

# **AALTO UNIVERSITY FOUNDATION CONSTITUTION**

**AALTO UNIVERSITY BOARD MEETING ON 21 MARCH 2016 AND 16 SEPTEMBER 2016**

**Registered in the Register of Foundations at Finnish Patent and Registration Office 4 October 2016**

### **Section 1. Name and domicile of the Foundation**

The Foundation shall be called Aalto-korkeakoulusäätiö sr (Swedish: Stiftelsen för Aalto-högskolan sr, English: Aalto University Foundation sr and its domicile shall be the City of Helsinki.

### **Section 2. Purpose of the Foundation**

The purpose of the Foundation shall be, in a manner laid down in legislation, to promote free research and scientific and artistic erudition, provide higher education based on research and educate students to serve their country and humanity. The Foundation shall be an autonomous multidisciplinary art and science community which operates in the fields of technology, economics, and art and design and in fields closely related to them. The Foundation shall work in interaction with the rest of society and with the international scientific and artistic communities, and advance the impact of research and artistic activities on society.

The special national mission of the Foundation shall be to sustain Finland's success, to contribute to Finnish society, its economy, technology, art, art and design, internationalization and competitiveness and to promote the welfare of humankind and the environment.

The Foundation will respect the freedom of science, art and education.

### **Section 3. Fulfilling the purpose**

The Foundation shall fulfil its purpose by executing university tasks relating to science, art and education in the fields of technology, economics, and art and design and in fields closely related to them in a manner to be set forth in university legislation.

The principal units of the Foundation shall be Schools with independent responsibility for matters relating to their academic activity within the scope of the strategy and policy adopted by the Foundation. In the establishment phase the principal units shall be the School of Economics, the School of Art and Design and the School of Technology.

In all its activities the Foundation shall abide by the ethical principles of world-class university operation and follow a good method of administration, and in its internal administration safeguard academic autonomy and the independence of the professoriate intrinsic to it, which are requisites for the freedom of education, research and art.

The Foundation may grant scholarships and contributions in order for the support of science, art and education conducted at university level.

The Foundation shall have the right to operate educational and research services, training and consultancy services, extension education, fee-paying services, business incubators, library services, functions relating to the utilization and commercialization of research, and any other activity provided for in the university legislation which immediately promotes the fulfilment of the purpose and societal mission of the Foundation.

The Foundation may operate and own property both in Finland and abroad.

#### **Section 4. Foundation capital**

The fixed capital of the Foundation consists of the fixed capital of 280 million euro donated by the founders of the Foundation by a signed Charter of Foundation dated 25 June 2008.

The Foundation has the right to accept bequests and other donations and, in other manners sanctioned by the Foundations Act, to accrue its assets. Bequeathed and donated funds shall be managed and used as instructed by the donors. In the absence of detailed stipulations, the Board of the Foundation shall decide on the use of the funds.

The Foundation shall have both joint and field- and School-specific funds whose use shall be governed by the stipulations issued by the Board of the Foundation within the provisions of this Constitution.

The asset management of the Foundation shall be systematic. The asset management includes managing of the funds used for the Foundation's activities, as well as investment and business activities of the Foundation.

#### **Section 5. Organization of the Foundation**

The organizational bodies of the Foundation include a Board, a President elected by the Board, being also the Managing Director referred to in the Foundations Act (Säätiölaki 487/2015) and an Academic Affairs Committee, acting as Aalto University's joint multi-member administrative body.

Further provisions concerning the administration and organization of the Foundation shall be laid down in University bylaws adopted by the Board.

#### **Section 6. Board of the Foundation**

The business of the Foundation shall be administered and the Foundation shall be represented by a Board comprising seven (7) members, including the Chair and Vice-Chair.

The Board shall be comprised of members representing a wide range of domestic and international expertise at the highest level of the sciences and arts within the Foundation's scope of activities as well as in civic and business life.

A Board member may not be the President, a Vice President, the Director of a Faculty or any other unit directly subordinate to the Board, or a member of a multi-member administrative body. A Board member may not be a direct beneficiary of the Foundation or a civil servant in the Ministry of Education. A board member who has become ineligible for the foregoing reason must resign.

The University Academic Affairs Committee shall appoint the Board members after hearing the founders of the Foundation. Three of the members shall be appointed among the persons who the founders, excluding the Finnish State, have nominated as candidates. There shall be at least twice the number of candidates in relation to the number of members to be appointed.

When appointing a member among the candidates appointed by the founders, the Chair of the University Academic Affairs Committee shall inform the founders, excluding the Finnish State, at least three months before the beginning of the Board member's mandate. **These**

founders shall notify the Chair of the University Academic Affairs Committee the nominated candidates at least two months before the beginning of the Board member's mandate. In case the founders do not notify their candidates, the University Academic Affairs Committee shall nominate and appoint them.

