

AGREEMENT

between

Universität Zürich, Kunstlergasse 15, 8001 Zürich

(hereinafter "UZH")

and

Swiss Finance Institute Stiftung, Walchestrasse 9, 8006 Zürich

(hereinafter "SFI"),

UZH and SFI each being a "Party", and together the "Parties",

regarding

Future Use of Assets

BACKGROUND

- (A) SFI is a foundation pursuant to art. 80 *et seqq.* of the Swiss Civil Code (CC) domiciled in Zurich. SFI's purpose is to support institutions of higher education and networks in scientific research and teaching of worldwide recognition which reinforce location advantages of the Swiss financial and science centre, with usable results for research and practice, in a competitive manner. SFI is a public-private partnership created by its founders – the Swiss banking industry, the Swiss Confederation, and leading Swiss universities – in 2006.
- (B) In 2007, SFI merged with Stiftung Banking and Finance an der Universität Zürich (hereinafter "**ZHBS**") (the "**Merger**"). ZHBS was a foundation pursuant to art. 80 *et seqq.* CC domiciled in Zurich whose primary purpose was to create and support a centre of competence for research and teaching, primarily in the field of banking and finance, at the Faculty of Economics at UZH (the "**ZHBS Purpose**"). The original donors of ZHBS, Credit Suisse AG, Bank Julius Bär & Co. AG, UBS AG, Vontobel Holding AG, and Zürcher Kantonalbank, are all founding members of SFI as well. UZH was the sole beneficiary of ZHBS and, per ZHBS' foundation deed, authorised to determine the particulars of the use of ZHBS' foundation assets within the confines of the ZHBS Purpose. At the time of the Merger, ZHBS dispersed approximately CHF 500'000 p.a. to UZH.
- (C) As part of the Merger, ZHBS was liquidated and all of ZHBS' assets and debts were absorbed by SFI (*Absorptionsfusion*) and SFI received in the aggregate net assets amounting to CHF 13.4 million from ZHBS (the "**ZHBS Assets**"). In the first financing round, SFI's donors and the predecessor organizations excluding ZHBS provided assets in the amount of CHF 64.3 million. Accordingly, the ZHBS Assets represented 17.25% of the initial assets of SFI.
- (D) In connection with the Merger, SFI issued a declaration to ZHBS guaranteeing that SFI would continue to support UZH in the same manner as ZHBS, with annual payments amounting to CHF 0.5 million. UZH as ZHBS' sole beneficiary confirmed that the Merger was objectively justified and in compliance with the preservation and implementation of the ZHBS Purpose. ZHBS' founders, who were also founders of SFI, agreed with the Merger and the Amt für berufliche Vorsorge und Stiftungen des Kantons Zürich as ZHBS' supervisory authority approved the Merger. The Merger was implemented and ZHBS was deleted in the commercial register on 27 August 2007.
- (E) In 2009, SFI and UZH mutually agreed to lower the annual payments mentioned under Recital (D) to CHF 0.25 million per year, covering the base salary of one SFI Senior Chair, the latter being one of several professorships in banking and finance pursuant to an Agreement between SFI and UZH regarding Cooperation with Academic Partners dated 2 December 2016 (hereinafter the "**SFI Senior Chairs**"). All other current SFI contributions are disbursed directly to the four SFI Senior Chairs employed at UZH (currently CHF 350'000.00 per calendar year) according to the general rules applying to all universities.

AGAINST THIS BACKGROUND, the Parties agree as follows:

1. **Future Support of UZH**

1 SFI hereby undertakes to continue to support UZH in accordance with the purpose of SFI in the future, up to and including the calendar year 2028.

