

Association of Foreign Banks in Switzerland  
Verband der Auslandsbanken in der Schweiz  
Association des banques étrangères en Suisse  
Associazione delle banche estere in Svizzera

foreign banks . **in switzerland** .

Articles of Association

# Articles of Association of the Association of Foreign Banks in Switzerland

Revised edition as of 21 June 2002

## I. Name, registered office and objective

- Art. 1 <sup>1</sup> In accordance with art. 60 - 79 of the Swiss Civil Code, an association has been formed under the name of «Association of Foreign Banks in Switzerland» («Verband der Auslandsbanken in der Schweiz», «Association des banques étrangères en Suisse», «Associazione delle banche estere in Svizzera»).
- <sup>2</sup> The Association has its registered offices in Zurich and is entered in the commercial register.
- Art. 2 The objective of the Association is to protect and to promote the common interests of its members.

## II. Membership

- Art. 3 <sup>1</sup> The following foreign owned institutions deploying their activities in Switzerland shall qualify for membership of the Association (hereafter «Member»):
- a) banks and branches of foreign banks;
  - b) securities dealers;
  - c) managers and agents of investment funds.
- Art. 4 <sup>1</sup> The Board may attribute the status of observer to natural or corporate entities which share in the association's goals without, however, qualifying for full membership (hereafter «Observer»).
- <sup>2</sup> Unless the Articles of Association provide otherwise, the Observer shall have the rights and obligations of a Member.
- Art. 5 Members or Observers shall be admitted by resolution of the Board, upon written application.
- Art. 6 <sup>1</sup> A Member may resign from the Association at the end of the current month by tendering his resignation in writing.

<sup>2</sup> Membership shall also lapse if the Member terminates its business (e.g. by liquidation) or no longer fulfils the requirements of Arts. 3 and 4 of the Articles of Association.

<sup>3</sup> Once the membership of an institution is terminated, the mandate of its representatives in any of the organs of the Association is automatically cancelled.

Art. 7 <sup>1</sup> The Board may, at any time, withdraw membership at its own discretion and without giving reasons, provided that the relative resolution has been passed by two thirds of the Board members.

<sup>2</sup> In particular, membership may be withdrawn as a result of actions contravening the Association's aim and objective.

Art. 8 <sup>1</sup> Members and Observers shall be required to pay an annual contribution; the amount thereof shall be determined by the General Assembly. In the year of affiliation the contribution shall be due pro rata temporis.

<sup>2</sup> The General Assembly shall have the power to approve any additional contributions necessary to carry out such extraordinary activities as may serve the objective of the Association.

<sup>3</sup> Members and Observers shall not be held responsible for the liabilities of the Association.

Art. 9 <sup>1</sup> Members and Observers terminating their membership in the Association shall be required to pay their annual subscription pro rata temporis up to the date of termination of membership.

<sup>2</sup> Members and Observers terminating their membership shall have no claim on the assets of the Association.

### **III. Organization**

Art. 10 The organs of the Association shall be the:

- a) General Assembly;
- b) Board;
- c) Board Committee;
- d) Secretary General;
- e) Auditors.

## A. General Assembly

- Art. 11 <sup>1</sup> The General Assembly shall be composed of representatives of the Members and of the Observers.
- <sup>2</sup> Each Member shall have one vote at the General Assembly. Observers' participation shall be of a consultative nature.
- <sup>3</sup> In exercising his right of vote, a Member may appoint another Member to act as his proxy. However, no Member may represent more than one other Member.
- Art. 12 <sup>1</sup> The Ordinary General Assembly shall be held annually within six months of the closing of the accounts. It will be called by the Board.
- <sup>2</sup> Extraordinary General Assemblies shall be called by the Board or the Auditors as and when necessary. In addition, the Board must call an Extraordinary General Assembly if the Ordinary General Assembly so requires, or if at least one fifth of the Members so requires in writing, stating the purpose.
- <sup>3</sup> The place of the Assembly shall be determined by the Board.
- Art. 13 The Ordinary General Assembly has the following prerogatives:
1. approval of the Board's Annual Report, Statement of Accounts and discharge of the Board;
  2. election of the Board and the Auditors;
  3. determination of the membership contributions;
  4. change of the Articles of Association and dissolution of the Association;
  5. resolution of any other business within its powers according to law or to the Articles of Association, or of matters which are brought to its attention by the Board or the Auditors.
- Art. 14 Invitations to the General Assembly shall be issued at least fourteen days in advance and shall include the Agenda.
- Art. 15 Members' and Observers' motions that are to be included in the Agenda for the next General Assembly must be submitted to the Board in writing at least four weeks before the Assembly's date.
- Art. 16 <sup>1</sup> The General Assembly shall be presided by the Chairman of the Board, or, in his absence, by one of the Deputy Chairmen or a member of the Board.
- <sup>2</sup> The chairman shall appoint a secretary in charge of the Minutes.
- Art. 17 <sup>1</sup> Each General Assembly properly convened is empowered legally to resolve all points of the Agenda, irrespective of the number of Members present. Any resolutions passed by the General Assembly or any elections held shall require an absolute majority of the votes cast, as long as it is not otherwise provided for hereafter.

<sup>2</sup> A two-third majority of the votes cast shall be required for the dissolution of the Association or for a change of the Articles of Association.

