



## ARTICLES OF ASSOCIATION

January 2022

## **I. NAME, DOMICILE AND DURATION**

Art. 1 Under the name International Securities Services Association ISSA (hereafter the 'Association') exists as an association (Verein) in the sense of Art. 60-79 of the Swiss Civil Code. The Association 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 summarised by the phrase: "Enable Communication, Encourage Collaboration and Effect Change".

Concretely:

- To facilitate and stimulate active communication among securities services providers, regulators and other industry stakeholders
- To strengthen international coordination and collaboration across the securities services industry
- To actively contribute to developing solutions that improve the efficiency and promote best practices to mitigate risk within the securities services industry

For this purpose, the Association may undertake specific activities such as:

- The organisation of the ISSA Symposium and other meetings and conferences
- The commissioning of working groups to deal with selected topics
- The interaction with other industry bodies
- 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 Any of the following may become member of the Association:  
banks, central securities depositories, clearing organisations, recognised stock exchanges, recognised dealers in financial instruments, asset managers, pension funds, insurance companies, carriers of financial data, consulting companies, financial technology firms, 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 sets the rules for the membership.

- 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 the Association during the financial year may pay a pro-rata fee for the respective year at the discretion of the ceo. The membership fee is used to finance activities in line with the general objectives of the Association. The fees may vary as agreed with the executive board.
- Art. 6 Members may terminate their membership by the end of the calendar year by giving notice to the secretariat in writing.
- Art. 7 The executive board may terminate memberships at any time without reasons being given.
- Art. 8 Membership rights are lost when the respective institution fails to pay its annual membership fee, despite having been reminded to do so twice although all membership obligations, including paying all fees due remain.
- Art. 9 Members are expected to actively promote the objectives of the Association. In particular, they should provide their ideas and professional knowledge to further the success of the Association's activities. Upon request, members are expected to supply information and data to support ISSA's 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 services 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 on to the executive board. The names and/or logos of the sponsors may appear on appropriate publications.
- Art. 12 The sponsors share a significant portion of the annual budget. 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. They are also expected to delegate specialist resources into the operating committee and the working groups.
- 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 vote with a three quarters majority (not including the vote of the sponsor to be terminated) to terminate a sponsorship as per the end of a calendar 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 ceo office
- the operating committee

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 chair or the vice chair. Secretariat staff and other guests may attend the general meeting but have no voting rights.

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 with the general meeting unless otherwise stated in these Articles of Association or explicitly delegated by this body. The general meeting has the authority over the other corporate bodies of the Association.

Art. 19 The general meeting is held once a year. The general meeting can either take place in physical or virtual form. Moreover, a general meeting may be convened at any time with no less than two months' notice on demand by one-fifth of the members and by stating the agenda.

Art. 20 The confirmation of the election of executive board members and other votes on agenda items may take place at the general meeting or, upon decision of the executive board, through formal ballot either by written notice or by email.

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

Art. 22 Each member firm 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. The only exception to this is when a vote is subject to the regulation defined in Article 48 of the Articles of Association concerning the termination of the Association, whereby the regulation in Article 48 supercedes Article 24.

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 chair and the ceo or secretary.

## **VII. THE EXECUTIVE BOARD**

- Art. 26 The executive board comprises one representative of each sponsor organisation, the chief executive officer (ceo), the secretary and the chair of the operating committee. The ceo, the secretary and the chair of the operating committee are ex-officio board members.
- Art. 27 The executive board is headed by the chair who is representing a sponsor organisation. The chair is elected for a period of two years by the remaining board members, subject to the regulations defined in Art. 65 para. 2 of the Swiss Civil Code.
- The executive board also elects from within its ranks a vice chair, representing a sponsor organisation, for a period of two years, subject to the regulations defined in Art. 65 para. 2 of the Swiss Civil Code.
- The chair signs collectively together with the vice chair or the ceo or the secretary. In absence of the chair, the vice chair signs collectively with the ceo or the secretary.
- Art. 28 The members of the executive board representing the sponsor organisations are appointed for an indefinite period, but may be replaced by their respective organisation at any time. The nominations are confirmed at the general meeting or, upon decision of the executive board, through formal ballot either by written notice or by electronic mail (email).
- 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 in case of terminations according to Art. 14 and 15, subject to the regulations defined in Art. 65 para. 2 of the Swiss Civil Code.
- Art. 30 The executive board has ultimate responsibility for the management of the Association and the supervision and control of its executive management according to the terms of reference of the Board which may be amended from time to time.
- Art. 31 The executive board and ceo office report to the general meeting and inform the absent members as appropriate on decisions and actions taken through the distribution of the minutes of the general meeting.
- Art. 32 The members of the executive board meet at least twice per year either physically or virtually by conference call or other electronic means. A quorum of the executive board consists of at least half of its members. As a general rule, 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.
- Certain agenda items may require a full vote of the executive board, whereby an abstention is then not allowed. Such full vote may be requested by the chair and/or the ceo office prior to a board meeting. In this case, the votes are to be solicited from the non-attending board members before the meeting. In case a simple majority of those executive board members present at a meeting (one or more executive board members not being present) requests a full vote, the voting will either take place by means of a written ballot after the meeting or the motion will be adjourned to the next board meeting. Also in these cases a motion is approved if accepted by a simple majority and rejected when a simple majority has not been reached or in case of a tie.