The term of the board members shall be three (3) calendar years. If a board member resigns, a new member shall be elected in his/her place for the remainder of the term. Membership in the Board may continue in one or several periods for a maximum of nine (9) calendar years.

The Board shall elect amongst themselves a Chair and a Vice-Chair, whose term shall be two (2) years. The outgoing Chair and Vice-Chair may be reelected. University professors may not serve as Chairs or Vice-Chairs, nor may other teaching and research staff, other staff or students.

The Board may devolve, by the Regulations adopted by it or by a separate decision, its executive power to the President, other organs or to persons employed by the Foundation.

A board member may be paid a customary fee and compensation for the work made for the benefit of the Foundation.

#### **Section 7. Board meeting**

Each board member shall have one vote. If the votes are equal, the Chair shall have the casting vote, in an election of a person, however, the matter shall be settled by the drawing of lots.

The Board shall have quorum when more than half of the members, including the Chair or the Vice-Chair, are attending the meeting.

The Board shall meet at the Chair's, the Vice-Chair's or the President's invitation which shall be delivered to the address given by the Board member.

The invitation shall be dispatched to the Board members at least seven days before the meeting.

Two members present at the meeting shall be elected to examine the minutes kept at the meeting.

Matters shall be presented to the Board by the President.

#### **Section 8. Mandate of the Board**

The Board shall decide on the strategy of the Foundation, on matters concerning the operation and economy of the Foundation and on other plans of great consequence. The Board shall nominate the President to lead the operations of the Foundation.

Additionally, the Board shall:

- 1) determine the duties of the President within the provisions of this Constitution,
- 2) elect the directors of the Schools at the referral of the President,
- 3) establish and close down teaching and research units of the Foundation,
- 4) adopt the annual action plan and budget of the Foundation,

- 5) approve the annual report and final accounts of the Foundation,
- 6) submit a report on the operational year of the Foundation to the Academic Affairs Committee and
- 7) adopt the University bylaws and other corresponding regulations.

### **Section 9. Duties of the President**

The President shall:

- 1) direct the operations of the Aalto University,
- 2) be responsible for ensuring that the University operates economically, efficiently and productively,
- 3) be responsible for ensuring that the University's accounting is organized in accordance with the law, and that asset management is organized in a reliable manner,
- 4) be responsible for preparing and presenting matters to the Board,
- 5) be responsible for executing Board decisions unless otherwise stated in the University Bylaws, and
- 6) decide on the hiring and dismissal of employees.

Taking into consideration the University's tasks, the President may only launch far-reaching actions if the Board has authorized him/her to do so, or if waiting for the Board's decision would cause significant prejudice to the University's functions. In the latter case, the Board must be notified of the actions taken as soon as possible.

The President may authorize another executive body or another person to decide on hiring personnel or on any other action within his/her authority. The President is entitled to attend and has the right to speak at all meetings of executive bodies.

The Aalto University may have Vice Presidents as regulated in the University bylaws.

The President or a person appointed by the President shall act as the Chair of the University Academic Affairs Committee.

### **Section 10. Mandate of the Academic Affairs Committee**

The Academic Affairs Committee shall:

- 1) decide on the curricula and degree requirements,
- 2) set the admission criteria,
- 3) decide on other general regulations regarding teaching and research,
- 4) appoint the necessary committees dealing with degrees, assessment and appeals, or other bodies and
- 5) appoint their chairs, members and deputies and
- 6) appoint the Board members and decide on the length of the term of the Board and of its members.

The Academic Affairs Committee consists of no more than 50 members who are represented only by the University community groups:

- 1) university professors,
- 2) other teaching and research personnel and other staff and
- 3) students.

### **Section 11. Final accounts**

The financial term of the Foundation shall be one calendar year. The final accounts and the annual report written by the Board shall be submitted to the auditors by the end of April. The auditors shall submit their report to the Board by the 15th of May.

The Foundation shall submit the final accounts with balance sheet specifications, the annual report and the auditors' report (the annual account) for registration at the registration authority within six months from the end of the financial term. Copies of these documents shall be appended to the notification.

### **Section 12. Auditors**

For each financial year, the Board of the Foundation shall elect two auditors, who must be Authorized Public Accountants or an Authorized Public Accountant organization.

### **Section 13. Representation rights**

The Foundation shall be represented by the Chair of the Board and the President, being also the the Managing Director referred to in the Foundations Act, both alone. The Board may also grant an appointed person the right to represent the Foundation.

### **Section 14. Further provisions**

In performing its statutory public administrative mission, the Foundation shall comply with the provisions of the Administrative Procedure Act. Aalto University shall comply in its operations with the regulation of the Administrative Procedure Act concerning disqualification in accordance with Section 30 of the Universities Act. The activities of Aalto University shall in regard to openness comply with the provisions Section 4 Subsection 1 of the Act on the Openness of Government Activities.