Art. 18 <sup>1</sup> Votations and elections shall be done by show of hands, unless the assembly has decided otherwise or the chairman has prescribed written proceedings.

<sup>2</sup> In the event of parity of votes, the chairman shall have the casting vote.

## **B. Board**

Art. 19 <sup>1</sup> The Board shall be composed of at least eight persons who, as a rule, shall be of top managerial rank within the Members. Representatives of the Observers are not eligible to the Board.

<sup>2</sup> Board members shall have a three-year term of office. If the election does not take place during an Ordinary General Assembly, the current financial year shall be considered the first of the three years of office.

<sup>3</sup> Retiring Board members are eligible for a second consecutive term of office. A further prolongation of the mandate shall only ensue if special reasons, in the interest of the Association, exist.

<sup>4</sup> Members shall be represented on the Board on an appropriate rota basis.

<sup>5</sup> The composition of the Board shall adequately reflect the Members' countries of origin and the main Swiss financial centres.

<sup>6</sup> At least three quarters of the Board members must represent a bank.

Art. 20 <sup>1</sup> The Board shall be responsible for the activities of the Association and shall supervise its management. Any matters which may arise concerning the Association and for which no other provision has been made in the Articles, shall be decided by the Board.

<sup>2</sup> The Board's duties and functions include in particular:

1. the acceptance and expulsion of Members and Observers;
2. the holding of preliminary discussions and tabling of motions on all items of business dealt with at the General Assembly, in particular the drawing up of the Annual Report and the Statement of the Accounts;
3. the election of a Chairman and one or more Deputy Chairmen, a Treasurer and the Board Committee;
4. the appointment of a Secretary General and the determination of his duties and remuneration;
5. the granting of legal powers of signature on behalf of the Association.

<sup>3</sup> The Board is authorized to delegate part of its powers to the Board Committee.

- Art. 21 <sup>1</sup> The Board shall convene upon invitation of the Chairman or, in his absence, of a Deputy Chairman, or at the request of at least four Board members, as often as business requires. The Agenda shall be advised with the invitation.
- <sup>2</sup> Resolutions shall be adopted by an absolute majority of those present. In the event of a parity of votes, the chairman shall have the casting vote. Art. 7, par. 1 of the Articles of Association is held under reserve.
- <sup>3</sup> The chairman shall appoint a secretary to take the minutes.
- <sup>4</sup> The Chairman or, in his absence, a Deputy Chairman may arrange the passing of written resolutions by way of circular letters to the Board members. A resolution, with the absolute majority of the Board members, is considered as being passed provided no Board member demands verbal discussion. In urgent cases, the Board can counsel and resolve by telephone.
- <sup>5</sup> Resolutions passed by telephone or by circular letter are to be entered in the Minutes.

### **C. Board Committee**

- Art. 22 <sup>1</sup> The Board Committee shall consist of at least four Board members.
- <sup>2</sup> The Chairman, the Deputy Chairmen and the Treasurer shall hold the same positions of the Board Committee as they hold on the Board.
- <sup>3</sup> The term of office of the members of the Board Committee shall be three years.
- Art. 23 <sup>1</sup> The Board Committee shall assist the Chairman in preparing the business of the Board, as far as this proves necessary or expedient.
- <sup>2</sup> In addition, the Board Committee shall exercise the powers delegated by the Board under Art. 20, par. 3.
- Art. 24 <sup>1</sup> The Board Committee shall convene at the invitation of the Chairman or, in his absence, of a Deputy Chairman. The Agenda shall be advised with the invitation.
- <sup>2</sup> A majority of Board Committee members is required to be present if a resolution is to be adopted.
- <sup>3</sup> The provisions of Art. 21, par. 2, 3, 4 and 5 apply also to the Board Committee where appropriate.

#### **D. Secretary General**

- Art. 25 <sup>1</sup> The Secretary General shall be responsible for the management of the Association in accordance with the Association's objective, the resolutions of the General Assembly, the Board and of the Board Committee.
- <sup>2</sup> He shall participate at the General Assemblies, Board meetings and meetings of the Board Committee, in an advisory capacity with the right to propose a motion.
- <sup>3</sup> In all other respects, the duties and powers of the Secretary General shall be laid down by the Board.

#### **E. Auditors**

- Art. 26 The Auditors shall comprise two members and one substitute. They shall be elected by the General Assembly for a period of three years, and shall be required to submit a written report to the Ordinary General Assembly. Retiring members and substitutes may be re-elected.

### **IV. Accounts**

- Art. 27 The books shall be closed on 31 December of each year.

### **V. General provisions**

- Art. 28 Official announcements of the Association shall be published in the Swiss Commercial Gazette. Notices to Members and Observers shall be sent by ordinary letter, circular letter or e-mail, unless otherwise specified by law.
- Art. 29 The Association shall be bound by the collective signature of two authorized signatories. The Chairman, the Deputy Chairmen, the Treasurer and the Secretary General are authorized to sign jointly by two or with any other person authorized by the Board.

## **VI. Dissolution and liquidation**

- Art. 30 In accordance with the Articles of Association, the General Assembly may at any time order the dissolution and liquidation of the Association.
- Art. 31 After all debts have been payed, any remaining assets of the Association shall be distributed among the Members and Observers. The amount so due to each Member or Observer shall be calculated upon a pro rata basis relative to the total sum of their contributions during the three years preceding the order for dissolution.



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