2 of the AO Foundation Charter as well as the Past-Presidents, after their two years term of office (see 3.1.b) has expired, are members of the Assembly of Trustees for an unlimited time.

(b) Ex Officio Members

For the term of their office, the following holders of offices belong, ex officio, to the Assembly of Trustees:

- The members of the AO Foundation Board.
- The chair of the international board of each of the Clinical Divisions (AOTrauma, AOSpine, AOCMF, AOVET).
- The chairs of the regional boards of the Clinical Divisions (AOTrauma, AOSpine, AOCMF, AOVET).
- The chairs of the global education commissions, research commissions and community development commissions of the Clinical Divisions.
- The chairs of all international advisory bodies, such as ARI Advisory Committee, AOCID Advisory Committee, AOEI Advisory Committee.
- The members of the AOTK Executive Board limited to a maximum of five members.
- The chair of the board of the Development Incubator.

The exact term of office as Member of the Assembly of Trustees of an Ex Officio Member will be determined by the Nominating Committee.
(c) **Regional Members**
The other members of the Assembly of Trustees represent the regions under adequate consideration of subregions and considering their place of work.
The number of Regional Members will be a minimum of 30 out of the overall total of maximum 100 Ordinary Members.
Regional Members serve for a maximum term of three years, the exact term of office as Member of the Assembly of Trustees will be determined by the Nominating Committee.

1.1.2. **Extraordinary Members**

(a) **Honorary Members**
The Assembly of Trustees may elect Honorary Members subject to the following criteria:

- Exceptional (unique) and outstanding achievements on a global scale, specifically related to the AO Foundation in one or more of its key areas (patient care, research, development, clinical investigation and documentation and education).

- No longer active in any AO body, board, commission, committee, group, advisory board or AO Institute and shall refrain from taking such positions in future but can continue to serve as AO faculty and speaker.

- Not more than two candidates may be elected per year.

Honorary Members are invited to the meetings of the Assembly of Trustees.

(b) **Senior Members**
Members of the Assembly of Trustees having finished their term will normally become Senior Members. They are not invited to the meetings of the Assembly of Trustees, but are regularly informed about the activities of the AO Foundation by the President.

1.1.3. **Voting rights**

Ordinary Members have voting rights.

Extraordinary Members and the Vice-Chair have no voting rights.

Members of the Assembly of Trustees affected directly or indirectly by any decision either privately or by virtue of a governance position held must abstain and can be excluded from the entire review and decision-making process. When approving the agenda of the Assembly of Trustees, the AO Foundation Board decides whether such situation exists that requires such abstention and/or exclusion.
1.3. **Powers and Responsibilities**

1.3.1. **Powers**

The powers of the Assembly of Trustees are:

- Approval of scientific and clinical goals of the AO Foundation.

- Approval of the Shared Values and the Mission Statement of the AO Foundation, binding for all AO officers and all AO employees.

- Resolution to change the AO Foundation Charter and the Bylaws to the extent legally admissible, such resolution requiring the consent of two-thirds of the members present.

- Elections of
  - The President and the President-Elect
  - The Members of the AO Foundation Board
  - Auditors
  - Honorary Members

- Approval of the Regional Members

- Approval of the annual financial statements of the AO Foundation after review of documentation submitted by the AO Foundation Board.

- Exoneration of the members of the AO Foundation Board from their responsibility for the conduct of business to the present time.

- Establishment and changes of its own rules of procedure.

- Reward of persons for excellent achievements on a global and/or regional scale, specifically related to the AO Foundation, with a Medal of Honor (based on proposals submitted by the Nominating Committee; see 4.).

1.3.2. **Responsibilities**

The responsibilities of the members of the Assembly of Trustees are formulated in the Guidelines for the AO Trustee, approved by the Assembly of Trustees on June 13, 2013. Amendments and revisions will be approved as needed.
1.4. **Annual Meeting, resolutions and elections**

1.4.1. **Annual Meeting**

The Assembly of Trustees conducts an Annual Meeting.

The meeting is called and prepared by the President after consultation with the AO Foundation Board. The meeting shall be called in writing at the latest 30 days prior to the day of the meeting. The announcement shall state the agenda items as well as the motions of the AO Foundation Board, and include the relevant documentation for decisions.

The President appoints a Secretary who takes the minutes of the Annual Meeting. The minutes will be provisionally approved by the AO Foundation Board at its next meeting and distributed to all members of the Assembly of Trustees for final ratification at the next Annual Meeting.

The AO Foundation Board or one third of the voting members of the Assembly of Trustees may demand special meetings.

The meeting is chaired by the President.