## **VIII. THE CEO OFFICE**

Art. 33 The ceo office is composed of the ceo, the secretary, and the secretariat (administration and finance) of the Association. It is responsible for the management of the Association according to the terms of reference.

The ceo signs collectively together with the secretary or the chair or the vice chair.

The corporate administration (daily business) of the Association is carried out by the secretariat as stipulated in the terms of reference. For tasks in connection with the corporate administration of the Association, secretariat staff signs collectively together with the ceo or the secretary.

Art. 34 The ceo and the secretary are appointed for an indefinite period by the executive board. They are ex-officio members of the executive board, subject to the regulations defined in Art. 65 para. 2 of the Swiss Civil Code.

Art. 35 The ceo office reports to the executive board and informs the absent members as appropriate on decisions and actions taken, through the distribution of the minutes of the board meeting.

Art. 36 The ceo office has the authority to appoint committees for special tasks and to issue the terms of reference and guidelines governing these committees and appointments. Membership on such committees is usually limited to members only. However, the ceo office may admit non-member representatives where warranted and agreed with the chair or vice chair.

## **IX. THE OPERATING COMMITTEE**

Art. 37 The operating committee comprises one representative of each sponsor organisation. The ceo office may nominate other ISSA members as members of the operating committee.

Art. 38 The operating committee is headed by a chair and a vice chair who are appointed by the executive board for a period of two years. Only the operating committee chair is an ex-officio member of the executive board, subject to the regulations defined in Art. 65 para. 2 of the Swiss Civil Code.

The operating committee chair / vice chair should work for different organizations than the board chair / vice chair.

The 2-year rotation should not coincide with the board chair rotation.

Art. 39 The members of the operating committee are appointed for an indefinite time, but may be replaced by the respective sponsor organisation at any time.

Art. 40 An operating committee membership is terminated if a 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, subject to the regulations defined in Art. 65 para. 2 of the Swiss Civil Code.

Art. 41 The operating committee supports the ceo office in the organisation and co-ordination of all established activities of the Association as stipulated in the terms of reference.

Art. 42 The members of the operating committee meet as needed either physically or by phone conference, at least twice per year, to discuss and monitor the activities delegated to the operating committee by the executive board.

## **X. FINANCES**

Art. 43 The Association is a non-profit organisation. Its income consists of:

- Sponsor contributions
- Membership dues
- Earnings from activities.

Art. 44 All financial matters of the Association are conducted by the ceo office under the supervision of the ceo and secretary and audited annually by an executive board member firm.

Art. 45 The financial year of the Association corresponds with the calendar year. Its accounting and reporting currency is Swiss Francs.

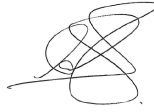
Art. 46 Income of the Association may be used to cover the costs of ISSA related events, the promotion or representation of the Association, the production and distribution of publications, expenses connected with other activities in line with its general objectives, and with maintaining its secretariat. The ceo and the secretary are compensated according to separate agreements with the Association. Expenses incurred by members of the executive board (excluding those for the ceo and the secretary who are compensated for expenses as per their contracts), by members of the operating committee and other members shall as a rule be met by the organisations/individuals concerned. In exceptional cases, the chair may decide otherwise. The secretariat issues guidelines for the reimbursement of expenses.

Art. 47 Cash and reserve assets on account must not fall below Swiss Francs 100'000.- without executive board approval.

## **XI. TERMINATION OF THE ASSOCIATION**

Art. 48 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. 49 Any net surplus of funds remaining after liquidation will be distributed equally between the sponsor organisations.



**Colin Parry**  
ISSA CEO



**Karen Zeeb**  
ISSA Secretary

Zurich, 20 January 2022

#### REMARKS

- The present text is a translation of the original German Articles of Association (Statuten) which constitute the definitive text and are binding in law.
- In the German version, the gender-conscious notation had to be abandoned for the sake of easy readability. In the English version, a gender-agnostic approach has been taken.