In its operations, the Foundation shall comply with the provisions of legislation on the equality of men and women.

### **Section 15. Amendments to the Constitution and termination of operations**

When the Foundation considers it necessary to amend these provisions or is contemplating a dissolution of the Foundation, the matter shall be discussed by the Board at its meeting and the proposal put forward must have a minimum of two thirds majority of the votes.

The Foundation shall be dissolved if the legislation is amended so as not to assign the Foundation a statutory public mission or to remove this mission from it.

If the Foundation is dissolved or terminated, its assets shall be donated for a purpose closely relating to the operations of the Foundation, with the exclusion of the capital donated by the State to the Foundation, which shall be conveyed back to the State, with unspent revenue, to be used in a manner determined by Parliament.

## **Section 16. Transitional provisions**

The Aalto University Foundation shall in co-operation with the governing bodies of Helsinki School of Economics, Helsinki University of Technology and the University of Art and Design Helsinki take care of the organization and structuring of joint operations of the Aalto University by 1 January 2010. The Boards of these combining universities shall after 1 August 2009 appoint the Board of the Aalto University Foundation and decide on the terms of the Board members to terminate for the part of four members on 31 December 2010 and three on 31 December 2012.

The provision in Section 6 paragraph 5 shall be applied to Board members whose term shall terminate 31 December 2012. The provision shall be applied to Board members whose term shall terminate 31 December 2010 so that the term of two members shall terminate on 31 December 2013 and the term of two members on 31 December 2014, as decided by the University Academic Affairs Committee. The limitation on continuation of Board membership shall be reckoned to as having commenced on 1 January 2010.

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- 6) appoint the Board members and 7) decide on the length of the terms of the Board and of its members.

The Academic Affairs Committee consists of no more than 50 members who are represented only by the University community groups:

- 1) University professors
- 2) other teaching and research personnel and other staff and
- 3) students.

None of the three groups shall have more than half of the seats on the Committee. The Committee members shall be elected by their respective University groups.

Aalto University Bylaw provisions also apply to the number of Committee members, their selection and duties insofar as such matters are not provided for in subsection 1 above.

#### Section 11. Final accounts

The financial term of the Foundation shall be one calendar year. The final accounts and the annual report written by the Board shall be submitted to the auditors by the end of April. The auditors shall submit their report to the Board by the 15th of May.

The Foundation shall submit the final accounts with balance sheet specifications, the annual report and the auditors' report (the annual account) for registration at the registration authorities within 6 months of the end of the financial term. Copies of the documents mentioned shall be appended to the submission.

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#### Section 13. Representation rights

The Foundation shall be represented by the Chair of the Board and the President, being also the Managing Director referred to in the Foundations Act (Säätiölaki 24.4.2015/487), both alone. The Board may also grant an appointed person the right to represent the Foundation.

#### Section 14. Further provisions

In performing its statutory public administrative mission, the Foundation shall comply with the provisions of the Administrative Procedure Act. Aalto University shall comply in its operations with the regulation of the Administrative Procedure Act concerning disqualification in accordance with Section 30 of the Universities Act. The activities of Aalto University shall in regard to openness comply with the provisions of section 4 subsection 1 of the Act on the Openness of Government Activities.

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When the Foundation is considers it necessary to amend these provisions or is contemplating a dissolution of the Foundation, the matter shall be discussed by the Board at its meeting and the proposal put forward must have a minimum of two thirds majority of the votes.

The Foundation shall be dissolved if the legislation is amended so as not to assign the Foundation a statutory public mission or to remove this mission from it.

If the Foundation is dissolved or terminated, its assets shall be donated for a purpose closely relating to the operations of the Foundation, with the exclusion of the capital donated by the State to the Foundation, which shall be conveyed back to the State, with unspent revenue, to be used in a manner determined by Parliament.

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The Aalto University Foundation shall in co-operation with the governing bodies of Helsinki School of Economics, Helsinki University of Technology and the University of Art and Design Helsinki take care of the organisation and structuring of joint operations of the Aalto University by 1 January 2010. The Boards of these combining universities shall after 1 August 2009 appoint the Board of the Aalto University Foundation and decide on the terms of the Board members to terminate for the part of four members on 31 December 2010 and three on 31 December 2012.

The provisions in section 6 subsection 6 above shall be applied to Board members with a termination date of 31 December 2012. The provision shall be applied to Board members whose term has a termination date of 31 December 2010 so that the term of two members shall terminate on 31 December 2013 and the term of two members on 31 December 2014, as decided by the University Academic Affairs Committee. The limitation on continuations of Board membership shall be reckoned as having commenced on 1 January 2010.