For participating in the Annual Meeting, the members of the Assembly of Trustees will receive reimbursement of their travel and hotel expenses plus a compensation, which will be determined by the AO Foundation Board.

1.4.2. **Resolutions and elections**

Resolutions and elections of the Assembly of Trustees are, as a rule, adopted by a majority of those present. Resolutions only can be taken when more than 33 percent of the Ordinary Members are present.

Changes in the AO Foundation Charter and the Bylaws require the approval of two-thirds of the Ordinary Members present.

Voting will be by a show of hands or by the use of the Audience Response system (ARS). In case of elections the vote will be by secret ballot.

In special circumstances resolutions can also be made by way of circular letter via electronic mail.

The President has the casting vote.
1.4.3. Proposals for approval of Regional Members

Regional Members are approved by the Assembly of Trustees upon submission by the Nominating Committee (see 4.).

Nominations must include a short curriculum vitae of the candidate, as well as a proposing and seconding letter establishing why this candidate is suitable for approval as a Regional Member.

Changes to the formula for the calculation of the distribution of Regional Members (Trustee Formula), to which the regions are entitled, will be submitted for approval to the Assembly of Trustees. The regular implementation is in the competence of the Nominating Committee.
2. AO Foundation Board

2.1. Members

2.1.1. Categories and number of members

The AO Foundation Board shall consist of no more than eleven members:

- The President, who is also the chair of the AO Foundation Board.

- The President-Elect.

- The Immediate Past-President.

- The Vice-Chair, who is an independent outside personality having broad international professional experience. He acts as Vice-Chair of the AO Foundation Board.

- Four independent surgeon members (i.e., no present Ex-officio function in one of the AO Institutions and international Clinical Divisions or advisory bodies), who are active in clinical, research or educational practice, with longstanding experience within the AO network and bringing competencies required regarding the AO Foundation’s stated objectives.

- Three independent members bringing the expertise of industry and/or finance and/or research fields.

The seven surgeon members of the AO Foundation Board shall between them bring the expertise of all the Clinical Divisions.

The AO Foundation Board may appoint a Secretary for taking the minutes of the board meetings under the responsibility of the chair. The Secretary is not a member of the AO Foundation Board.

The AO Foundation Board may invite guests to participate in meetings.

The President or the Vice-Chair and one other member of the AO Foundation Board or of the AO Executive Management, who have the right to sign jointly (see 2.2.1.(e)) on behalf of the AO Foundation, must reside in Switzerland.

2.1.2. Voting rights

All members of the AO Foundation Board with the exception of the Vice-Chair have a voting right.
2.1.3. **Bodies responsible for the election of the members of the AO Foundation Board**

(a) **Assembly of Trustees**
On proposal of the Nominating Committee the Assembly of Trustees elects from among one or more candidates for each vacancy put forward by the Nominating Committee:

- The President and the President-Elect who are, in this function, Ex Officio Members of the AO Foundation Board.

- The four independent surgeon members of the AO Foundation Board.

- The three independent members bringing the expertise of industry and/or finance and/or research fields.

(b) **AO Foundation Board**
The AO Foundation Board appoints the Vice-Chair (see 2.1.1.).

2.1.4. **Terms of and release from office**

(a) **Terms of office**

- President, Immediate Past-President and President-Elect: see 3.1.(a) and (b).

- Vice-Chair: three years; re-election is possible (see 2.2.3.).

- Other members: three years. A re-election for one additional period of three years is possible.

(b) **Release from office**
Members of the AO Foundation Board elected by the Assembly of Trustees may be released from office by the Assembly of Trustees with immediate effect if such resolution is approved by the majority of the members of the Assembly of Trustees present.

The Vice-Chair may at any time be released from office with immediate effect if such resolution is approved by the majority of all members of the AO Foundation Board.

The member, whose release from office is subject to resolution, has no vote.
2.2. Powers and responsibilities

2.2.1. AO Foundation Board

The AO Foundation Board is the governing body of the AO Foundation responsible for the supervision and conduct of the AO Foundation. All members are obliged to act to the benefit of the AO Foundation. All members are accountable and responsible of the totality of the AO Foundation’s activities and performance.

The AO Foundation Board reports to the Assembly of Trustees. The powers of the AO Foundation Board are the following:

(a) Management powers

- Ultimate supervision and executive power of the AO Foundation approving the necessary instructions and policies (such as Authorization Policy, Travel Policy, Brand Design Policy, Human Resources Policy, Remuneration Policy).

- Establishment and approval of change in the AO Foundations’ management organization, including its own rules of procedure and the rules of compensation of the AO Executive Management.

