

Framework Agreement

dated 22 May 2012

between **University of Zurich**

Rämistrasse 71
CH-8006 Zürich

hereinafter: "**UZH**"

and **UBS Foundation of Economics in Society**

c/o University of Zurich
Department of Economics
Blümlisalpstrasse 10
CH-8006 Zurich

hereinafter: "**UBS Foundation**"

concerning **the UBS International Center of Economics in Society at the
Department of Economics of the University of Zurich**

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Recitals

- A) At the occasion of its 150th anniversary, UBS has decided to make substantial grants to sponsor or otherwise support activities in the fields of education and training in Switzerland and abroad.
- B) One of the projects UBS has been interested in supporting and sponsoring upon proposal of UZH, through a foundation established for this purpose, is the establishment of a new center at the Department of Economics of the University of Zurich (the "**Department**"), named UBS International Center of Economics in Society at the Department of Economics of the University of Zurich (the "**UBS Center**"), with the objective of creating a permanent world-class institution that attracts international top researchers on all academic levels specializing in research, teaching and dissemination on topics related to economics and financial markets.
- C) This objective shall be realized, in addition to the creation of the UBS Center, by the establishment of, inter alia,
- new lifetime chairs ("*Generationsprofessur*") or permanent chairs ("*Nachhaltigkeitsprofessur*") at the Department (each a "**Chair**") and the attraction of internationally leading researchers in innovative areas of research with high relevance to the future;
 - a graduate school in economics by UZH, with the working title "Swiss Graduate School of Economics" (the "**School**"), that attracts the best students worldwide and educates them with the help of leading researchers;
 - a forum, with the working title "Forum for Economic Dialogue" (the "**Forum**"), that organizes a continuous dialogue between science, the private and the public sectors by the means of workshops, seminars and public events in all parts of the world; and of
 - a scientific advisory board including at least five Nobel laureates in economics and potentially other members (the "**Advisory Board**").

The Chairs and the School will be part of the Department and established in accordance with all applicable regulations of UZH, while the Forum and the Advisory Board will be part of the UBS Center. The Department and UBS Center shall be linked to each other, perceivable to the public, by the means of joint activities or initiatives, a common presence on the Web (as specified in Section 8.1) and in other communication channels as well as their common housing in centralized, dedicated premises.

- D) UZH is interested in, and willing to support and contribute to, the establishment and operation of a permanent world class institution and the creation of new Chairs at the Department.
- E) In order to implement the project, UBS has created the UBS Foundation of Economics in Society (the "**UBS Foundation**"), a Swiss foundation ("*Stiftung*") within the meanings of Art. 80 et seq. of the Swiss Civil Code. The UBS Foundation has the purpose of operating the UBS Center and financing of its activities as well as funding the establishment of new Chairs at the Department and granting scholarships for students of the School.
- F) In order to formalize and define the respective contributions and commitments in connection with the UBS Center as well as the activities, initiatives and objectives set out above, the UZH and UBS Foundation agree as follows:

1 Definitions

Agreement	this agreement
AI-Regulations	Reglement für Assoziierte Institute der Universität Zürich vom 19. Dezember 2005
Annex	an annex to this Agreement
Assistant Professorship	an assistant professorship established pursuant to Section 5.2
Business Plan	the annual business plan of the UBS Center as further described in Section 4.7.2
Centralized Premises	has the meaning ascribed to it in Section 4.5.1
Chair	a permanent or lifetime Chair funded by UBS Foundation
Chair Sponsorship Agreement	has the meaning ascribed to it in Section 5.1.2
Communication Means	stationary, business cards, publications, presentations, directories, websites, signage and the like
COO	the Chief Operating Officer of the UBS Center
Department	the Department of Economics (" <i>Institut für Volkswirtschaftslehre</i> ") at the University of Zurich

Director	the Director of the UBS Center
Extension Term	a five years extension of the term of this Agreement based on the exercise of the related extension options by UBS Foundation
Forum	has the meaning ascribed to it in Recital C)
Initial Term	the initial term of this Agreement ending on 30 June 2022
Parties	UZH and UBS Foundation
Party	UZH or UBS Foundation
School	has the meaning ascribed to it in Recital C)
Section	a section of this Agreement
UBS	UBS AG, Bahnhofstrasse 45, 8001 Zürich
UBS Center	the UBS International Center of Economics in Society at the Department of Economics of the University of Zurich
UBS Foundation	has the meaning ascribed to it on page one
UZH	has the meaning ascribed to it on page one

