

# ARTICLES OF ASSOCIATION

## Fondation de secours mutuels aux Orphelins

### **I. NAME, HEAD OFFICE, PURPOSE AND ASSETS OF THE FOUNDATION**

#### **Art. 1 Name and head office**

The foundation by the name of Fondation de secours mutuels aux Orphelins (the "Foundation") and with head office in Geneva, is hereby established in accordance with Article 80 et seq. of the Swiss Civil Code. The head office may not be relocated to any other place in Switzerland without the prior approval of the supervisory authority.

#### **Art. 2 Purpose**

The general purpose of the Foundation is to offer support and assistance to the children of deceased or disabled persons.

To this end, the Foundation may provide these children with financial assistance based on principles of mutuality.

It may also provide further assistance tailored to the specific needs of the hardship case in question.

The conditions under which the assistance referred to in 1) and 2) above may be provided are determined and specified in set of rules and regulations which supplement these Articles of Association. Anyone who contributes to the Foundation does not have a legal entitlement to any benefits.

In the context of its stated purpose, the Foundation may operate in Switzerland or in a foreign country.

The Foundation is a charitable and non-profit organisation. It acts exclusively to serve the public interest.

#### **Art. 3 Resources**

The origin of the Foundation's resources is as follows:

- (a) assets allocated to it at the time of its formation, on 26 April 1872;
- (b) contributions paid by individuals who declared their desire to provide regular assistance to one or more children, as defined in Clause 2, section 2 of these Articles of Association;
- (c) investments that it makes;
- (d) any kind of donations, gifts and allowances presented to it.

The Foundation's assets shall be dedicated exclusively to the purpose stated herein.

It is strictly forbidden to return the Foundation's capital to founders and to make any payment from the Foundation's capital to founders.

Any income made by the Foundation shall be used exclusively to fund its projects connected with the purpose stated herein and/or to cover its operating costs.

The Foundation's assets shall be administered by virtue of widely recognised business principles. The risk shall be spread. In so doing, the assets shall not be put at risk by any speculative activities.

Only the Foundation's assets, as described in this Clause, may be used to guarantee its obligations, so much so that the members of the Foundation's Board shall not be held personally liable for any activities regularly performed in the context of their remit.

## **II. ORGANISATION OF THE FOUNDATION**

### **Art. 4 Bodies of the Foundation**

The bodies of the Foundation are as follows:

- the Foundation's Board,
- the Auditor,
- an executive body, if necessary, and
- any other bodies established by the Foundation's Board, whose authority and organisation shall be specified a special set of rules and regulations.
- 

### **Art. 5 Foundation's Board and composition**

The Foundation is managed by the Foundation's Board which consists of at least five natural persons or representatives of legal persons.

At least one member of the Foundation's Board, acting in his/her capacity as an authorised signatory (individual or collective), shall be domiciled in Switzerland.

The Foundation's Board members provide their services on a voluntary basis, although their expenses related to the Foundation's activities shall be covered.

Any of the institution's salaried employees sitting on the Foundation's Board shall have a right of discussion only.

The Foundation's Board rules on the remuneration paid to members (or third parties) whose delegated authority requires them to undertake a considerable amount of extra work.

### **Art. 6 Constitution and Re-constitution**

The process of constituting and re-constituting the Foundation's Board is overseen by the Board itself. Only individuals linked to the Foundation's purpose in view of their opinions and the commitment they have hitherto displayed, are considered for these positions.

### **Art. 7 Term of administrative period**

The Foundation's Board members are elected for a period of three years. They may be re-elected.

In respect of each administrative period, the Foundation's Board is appointed by former members by co-optation. If any member leaves the Foundation's Board during the administrative period, other members shall be elected for the remainder of that period, in so far as such an election is required to guarantee compliance with Clause 5 of these Articles of Association.

A member of the Foundation's Board may be dismissed at any time for good cause, especially if he/she fails to fulfil his/her obligations or is no longer able to correctly discharge his/her duties.

The Foundation's Board rules on the dismissal of its members by a two-thirds vote of the members present.

