

22 May 2014

By-laws of the Association

« Ethics and Compliance Switzerland »

1. Name, seat, duration

- 1.1. « Ethics and Compliance Switzerland » is a not for profit association under Articles 60 et seqq. of the Swiss Civil Code (the **Association**). The seat of the Association is Berne.
- 1.2. The Association is not registered with the commercial registry.
- 1.3. The Association is established for an indefinite period.

2. Purpose

- 2.1. Ethics and Compliance Switzerland is an independent not for profit association which promotes ethical leadership and organizational integrity in all public and private organizations.

This objective shall, by way of example, be achieved:

- a) by interdisciplinary sharing of best compliance practices and interacting with compliance interested stakeholders at national and international level;
 - b) by developing skills and expertise and by furthering the standing of ethics and compliance professionals;
 - c) by conducting, promoting and publishing research and contributing to the opinion making process in organizational ethics and compliance matters and
 - d) by establishing, developing and promoting sustainable compliance best practices.
- 2.2. The Association can promote other objectives that are directly or indirectly related to the above-mentioned purpose.

3. Membership – Beginning, termination, rights and duties

- 3.1. Requests for admission as a Member are to be addressed to the Board of Directors (the **Board**). The Board issues a final decision on the admission of Members. Admission can be refused for valid and factual reasons. The applicant is admitted if the majority of the voting Board members consent to the admission. Admission of new members can occur at any time.
- 3.2. Membership ends with resignation, passing away or exclusion of a member or with the loss of legal capacity in case of an organizational member.

- 3.3. The resignation ensues by written declaration to the Board. Paid membership fees are not reimbursed. Resignation is possible at any time with immediate effect.
- 3.4. The Board can exclude a Member if:
 - a) the Member has not paid the membership fee despite having been summoned by the Board to do so by registered letter to the last known address;
 - b) the Member has materially violated the by-laws or has materially harmed the interests of the Association.
- 3.5. Membership cannot be assigned or transferred to a third party. Members are not entitled to the association's assets.
- 3.6. These by-laws as well as the resolutions of the General Meeting of Members and Board of Directors are binding for all Members.
- 3.7. The Association has the following two membership categories:
 - a) individual membership for natural persons, which is an active membership with voting right;
 - b) organizational membership for organizations, which is a passive membership without voting right.
- 3.8. Organizational Members may appoint a certain number of employees who upon notification to the Board become individual Members with full voting right.
- 3.9. Individual Members must not be bound by instructions.

4. Compliance

- 4.1. The Members of the Association comply with the applicable laws. The Board can, where necessary, issue guidelines.
- 4.2. In case professional ethics and compliance know-how and best practices are shared among Members, the Members pay particular attention to data protection and competition laws.
- 4.3. The Members of the Association are free to use the information received during Association events. However and as a rule, neither the identity nor the affiliation of the speaker(s), nor that of any other participant, shall be revealed (Chatham House Rule). Moreover, information which is confidential shall not be disclosed nor exploited in any manner.

- 4.4. The Members of the Association refrain from marketing and lobbying in the frame of the Association's activities.

5. Income

- 5.1. The income of the associations is composed of:
- Membership fees;
 - Voluntary contributions (donations, sponsoring, bequests etc.);
 - Income from events and other activities and
 - Proceeds of the Association's assets.
- 5.2. Each Member pays an annual membership fee. The amount is determined by the General Meeting of Members.
- 5.3. The Members are not liable for the Association's debts and obligations.
- 5.4. The Association's liability is limited to its net assets.
- 5.5. The first accounting year ends on 31 December 2014. The following accounting years begin on January 1st and end on December 31st.

6. The Bodies of the Association

The bodies of the Association are:

- the General Meeting of Members;
- the Board of Directors and
- the Auditors.

7. The General Meeting of Members

- 7.1. The General Meeting of Members is the supreme governing body of the Association. It disposes of all the rights and powers that are not assigned by law or by these by-laws to another body. In particular, the General Meeting of Members has the following powers:
- a) Modification and amendment of the by-laws;
 - b) Approval of the minutes of the preceding General Meeting of Members;
 - c) Election of the Members of the Board of Directors;
 - d) Election of the Auditors;
 - e) Adoption of the annual Directors' report of the Board of Directors;
 - f) Adoption of the annual accounts, of the report of the Auditors and the budget;

- g) Determination of the membership fee and the terms of organizational membership;
 - h) Granting discharge to the Board of Directors;
 - i) Resolution on the dissolution of the Association and
 - j) Decision on the use of the proceeds of liquidation in case of dissolution of the Association.
- 7.2. The ordinary General Meeting of Members is held annually within six months after the end of the preceding accounting year. The Meeting is convened upon resolution of the Board of Directors by the Chairman / Chairwoman. The invitation is sent by letter or email together with the agenda, the annual accounts, the Directors' report and the Auditors' report at least 14 days in advance of the Meeting to the Members. Members must submit specific requests not less than five days prior to the General Meeting of Members to the Board of Directors. Requests submitted late are treated during the next General Meeting of Members.
- 7.3. Extraordinary General Meetings of Members can be convoked by the Board of Directors at any time in the same form as an ordinary General Meeting of Members if the interests of the Association so require or if a fifth of the Members demand an extraordinary General Meeting of Members by written motion, including the agenda items.
- 7.4. The General Meeting of Members is conducted by the Chairman or Chairwoman or, in case of his or her unavailability, by the Vice-Chairman or Vice-Chairwoman or, in case of his or her unavailability, by another member of the Board of Directors designated by Chairman or the Chairwoman. Resolutions of the General Meeting of Shareholders must be recorded in the minutes of the Meeting.
- 7.5. Each properly convoked General Meeting of Members is competent to decide on the agenda items. Each participating individual member has one vote. Where neither the law nor the by-laws require mandatory presence or qualified majority quotas, the simple majority of the votes is decisive. In the event of a tie, the presiding Board member shall have the casting vote.