- Election of the chairs of the international Clinical Division boards based on the nominations presented by the respective Clinical Division board.

- Election of the chairs of all international advisory bodies (as defined in 1.1.1.(b) and of the AO Institutions based on the nominations presented by the respective bodies provided that the nomination process is in compliance with the guiding principles as defined in 4.

- Approval of the chairs and members of the boards of the legal entities prior to their elections by their boards.

- Election of the chair of the AOTK Executive Board and the chairs of the technical commissions, based on the nominations presented by the respective boards provided that the nomination process is in compliance with the guiding principles as defined in 4.

- Approval of the constitutional framework (such as the templates of all Clinical Divisions, the charters and guidelines of all AO boards, AO committees and AO councils, regulations and guidelines of the regions and sections).

- Approval of the articles of association of the legal entities prior to their enactment.
• Securing worldwide transparent and efficient legal structures to minimize the legal exposure of the AO Foundation.

• Securing that the term of the chairs and members of all governing bodies (boards, committees, commissions, and councils) of the AO Foundation and all AO Institutions and Clinical Divisions is limited to a maximum of six years, preferably divided in two terms of three years each. Exceptions to this rule require two-thirds of the votes of those members present with voting rights.

• Appointment and removal of the AO Executive Management entrusted with the management and the representation.

• Supervision of the AO Executive Management and all AO Affiliated Units, in particular in view of the performance and the compliance with the law, the AO Foundation Charter, the Bylaws, instructions and policies.

(b) Financial powers

• Approval of the annual financial statements of the AO Foundation for submission to the Assembly of Trustees.

• Approval of the annual financial statements of any and all AO Institutions supported by the AO Foundation, except the annual financial statements of the shareholdings (see 4.2.).

• Approval of a rolling three years mid-term plan (MTP) defining the AO Foundation’s annual fund allocation to all AO Affiliated Units.

• Approval of the annual budget and forecasts of all AO Affiliated Units.

• Approval of the annual remuneration (stipend or per diems) of all members of all international boards, committees, commissions and councils.

• Approval of the operational reports to be submitted by all Clinical Divisions and Institutes.

• Securing that all Clinical Divisions and Institutes establish a controlling function reporting to the CFO of the AO Foundation.

• Authorization to take appropriate corrective actions in AO Affiliated Units in case of repeated non-compliance with instructions and policies from the AO Foundation Board, whereby the execution is delegated to the Vice-Chair.
(c) **Scientific, academic and research responsibilities**
After consultation of the relevant stakeholders in R&D and education, the AO Foundation Board shall:

- establish the scientific and academic goals for the coming years for submission to the Assembly of Trustees;
- approve a standard AO process for the peer review of all R&D projects (Peer Review Policy);
- request a yearly status report of all R&D projects subject to the Peer Review Policy;
- inform about and coordinate the resources of the education and R&D programs of the Clinical Divisions;
- propose and recommend future key activities in the areas of education and R&D of the AO Foundation and the AO Institutions.

(d) **Other powers**

- Submission of proposals regarding the establishment of the scientific goals of the Assembly of Trustees.
- Right to propose revisions of the AO Foundation Charter and Bylaws to the Assembly of Trustees.
- Right to propose members to the Assembly of Trustees.
- Representation of the AO Foundation and supervision of the AO Institutions in all legal matters.
- Provisional approval of the minutes of the Annual Meeting of the Assembly of Trustees.
- Representation of the shares of the AO Foundation’s shareholdings.
- Final approval of the budget and the annual financial statements including determination of the financial resources to be made available by the shareholdings to the AO Foundation every year.
- Control over shareholdings.
- Supervision and approval of the negotiation of, and compliance with, the cooperation and licence contracts as well as other agreements on behalf of the AO Foundation and all AO Institutions.
• Representation of the AO Foundation and all AO Affiliated Units in all legal matters relating to the industrial partners.

• Approval of the investment policy of the AO Foundation on an annual base, proposed by the AO Investment Committee of the Board of Directors of AO Technology AG.

• Approval of the annual financial result of the AO Foundation’s asset management and granting of discharge to the Board of Directors of AO Technology AG for the management of the AO Foundation’s financial assets.

(e) Signature powers
The President, the Vice-Chair and the COO, sign jointly on behalf of the AO Foundation. Rights of others to sign jointly on behalf of the AO Foundation are established by the AO Foundation Board. The right to sign on behalf of a legal entity of the AO Foundation (inside and outside Switzerland) requires prior consent by the AO Foundation Board.

2.2.2. Chair

The President as chair

• Assures compliance with the AO Mission Statement, the AO Foundation Charter, the Bylaws and policies.

