



# Articles of Association

June 18, 2004

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# Articles of Association

## International Securities Services Association ISSA

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### I. NAME, DOMICILE AND DURATION

Art. 1 Under the name *International Securities Services Association ISSA* exists an Association (Verein) in the sense of Art. 60-79 of the Swiss Civil Code. ISSA is an independent legal entity with legal capacity. It is governed by Swiss Law. The Association is domiciled in Zurich (Switzerland). Its duration is unlimited.

### II. OBJECTIVES AND ACTIVITIES

Art. 2 The general objectives of the Association are:

- To promote progress and transparency in the securities services industry
- To open communication channels between and develop personal contacts among securities services providers
- To increase the professional knowledge of securities industry participants and the investment community
- To work together with other financial sector industry organisations

For this purpose, the Association undertakes specific activities such as:

- The organisation of the ISSA Symposium
- The organisation of regional meetings and other conferences
- The publication of information material
- The commenting on developments in the finance industry which are of special interest to securities services providers

### III. MEMBERSHIP

Art. 3 May become Member of the Association:

Banks, central securities depositories or clearing organisations, recognised stock exchanges, recognised dealers in securities, asset managers, pension funds, insurance companies, carriers of financial data, associations of professionals of the finance industry, and other categories subject to approval by the ISSA executive board.

Art. 4 Membership is subject to admission by the executive board. The executive board issues guidelines for the admission of new members.

Art. 5 Membership is subject to an annual fee, set annually by the executive board. It is payable within the time frame referred to in the invoice. Members joining or resigning from the Association during the financial year pay a pro-rated fee for the respective year. The membership fees are used to finance activities in line with the general objectives of the Association.

Art. 6 Members may resign at any time by giving notice to the executive board in writing.

Art. 7 The executive board may terminate memberships at any time without reasons being given.

Art. 8 Membership is lost when the respective institution fails to pay its annual membership fee, despite having been reminded to do so at least once, by the end of the calendar year.

Art. 9 Members are expected to actively promote the objectives of the Association. In particular, they should provide their ideas and professional know-how to further the success of the Association's activities. Upon request, members are expected to supply information and data to support ISSA initiatives or publications, to actively participate in events organised by the Association and to act as interface between the Association and other members of the securities industry in their countries.

#### **IV. SPONSORSHIP**

Art. 10 Sponsorship is subject to invitation by the executive board. Each sponsor organisation is also a member.

Art. 11 Each sponsor has the right to delegate one representative into the executive board. The names and logos of the sponsors appear on all publications.

Art. 12 The sponsors share on an annual basis the cost of the secretariat and any uncovered costs of the publications. The costs for special activities and events like the ISSA Symposium will be divided in accordance with a decision by the executive board on a case by case basis.

Art. 13 The sponsors are expected to enrich the discussions within the executive board by providing ideas and professional know-how to improve the value of the activities of the Association, in line with its general objectives.

Art. 14 Sponsors may terminate their sponsorship as per the end of a financial year by giving three months notice to the executive board in writing.

Art. 15 The executive board may terminate a sponsorship as per the end of a financial year by giving three months notice to the sponsor organisation.

#### **V. ORGANISATION**

Art. 16 The corporate bodies of the Association are:

- the general meeting
- the executive board
- the secretariat

The official language of the Association is English.

#### **VI. THE GENERAL MEETING**

Art. 17 The general meeting is the supreme body of the Association. It consists of the voting delegates representing the membership and is guided by the chairman or the vice chairman. Secretariat staff and other guests may attend the general meeting but have no voting right.

Art. 18 It is the responsibility of the general meeting to guide the activities of the Association. All authority for decisions in principal matters resides in the general meeting unless otherwise stated in these Articles of Association or explicitly delegated by this body. The general meeting has the control of the other corporate bodies of the Association.

Art. 19 The general meeting is held at each ISSA Symposium, normally every two years. Moreover, it may be summoned at any time with no less than two months' notice on demand by one-fifth of the members, stating the agenda.

Art. 20 Elections and votes may take place at the general meeting or, upon decision of the executive board, by written notice or through electronic means (eMail).

Art. 21 It is the right of each member to submit motions for voting to the executive board.

Art. 22 Each delegate has one vote. Proxy voting is not allowed.

Art. 23 Any motion to amend the Articles of Association requires a two-thirds majority of the votes cast.

Art. 24 Any other motion is approved if accepted by a simple majority of the votes cast. It is rejected when a simple majority has not been reached or in case of a tie. Reserve is made for Article 43 of the Articles of Association concerning the termination of the Association.

Art. 25 Any motion that has not been submitted to the members fourteen days before the start of a general meeting may be deferred to the next meeting, unless admitted by the executive board.