2 Subject Matter of this Agreement

This Agreement defines the Parties' contributions and commitments as well as their mutual rights and obligations in connection with their collaboration provided hereunder, in particular the establishment and operation of the UBS Center, the creation of Chairs and the (other) initiatives and activities at the UBS Center and the Department respectively set out in Recital C) or otherwise sponsored or supported by the UBS Foundation.

The Parties acknowledge and accept, and nothing in this Agreement shall restrict, the principle of academic independence in research and teaching.

3 Objectives of the Collaboration under this Agreement

By entering into this Agreement both Parties undertake to contribute to the objective of creating a permanent world-class institution for academic research and teaching in the area of economics and financial markets that is in a position to

compete with the leading top academic institutions in this field in Europe and around the globe and to attract top global talents on all academic levels and thereby sustainably guaranteeing innovative research and teaching at the highest level in Switzerland.

The activities of the UBS Center and those of the Department conducted together with the UBS Center under this Agreement shall appropriately consider the following principles:

- a) Activities should focus on topics related to economics and financial markets, including macroeconomic and financial foundations of economics, legal and institutional foundations of economics, and entrepreneurial and management bases of economics.
- b) Specific focus shall be put on innovative research areas with high relevance for the future in the context of UBS Center's thematic focus themes and applying the latest scientific methodologies.
- c) In order to guarantee knowledge transfer from research to the private and the public sector and to foster a dialogue between them, applied research should be well reflected.
- d) The forward-looking and applied orientation will also be reflected in the geographical focus (e.g. to foster the understanding of emerging markets topics).
- e) In order to achieve innovative and novel insights an interdisciplinary approach shall be fostered (e.g. by including topics such as business ethics, economic history, or topics at the intersection of law and economics etc.).

4 The UBS Center

4.1 Purpose and Activities

The UBS Center shall contribute to, and foster the achievement of the objectives set out in Section 3, by providing the Department, the Chairs and Assistant Professorships platforms to establish themselves in the public and academic world as a permanent world class institution of research and education in the fields of economics and financial markets, and by coordinating the related (extra university) activities and initiatives. Without limiting the generality of the foregoing, the UBS Center may, together with the Department,

- a) create and organize the Forum (see Section 6) below;
- b) issue a periodical or a series of papers under its name in which the results of the research conducted by the UBS Center and the Chairs and other academics linked thereto respectively are published;

- c) conduct a lecture series on topics falling in the research focus of the UBS Center and the Chairs respectively; and
- d) initiating and organizing other initiatives or events in line with the objectives and focuses set out in Section 3.

It is understood and agreed that (except for the establishment of the UBS Center and the payment of its operating costs as per Section 4.7.1 until the expiry or termination of this Agreement), UBS Foundation may decide, at its discretion, for each single year whether at all, and if, which of the above activities and initiatives of the UBS Center shall be implemented and sponsored.

4.2 Legal Status and Relationship to UZH

4.2.1 UBS Center as a Associated Institute of UZH

By virtue of this Agreement UZH assigns the UBS Center the status of an associated institute ("*Assoziiertes Institut*") of UZH within the meaning of the respective regulations of UZH dated 19 December 1995 ("*Reglement für Assoziierte Institute der Universität Zürich vom 19. Dezember 2005*"; the "**AI-Regulations**").

4.2.2 Operation of the UBS Center

The UBS Center shall be operated by the UBS Foundation at the Department. For administrative purposes the UBS Center is assigned to the Department.

4.2.3 Relationship with the Department and UZH

UBS Foundation is aware, and accepts, that as an associated institute the UBS Center is not an official organizational unit of UZH and that UBS Foundation is liable for the financial obligations and other commitments of the UBS Center.

UBS Foundation shall report to UZH about the UBS Center's activities in the framework of the academic reporting and grant UZH access to the books of UBS Center (§ 7 AI-Regulations).