8. The Board of Directors

- 8.1. The Association is led by the Board of Directors. The major stakeholder groups shall be adequately represented on the Board of Directors.
- 8.2. The Board of Directors consists of seven members, i.e. the Chairman or Chairwoman, the Vice-Chairman or Vice-Chairwoman, as well as five ordinary members. They are elected by the General Meeting of Members for a term of three years and can be re-elected.

- 8.3. The first Board of Directors is elected by the founding assembly.
- 8.4. The Board candidates shall inform the Members about the stakeholder group they associate themselves with.
- 8.5. The Board of Directors shall be comprised as follows:
 - (i) Two Members associated with the public sector;
 - (ii) Two Members associated with multinational companies;
 - (iii) One Member each associated with educational institutions, NGOs or independent advisors, respectively.

For each stakeholder group, the candidate with the highest number of valid votes is elected as a Board member.

In the event that no or not enough candidates are available for a stakeholder group or a candidate does not receive any vote, the candidate of the other stakeholder groups with the highest number of valid votes is elected as a Board member. However, no stakeholder group can be represented by more than 3 Board members.

- 8.6. The members of the Board of Directors are elected from an open and transparent list of candidates. The candidates must motivate their candidacy and submit a CV to the Members. They shall declare that they are independent, not bound by instructions and do not have a conflict of interest.
- 8.7. The Board elects the Chairman / Chairwoman and the Vice-Chairman / Vice-Chairwoman. It decides on the signatory powers.
- 8.8. The Board of Directors conducts and manages the association and represents it in relation to third parties. It has all the powers that are beneficial to achieve the purpose unless such powers are expressly reserved to other bodies of the Association. In particular, the Board has the following powers:
 - a) Operational management of the Association;
 - b) Representation of the Association towards third parties and communication with stakeholder groups;
 - c) Convocation and conduct of General Meetings of Members;
 - d) Implementation of decisions of the General Meeting of Members;
 - e) Admission and exclusion of Members;
 - f) Establishment of the budget and management of the association's assets;

- g) Appointment of a Secretary who conducts the association's daily management and representation, as well as of other persons if considered necessary;
 - h) Determination of the remuneration of the Secretary and of third parties to which management tasks are delegated;
 - i) Organization of events, seminars, courses etc. and
 - j) Maintaining contact with other compliance associations, organizations and institutions.
- 8.9. The Board may delegate the daily management and representation of the Association to a Secretary or to a third party. The Secretary must be a Member. The Secretary is remunerated for his / her work.
- 8.10. The Board may establish an advisory board with up to 14 members for strategic guidance.
- 8.11. The Board can delegate the fulfillment of certain specific tasks to permanent or ad-hoc committees, chapters or to Members. By doing so, the Board shall take the specificity of the task and the personal experience and know-how of the Members into consideration. The Board is entitled to issue specific guidelines with regard to the composition and the organization of such committees and chapters.
- 8.12. The Board of Directors is convoked by the Chairman or Chairwoman in his / her discretion or upon request of a member of the Board.
- 8.13. At each Board meeting, at least the resolutions must be recorded in the minutes.
- 8.14. The Board of Directors is competent to decide if at least half of the members are present. The simple majority of votes cast is necessary to take decisions. Decisions concerning the exclusion of members require a majority of the votes of all members of the Board (absolute majority). In the event of a tie, the Chairman or Chairwoman shall have the casting vote. The taking of decisions by way of circular resolution is admitted, provided that no member of the Board demands an oral deliberation.
- 8.15. Board members are not remunerated. However, they are entitled to reimbursement of their reasonable expenses.

9. The Auditors

- 9.1. As long as the Association is not subject to ordinary statutory audit, two persons that do not need to be Members are elected as Auditors. The members of the Board of Directors and the Secretary, as the case may be, are not eligible.

- 9.2. The Auditors are appointed by the General Meeting of Members for a period of one year. Re-election is admissible.
- 9.3. The Auditors audit the annual accounts of the Association and submit a written report with the result of their audit to the ordinary General Meeting of Members.
- 9.4. The Auditors are reimbursed for their reasonable expenses.

10. Amendments of the by-laws

The present by-laws can be amended by the General Meeting of Members, provided that the majority of the attending Members consent to the amendment.

11. Dissolution

- 11.1. The General Meeting of Members can decide that the Association be resolved, provided that two thirds of the attending members consent to the dissolution.
- 11.2. In case of dissolution, the net assets of the association must be donated to an association with a similar beneficent purpose.

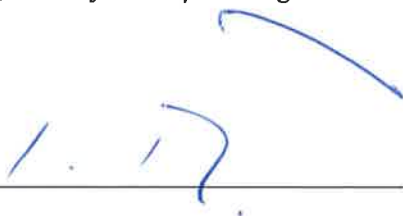
12. Entry into force

The present by-laws were approved at the foundation meeting of 22 May 2014 and entered into force on 22 May 2014.

13. Place of jurisdiction

The courts in Berne, Switzerland, are the competent courts for any and all disputes arising out of or in connection with the present by-laws.

Berne, 22 May 2014 / 20 August 2014



Daniel Bühr

The Chairman of the foundation meeting



Basil Kirby

The Secretary of the foundation meeting