2 In particular, SFI hereby undertakes to:

- (a) disperse five Research contract contributions of CHF 50'000.00 per calendar year and four Knowledge Exchange contract contributions of CHF 50'000.00 per calendar year to five SFI Senior Chairs (in total up to CHF 450'000.00). Any obligation to make these contributions is subject to approval by the SFI Foundation Board based on the recommendations of its advisory bodies and compliance with the general rules applying to all universities;
- (b) disperse a contribution of CHF 250'000.00 per calendar year to UZH in order to finance the base salary of one of the SFI Senior Chairs (meeting the SFI Senior Chair criteria) mentioned under (a), up to and including the calendar year 2028;
- (c) disperse a contribution of CHF 250'000.00 per calendar year to UZH, starting in 2021 and continuing up to and including the calendar year 2028, in order to finance the base salary of a new professorship at UZH's Department of Banking and Finance in Sustainable Finance ("**Sustainable Finance Professor**"). These contributions are due if and only if a new permanent professor in Sustainable Finance is hired by UZH who meets the SFI Senior Chair criteria. The Sustainable Finance Professor will be employed by UZH subject to the usual standards as well as all applicable laws and regulations of UZH and the Canton of Zurich, in particular, the University Act dated 15 March 1998 (*Universitätsgesetz*, LS 415.11) and the University Regulation dated 4 October 1998 (*Universitätsordnung*, LS 415.111); these laws and regulations also apply to any inventions, patents, trademarks, copyrights, and any other intellectual property rights arising in the course of the employment;
- (d) if any of the 5 UZH Senior Chair slots becomes vacant, UZH keeps the right to such chair slot and such chair slot does not go to a general pool for all SFI partner universities alike for other vacancies in SFI Senior Chair slots.

3 The yearly contributions pursuant to Article 1 para. 2 lit. b of this Agreement are due and payable by 31 December of each calendar year.

4 The Parties agree that UZH is independent from SFI and that the constitutionally mandated academic freedom of research and education of the recipients and beneficiaries of contributions pursuant to this Agreement are fully preserved under this Agreement.

2. Acknowledgment and waiver regarding the former ZHBS Assets

5 UZH hereby acknowledges, and does not object to, any decision at its discretion by the foundation board of SFI that all legal requirements to use and consume (and diminish the principal amount rather than only using the proceeds thereof) the former ZHBS Assets for the purposes of SFI are fulfilled. For the sake of good order and completeness, UZH hereby waives any rights it may have in connection with such qualification and use of the ZHBS Assets.

3. Transparency

6 The Parties agree that this Agreement or parts thereof can be made public.

7 UZH is a public institution and therefore subject to the statutory principle of publicity. SFI is aware that UZH is obligated to disclose third-party funds acquired on or after 1 January 2018 exceeding CHF 100'000.00 in total on a transparency list. Third-party funding transactions will continue to be added to the transparency list throughout their term. The list is updated in the second quarter of each year and contains the following information: name of recipient, name of funding provider, project title, duration of project, and total amount.

4. Costs and Taxes

8 Each Party shall bear its own costs and taxes incurred in connection with this Agreement and the transactions contemplated herein.

5. Miscellaneous Provisions

9 This Agreement constitutes the entire agreement and understanding between the Parties with respect to its subject matter and shall supersede all prior oral and written agreements or understandings between the Parties with respect to its subject matter.

10 This Agreement enters into force upon approval by the Board of the University (*Univer-sitätsrat*) after it has been signed by both Parties. SFI may terminate this Agreement with immediate effect, if it has not been provided with a copy of such approval within 2 months after the date of this Agreement. This Agreement cannot be modified in any way except in writing signed by both Parties. It is issued in two original copies, one for each Party.

11 This Agreement shall be subject to and governed by the substantive laws of Switzerland. Any dispute, controversy or claim arising out of or in relation to this Agreement shall be settled by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers of Commerce in force on the date when the notice of arbitration is submitted in accordance with these rules. The number of arbitrators shall be 1, the seat shall be in Zürich and the arbitral proceedings shall be conducted in English.

12

If any term or other provision of this Agreement is deemed invalid or illegal under the applicable law, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the promises and commitments contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid or illegal, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the promises and commitments contemplated hereby are honoured as originally contemplated to the greatest extent possible.

SIGNATURES


Zürich, [date] 5.11.2020

Universität Zürich


Prof. Dr. Michael Schaepman
Prof. Dr. Christian Schwarzenegger

Zürich, [date] 29.09.2020

Swiss Finance Institut Stiftung


Dr. Romeo Cerutti
Prof. Dr. François Degeorge