### **Art. 8 Authority**

The Foundation's Board is the highest-ranking authority of the Foundation. It has the authority to exercise all powers that are not expressly delegated to another body by virtue of these Articles of Association, and takes all necessary steps to ensure that the Foundation is run effectively.

It determines all the Foundation's activities and manages its affairs.

It is responsible for performing the following non-transferable tasks:

- governing the authority to sign and right of representation of the Foundation;
- appointing the Foundation's Board and the auditor;
- approving the financial statements.

The Foundation's Board is authorised to delegate some aspects of its authority to one or more of its members or to third parties. The delegation procedures shall be specified in a set of rules and regulations produced for this purpose. They may be amended at any time by the Foundation's Board as part of a process in which the purpose of established. All amendments shall be submitted to the supervisory authority for approval.

### **Art. 9 Decision-making**

The Foundation's Board may make decisions when the majority of its members are present. The Foundation's Board may also convene and make decisions by teleconference, video-conference or by any other similar means of communication.

Decisions are made by a simple majority to the extent that the Articles of Association or a set of rules and regulations do not require a qualified majority. In the event of a tie, the Chair shall have the casting vote. The proceedings and decisions of meetings are recorded in a set of minutes.

Decision-making and voting processes may also be carried out or take place by correspondence provided that no request is made to stage an oral consultation.

Invitations to attend the Foundation's Board meetings shall generally be sent out at least 10 days before the scheduled meeting date.

If a conflict of interests arises, the corresponding member of the Foundation's Board shall refrain from taking part in the vote. He/she may be present during discussions but may not take part in the decision-making process.

#### **Art. 10 Auditor**

The Foundation's Board shall appoint an approved external and independent auditor to check the accounts of the Foundations on a yearly basis and to submit a detailed report to the Foundation's Board proposing that they should be approved, unless the Foundation has been relieved of this obligation by the supervisory authority. It shall also guarantee compliance with the provisions of the Foundation's Articles of Association.

#### **Art. 11 Technical assessments**

A technical assessment of the Foundation's financial position shall be carried out at least every five years by one or more actuaries designed by the Foundation's Board.

The results of this assessment shall be reported to the Foundation's Board and to the auditor.

Any decision leading to an increase in the Foundation's liabilities or a reduction in contributions shall only be made after the technical assessment shows that the Foundation's financial position shall not be compromised as a result of any such decision. However, this assessment shall not be necessary when temporary relief in the payment of contributions or temporary increases in the Foundation's benefits are concerned by a decision limited to the current reporting year.

### **III. AMENDING THE ARTICLES OF ASSOCIATION AND DISSOLVING THE FOUNDATION**

#### **Art. 12 Amending the Articles of Association**

The Foundation's Board is authorised to submit any proposed amendment of the Articles of Association to the supervisory authority for approval, in accordance with the applicable provisions of the Swiss Civil Code.

#### **Art. 13 Dissolving the Foundation**

The Foundation is established for an indefinite period.

The Foundation may only be dissolved for the reasons established by law and provided that the supervisory authority has given its consent.

If the Foundation is dissolved, the proceeds of the liquidation shall be allocated to one or more

Swiss institution(s) which are engaged in an activity similar to the one of the Foundation and exempt from tax on account of its (their) public service or public utility, in the Confederation, a Canton, a Municipality or any of their establishments.

Under no circumstances may the Foundation's assets be returned to the founders, members of the Foundation's Board or to their heirs, or be fully or partly used in any way for their benefit.

#### **IV. APPLICABLE LAW AND COMMERCIAL REGISTER**

##### **Art. 14 Applicable Law and Competent Authorities**

These Articles of Association are implemented and interpreted in accordance with Swiss law.

Excluding cases which fall under the jurisdiction of the supervisory authority, any disagreement or dispute in connection with these Articles of Association shall be referred to the competent courts of the Foundation's head office.

##### **Art. 15 Registration in the commercial register**

This Foundation is registered in the commercial register of the Canton of Geneva.