In view of the fact that (i) the Department will be represented with two members in the foundation council of the UBS Foundation, and (ii) the Director and his deputy are members of the Department, UZH abstains from requesting a (further) representation in the UBS Foundation and/or the management of the UBS Center or a right to say in connection with the appointment of the Director and the COO of the UBS Center.

4.2.4 Naming

The official name of the UBS Center shall be "UBS International Center of Economics in Society at the Department of Economics of the University of Zurich".

UBS Foundation's rights to use for the UBS Center and its activities the name, logo or other CI-elements of UZH is governed by Section 8.2.3.

4.3 Representation in the Advisory Board of the Department

In order to reflect the importance of the UBS Center and to enable a smooth existence of the UBS Center at the Department, the Department will nominate a member of the board of UBS to the advisory board of the Department.

4.4 Organization

4.4.1 In General

The UBS Center shall be headed by a director who is responsible for the overall management of the UBS Center (the "**Director**"). The operative management of the UBS Center shall be conducted by a Chief Operating Officer (the "**COO**"). The UBS Foundation may employ additional staff for the UBS Center as it regards appropriate to manage and operate the activities of the UBS Center.

The employees working at the UBS Center shall be employed in line with all applicable regulations of UZH and the Canton of Zurich. The COO may be engaged on another appropriate basis.

Administration shall be as lean as possible, but in any event sufficiently staffed to ensure a professional and efficient conduct of all activities of the UBS Center.

4.4.2 Director

The Director will be appointed by the UBS Foundation, subject to the approval of the Department. The Director shall appoint a deputy. The Director and the deputy shall be professors at the Department. Term of office shall be five years. The Director and the deputy may serve several terms.

The first Director shall be Prof. Dr. Ernst Fehr who has agreed to such appointment and intends to serve a minimum of two terms. Prof. Dr. Ernst Fehr will appoint Prof. Fabrizio Zilibotti as his deputy.

4.4.3 COO

The Chief Operating Officer (COO) will be appointed by the UBS Foundation based on a list of appropriate candidates prepared together by the Director and the UBS Foundation.

4.5 Premises

4.5.1 In General

From its establishment, the UBS Center shall be a center with a physical presence and dedicated centralized premises, located at the Department, at which the Director, the COO and the employees of the UBS Center (the number of which is limited by the costs of the UBS Center as specified in Section 4.7.1) as well as all Chairs and other academics of the Department funded by the UBS Foundation will have their offices and at which activities of the UBS Center and/or Department covered by this Agreement can be hosted.

In order to achieve the objectives of this Agreement and in view of the large contribution of UBS Foundation to the funding of Chairs, UZH shall make, subject to Section 4.5.5, available and maintain office space and lecturing facilities for the following needs of the UBS Center, UBS Foundation and the Chairs at no cost:

- a) separate offices for each of the Director, COO and office space for the (other) employees of the UBS Center;
- b) offices for each of the Chairs, Assistant Professorships and other academic staff of the Department funded by the UBS Foundation; and
- c) sufficient seminar room and lecture halls to host the School, events of the Forum and other courses, lectures and public events organized or hosted by the UBS Center and/or the Department in the framework of the present collaboration;

(collectively the "**Centralized Premises**").

All offices and rooms of the Centralized Premises shall be located in one and the same building, adjacent to each other and, in their combination, visibly branded as "UBS International Center of Economics in Society" so that they are perceived by visitors as part of one center operating under this name.

UZH shall reasonably provide that the seminar rooms and lecture halls in the Centralized Premises are appropriately available also for the lectures, workshops and other events hosted by the UBS Center.

4.5.2 Locations and Timing

At the beginning, the Centralized Premises shall be located at the premises of the Department at Blümlisalpstrasse 10, CH-8006 Zürich. Offices and other rooms and facilities sufficient to start the operations of the UBS Center shall be available at such premises as from 1 May 2012.

As from 2013 the Centralized Premises shall be located in the new premises of the Department. UZH will ensure that if these premises will no longer be available, it will provide another attractive location for the Centralized Premises.

4.5.3 Lecture Hall

In view of UBS Foundation's large contribution to UZH, UZH will endeavor to have a lecture hall in the premises of the Department, in which most of the lectures of the Department, the School as well as the local events of the Forum take place, be named "UBS International Center Lecture Hall" ("*UBS International Center Hörsaal*").