## **VII. THE EXECUTIVE BOARD**

Art. 26 The executive board comprises one representative of each sponsor organisation and the secretary who is an ex-officio board member.

Art. 27 The executive board is headed by the chairman and a vice chairman who are elected for an indefinite period by the executive board from among its sponsor members. Reserve is made for the regulations defined in Art. 65 §2 of the Swiss Civil Code (see Appendix). The chairman has the right and the obligation to direct the affairs of the Association and to represent it in order to promote the objectives of ISSA. He signs collectively together with the vice chairman, the secretary or the administrator. The vice chairman has the right and the obligation to direct as deputy of the chairman the affairs of the Association and to represent it in order to promote the objectives of ISSA. He signs collectively together with the chairman, the secretary or the administrator.

Art. 28 The members of the executive board representing the sponsor organisations are appointed for an indefinite period, but may be replaced by the respective organisation at any time.

Art. 29 A board membership is terminated if a board member gives written notice of resignation, or is no longer associated with a sponsor organisation, or if a sponsor organisation ceases to be a sponsor. Reserve is made for the regulations defined in Art. 65 §2 of the Swiss Civil Code.

Art. 30 The executive board is responsible for the organisation and co-ordination of all established activities of the Association. In addition, the executive board may organise other activities without the specific approval of the general meeting as long as the objectives of ISSA and the Articles of Association are respected.

Art. 31 The executive board reports to the general meeting and informs the absent members as appropriate on decisions and actions taken.

Art. 32 The members of the executive board meet as a rule twice per year to discuss and monitor the activities of the Association. A quorum of the executive board consists of at least half of its members. A motion is approved if accepted by a simple majority of those present and rejected when a simple majority has not been reached or in case of a tie. Each board member has one vote.

Art. 33 The executive board has the authority to appoint committees for special tasks. Membership on such committees is not limited to members of the board. The executive board may issue guidelines governing the appointment to and the terms of reference of such committees. The authority of the executive board under this article can for specific matters be delegated to the chairman, the vice chairman or the secretary.

## **VIII. THE SECRETARIAT**

Art. 34 The administration of the affairs of the Association is carried out by the secretariat.

Art. 35 The secretariat is headed by the secretary who is appointed by the sponsor organisation hosting the secretariat. The secretary is an ex-officio board member for an indefinite period. Reserve is made for the regulations defined in Art. 65 §2 of the Swiss Civil Code.

Art. 36 In the absence of the chairman and the vice chairman, the secretary officiates in their place. The secretary has the right and the obligation to manage the affairs of the Association and to represent it in order to promote its objectives. He signs collectively with the chairman, the vice chairman or the administrator.

Art. 37 The day to day affairs of the association are managed by the administrator who is appointed for an indefinite period by the sponsor organisation hosting the secretariat. Reserve is made for the regulations defined in Art. 65 §2 of the Swiss Civil Code. The administrator has the right and the obligation to represent the Association in order to promote the objectives of ISSA. He signs collectively with the chairman, the vice chairman or the secretary.

#### **IX. FINANCES**

Art. 38 The Association is a non-profit organisation. Its income consists of:

- Sponsor contributions
- Membership dues
- Earnings from publications
- Earnings from activities

Art. 39 All financial matters of the Association are conducted by the administrator under the supervision of the secretary and audited annually by an executive board member who is elected on a rotating basis.

Art. 40 The financial year of the Association corresponds with the calendar year. Its books are kept in Swiss Francs.

Art. 41 Income of the Association may be used to cover the costs of production and distribution of publications, expenses connected with other activities in line with its general objectives, with the promotion or representation of the Association, and with maintaining its secretariat. Expenses incurred by members of the executive board and other members shall as a rule be met by the organisations/individuals concerned. In exceptional cases, the chairman may decide otherwise. The secretariat issues guidelines for the reimbursement of expenses.

Art. 42 Debit balances must not exceed Swiss Francs 100'000.- without executive board approval.

#### **X. TERMINATION OF THE ASSOCIATION**

Art. 43 Through a written ballot in which at least three quarters of all votes are cast the membership can at any time resolve the termination of the Association with a two thirds majority.

Art. 44 Any net surplus of funds remaining after liquidation will be distributed equally between the sponsor organisations.

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Zurich, June 18, 2004

The Chairman:

  
Josef Landolt

The Secretary:

  
Urs Stähli

For reference:

*Art. 65 §2 of the Swiss Civil Code stipulates that the general meeting is legally empowered to depose the executive board or other bodies of an Association at any time if they are found acting against the objectives and interests of the Association.*

*This legal provision overrules any provision of the Articles of Association that may be worded differently; it also overrules any contracts or agreements a holder of a function may have entered into with the Association.*