

Foundation Charter

of the

Swiss Banking Ombudsman Foundation

ARTICLE 1

The name

Swiss Banking Ombudsman Foundation
Stiftung Schweizerischer Bankenombudsman
Fondation Ombudsman des banques suisses
Fondazione Ombudsman delle banche svizzere

refers to a foundation under Article 80 (eighty) et seq. of the Swiss Civil Code.

ARTICLE 2

The Foundation has its registered office in Zurich and is to be entered in the commercial register. Subject to the consent of the supervisory authority, the Foundation Board is authorised to move the registered office of the Foundation anywhere within Switzerland.

The Foundation has been established for an indefinite period.

ARTICLE 3

The purpose of the Foundation is to provide clients of member institutes of the Swiss Bankers Association with an Ombudsman, a neutral and independent source of information and intermediary that does not issue binding legal judgments. The Ombudsman acts throughout Switzerland.

ARTICLE 4

The Foundation Board specifies the more detailed arrangements for achieving the purpose of the Foundation. In particular, it issues rules of procedure for the Swiss Banking Ombudsman and rules on conflicts of interest for the Ombudsman's office

and passes any resolutions required to determine the scope of the Ombudsman's duties and competence. All rules and amendments thereto must be approved by the regulator.

ARTICLE 5

The Founder irrevocably contributes CHF 800,000 (eight hundred thousand Swiss francs) as initial capital.

The Foundation may accept further contributions at any time.

Foundation capital is intended to meet current expenditure in accordance with the purpose of the Foundation and may not be used for other ends. Both Foundation capital and investment income may be used.

Payments to the Founder out of Foundation capital are prohibited.

ARTICLE 6

The corporate bodies of the Foundation are:

- a) the Foundation Board
- b) the Auditor

ARTICLE 7

The Foundation Board consists of the President, the Vice-President and three other members.

The Founder elects the members of the Board for a five-year term of office and also appoints the President and Vice-President. Re-election is permitted. The Board has the right of proposal.

The composition of the Board is meant to guarantee competence, independence and neutrality. It should therefore have a balanced composition, consisting mainly of people independent of the Founder and its member institutions and coming in particular from the worlds of science, law and consumer protection.

If members of the Board do not complete their term of office, replacements are to be elected for the remainder of the term.

Members of the Board may be dismissed for good cause at any time; good cause shall in particular apply where the member in question breaches his or her duties to the Foundation or is no longer able to perform his or her duties properly. Members of the Board may be dismissed by a two-thirds majority vote.

ARTICLE 8

The Foundation Board represents the Foundation externally. It designates authorised signatories and the nature of their signing powers.

ARTICLE 9

The Foundation Board is convened by the President or at the request of two members of the Board as often as necessary but at least once every year.

The Board is quorate when at least three members are present. Resolutions and elections are passed by simple majority of the votes of all members present. The Board may pass circular resolutions unless a member requests verbal deliberations. Circular resolutions must be passed by all members.

Members must be given at least 14 days notice in writing when a meeting is convened and notified of the items on the agenda.

Members must recuse themselves from matters in which they have a personal interest or which they dealt with in another function.

ARTICLE 10

The Foundation Board elects the Ombudsman for a five-year term of office. Re-election is permitted.

The Ombudsman acts in accordance with the present Charter and any rules of procedure, regulations and resolutions issued by the Board.

The Board determines the registered office of the Ombudsman.

The Board approves the fee scale for the processing fees the Ombudsman levies on each member institute concerned for each complaint. It also approves, together with the annual budget for the activities of the Ombudsman, the basic contribution to be paid by the member institutes of the Founder.

ARTICLE 11

Every year the Foundation Board elects an independent external auditor in accordance with statutory provisions for a term of one year to audit the Foundation accounts and provide the Board with a detailed audit report on the results of its work, including a motion that they be approved. The Auditor also monitors compliance with the Foundation's Charter and regulations.

The Auditor must inform the Board of any shortcomings it identifies while performing its duties. Should such shortcomings not be remedied within a reasonable period, the Auditor must if necessary inform the regulator.

ARTICLE 12

The Foundation's financial year ends on 31 (thirty-first) December; the first financial year ends on 31 (thirty-first) December 1993 (nineteen hundred and ninety-three). The annual accounts must be audited by the Auditor and submitted with the Auditors' report to the relevant regulator for approval once they have been approved by the Foundation Board.

ARTICLE 13

The corporate bodies of the Foundation are subject to a duty of confidentiality.

ARTICLE 14

In the event that another institution performs the purpose intended by the Foundation the Founder shall have the power to wind up the Foundation, subject to the consent of the regulator.

If the Foundation is liquidated, first all of its liabilities shall be honoured. Beyond that, the Foundation Board may decide on the use of the Foundation capital in accordance with the purpose of the Foundation, subject to the consent of the regulator. The Foundation assets shall not revert to the Founder.

ARTICLE 15

The Founder may amend the Foundation Charter in part or in full at any time in accordance with the purpose of the Foundation, subject to the consent of the supervisory authority. Applications to amend the Charter must be submitted to the supervisory authority.