• Calls and chairs the meetings of the AO Foundation Board and has the casting vote and prepares the items to be dealt with by the AO Foundation Board together with the Vice-Chair.

• Accepts proposals for agenda items of every member, submitted at least 30 days before the meeting.

• Assures timely presentation to the AO Foundation Board of the annual financial statements including the annual report.

• Is responsible, together with the Vice-Chair, for the minutes of the board meetings.

2.2.3. Vice-Chair

He is the Vice-Chair of the AO Foundation Board and acts as an advisor to the President and the AO Foundation Board in all governance, compliance, business and management matters. Duties include:

• Chairing the Board of Directors of the AO Technology AG and the Investment Committee.
• Representing the AO Foundation in all external matters of non-medical/scientific nature, such as negotiations with the industrial partners and chairing the meetings with industrial partners.

• Being a permanent guest of all international Clinical Division boards and advisory bodies.

• Preparing the items to be dealt with by the AO Foundation Board according to the directions given by the President.

• Supporting the President in his function as chair of the AO Foundation Board with reviews about the progress, operations and strategic projects.

• Submitting to the AO Foundation Board a rolling strategy, a mid-term plan and implementing the approved actions.

• Chairing the meetings of the AOEM and being in charge of the operational implementation of the strategic direction-setting defined by the AO Foundation Board.

The Vice-Chair is accountable to the President. His position is based on a mandate. The AO Foundation Board resolves (with the support of the Remuneration Committee) on the terms and conditions of the Vice-Chair.

The Vice-Chair is elected by the AO Foundation Board for a term of three years and can be re-elected.

2.3. Meetings and resolutions

Meetings of the AO Foundation Board are called and chaired by the President.

Resolutions and Elections of the AO Foundation Board are, as a rule, adopted by a majority of those members present with voting rights; they only can be taken when the presence of the voting members is higher than 50 percent of the total number of members with voting rights.

The President or, in case of his absence, the Immediate Past-President has the casting vote.

Resolutions and elections based on a proposal by the President may also be made by circular resolution or telephone conference. The minutes have to be approved in the following regular meeting.
2.4. **Subcommittees of the AO Foundation Board**

2.4.1. **Audit and Remuneration Committee**

The Audit and Remuneration Committee is established by the AO Foundation Board. Membership, powers and responsibilities as well as the organizational details are ruled in Terms of Reference established by the AO Foundation Board.

2.5. **Advisory Committees/Platforms**

Pursuant the AO Foundation charter, 5.2, paragraph 2, the AO Foundation Board may establish advisory committees/platforms to support it in its governing tasks and responsibilities.
3. President, President-Elect, Immediate Past-President

3.1. Nomination, election, terms of and release from office

(a) Nomination and election

• The Nominating Committee is the only group, which is authorized to propose a candidate for the President and the President-Elect.

• The President is nominated by the Nominating Committee and elected by the Assembly of Trustees for a period of two years.

• The President-Elect is nominated by the Nominating Committee and elected by the Assembly of Trustees for a period of two years. Upon expiration of his term of office, the President-Elect will normally be elected by the Assembly of Trustees as the new President.

(b) Terms of office

• President: two years (re-election not possible). After expiration of his term, the President becomes the Immediate Past-President.

• Immediate Past-President: two years. The Immediate Past-President remains an Ex Officio Member of the AO Foundation Board.

• President-Elect: two years as a member of the AO Foundation Board.

(c) Release from office

The President and President-Elect may be released from office with immediate effect by the Assembly of Trustees if such resolution is approved by the majority of the members present.

3.2. Powers and responsibilities

The President

• Represents the AO Foundation externally in scientific and clinical matters.

• Assures compliance of all AO officers and all AO employees with the Shared Values of the AO Foundation approved by the Assembly of Trustees (see 1.3.1.).

• Chairs the meetings of the Assembly of Trustees and the AO Foundation Board.
• Submits the scientific program for the meetings of the Assembly of Trustees to the AO Foundation Board for approval.

• Is a permanent guest of all international Clinical Division boards and advisory bodies; he may delegate this right to other members of the AO Foundation Board.

• May escalate any decision of international Clinical Division boards to the AO Foundation Board for discussion and final decision if he considers it to be in violation of the Mission Statement and/or the Shared Values of the AO Foundation approved by the Assembly of Trustees (see 1.3.1.).

• May not hold any other positions in the AO Foundation, and the AO Affiliated Units other than defined in these Bylaws.

• Prepares and chairs the meetings of the AO Foundation Board. He has the casting vote.

The Immediate Past-President

• In case of absence, death or incapacity of the President or at the request of the latter, the Immediate Past-President will act in his place.

• If the President is unable to attend, the Immediate Past-President will chair the meeting of the Assembly of Trustees.

• Chairs the meetings of the Nominating Committee.

• Chairs the election process at the Annual Meeting of the Assembly of Trustees.

The President-Elect

• Assists the President in the performance of his duties.

• Special tasks may be assigned to the President-Elect by the AO Foundation Board, such as chairing the AO Education Platform and being member of the Audit and Remuneration Committee.

• Must step down from all positions in international Clinical Division boards and international advisory bodies no later than six months after election with the exception of the AO Foundation Board.
4. Nominating Committee

The Nominating Committee consists of the following eight members:

- 4 members representing the AO Foundation: President, Immediate Past-President, President-Elect, and Vice-Chair of the Foundation Board;

- 4 members representing the Clinical Divisions: Chairs of the international Clinical Division boards;

The Nominating Committee is chaired by the Immediate Past-President. He has the casting vote.

It only can take resolutions if 75 percent of the voting members are present.

Resolutions of the Nominating Committee may also be made by circular resolution or telephone conference. The minutes have to be approved in the following regular meeting.

The Nominating Committee prepares the elections of the President and the President-Elect and submits candidates to the Assembly of Trustees for all elections or approvals to be held at the Annual Meeting.

The Nominating Committee communicates the schedule of the call for nominations annually to the entitled stakeholders for nominations. In order to prepare the elections or approvals, the Nominating Committee has to consider only nominations which are submitted on the standard forms of the AO Foundation. The forms must reflect the nominees’ contributions to, and participation in, the activities of the AO Foundation.

The Nominating Committee sends the request for proposals of Regional Members to the Regional Boards of the respective Clinical Division or, in case no Regional Board exists, to the International Boards. The respective Boards will nominate candidates and submit the proposals to the Nominating Committee for approval by the Assembly of Trustees (see 1.3.1. and 1.4.3.).

Regional Members and their distribution among Clinical Divisions are allocated by the Nominating Committee according to the Trustee Formula taking into account the regional distribution of the places of work of Ex Officio Members with the exclusion of Members of the AO Foundation Board.
Each nominee should still be an active surgeon and have held a regional office or other ex officio position and/or distinguished himself/herself by major regional or international contributions to the AO Mission Statement.

The Nominating Committee submits the proposals of Regional Members for approval to the Assembly of Trustees.

The Nominanting Committee is responsible to submit not more than two candidates for Honorary Trustee per year.

The Nominating Committee submits proposals for the reward with a Medal of Honour (see 1.3.1.).
5. AOTK Executive Board

The chair of the AOTK Executive Board is nominated by the AOTK Executive Board and elected by the AO Foundation Board for a period of five years; one or more renewals are possible, provided that the chair is nominated by two thirds of the votes of the AOTK Executive Board.

For the rest, the AOTK Executive Board is organised according to the rules as defined in the AOTK Guidelines, which have to be approved by the AO Foundation Board.

6. AO Executive Management (AOEM)

The Vice-Chair, with the support of the COO, conducts the business of the AO Foundation and chairs the meetings of the AOEM in accordance with its organizational regulations, consisting of the Clinical Divisions, Institutes and the Support Units.

7. Auditors

The auditors are elected by the Assembly of Trustees. They are responsible for the annual auditing of the annual financial statements of the AO Foundation and of the AO Institutions supported by it. The auditors submit a report to the AO Foundation Board on behalf of the Assembly of Trustees.
III. MODIFICATIONS

These Bylaws may be changed or amended by the Assembly of Trustees by resolution requiring the consent of two-thirds of the members with voting rights present.

The original Bylaws dated December 8, 1984 were revised on December 11, 1989, on June 24, 1991, on October 15, 1995, on June 17, 1999, on July 3, 2002, on June 22, 2005, on June 20, 2009, on July 12, 2010, on June 30, 2012 and on June 13, 2013. These Bylaws replace the Bylaws dated June 13, 2013. The new rules in Article 1 will be applied upon termination or re-election of respective offices and positions.

The present document has been prepared in 6 executions, 3 executions for the AO Foundation and the Founders, one execution each for the Governmental Supervisory Authority, the Commercial Registry and the Tax Authorities of the Canton of Grisons.

Miami, July 7, 2017
President AO Foundation
Dr. Nikolaus Renner

Miami, July 7, 2017
Vice-Chair AO Foundation Board
Dr. Rolf Jeker

Chair AO Foundation Board
CEO AO Foundation