4.5.4 Equipment

The Centralized Premises shall be equipped by UZH at no cost for the UBS Foundation with state of the art office and/or lecturing equipment and information technology infrastructure.

4.5.5 Expiry of UZH's Obligation in respect of Centralized Premises

UZH's obligation to make Centralized Premises available to UBS Center at no cost as provided for in Section 4.5.1 shall expire, if UBS Foundation has not committed to fund at least three Chairs by 30 June 2018. In such a case, UZH and UBS Foundation shall negotiate in good faith the terms and conditions based on which UZH will make any premises required for the operations and activities of the UBS Center available to the UBS Center.

4.6 Advisory Board

The Director shall hire until the end of the 3rd quarter 2012 the members of the Advisory Board. The Advisory Board shall consist at all times of five or more Nobel laureates in economics and potentially other members, while taking into account geographical and thematic diversity when choosing the board's members. Each nomination is subject to the approval of the UBS Foundation, and each member shall be engaged on the basis of an appropriate mandate agreement with UBS Foundation.

The Advisory Board will advise the UBS Center with respect to its research focus and research activities. Periodically, meetings between the Advisory Board and the members of the foundation council of UBS Foundation shall be organized.

4.7 Financing

4.7.1 In General

UBS Foundation will finance the activities and operations of the UBS Center in accordance with the Business Plan as follows:

- a) operating costs of the UBS Center; including
 - (i) salaries of management and staff of the UBS Center (e.g. Director, COO, employees);
 - (ii) honoraria of the members of the Advisory Board; and
 - (iii) special infrastructure (other than office space and basic office equipment which is provided by UZH) exclusively used for the management and staff employed for the UBS Center;

it being agreed that such costs will increase during the term of this Agreement, but shall in no event exceed the amount of CHF 500'000 per annum;
- b) funding of the events and activities of the Forum as approved for each year by the UBS Foundation in the framework of the annual Business Plan up to a maximum amount of CHF 300'000 per annum;
- c) cost of the lecture series as approved for each year by the UBS Foundation in the framework of the annual Business Plan up to a maximum amount of CHF 100'000;
- d) costs of periodicals or paper series published under UBS Center's name as approved for each year by the UBS Foundation in the framework of the annual Business Plan; and
- e) other activities and events of the UBS Center as approved by the UBS Foundation in the framework of the annual Business Plan.

4.7.2 Business Plan

The UBS Center shall prepare on an annual basis a business plan, including and detailing, inter alia, the operating cost of the UBS Center as well as all of its activities planned in a specific year, such as the lecture series, the activities of the Forum and the paper series (the "**Business Plan**"). The Business Plan, including all activities and initiatives covered by it, will be subject to the approval of the UBS Foundation.

4.7.3 Accounting and Reporting

UBS Foundation shall maintain accounting and bookkeeping as usual for the kind of operations and activities of the UBS Center. It may outsource such accounting and bookkeeping to UBS or any third party.

In respect of reporting and audit rights of UZH, Section 4.2.3 above applies.

5 Sponsoring of Chairs and other Academic Positions at the Department by UBS Foundation

5.1 Chairs

5.1.1 In General

UBS Foundation considers to fund, staggered over a period of 10 years, up to five fully equipped new lifetime or permanent Chairs (*Lehrstühle*) at the Department pursuant to the terms and conditions set out herein.

The funding of each Chair by the UBS Foundation is subject to a specific decision of UBS Foundation which it may take in its own discretion. An obligation of UBS Foundation to fund or otherwise contribute to the establishment of any Chair comes only into existence upon entering into a Chair Sponsoring Agreement as set out in Section 5.1.2.

The funding of the Chairs by UBS Foundation shall be in addition to, and not in lieu of, any other funding of chairs by UZH or third parties, and shall therefore not result in a reduction of the financial means UZH presently provides or plans to provide for any existing or any future chairs at any department of the Faculty of Economics, Business Administration and Information Technology.

5.1.2 Procedure

The establishment of each Chair will be in accordance with all applicable rules of UZH. The UBS Foundation may communicate to UZH at any time, in its own discretion, its willingness to fund a new Chair as well as the thematic focus of such a Chair and negotiate with UZH the establishment, financing and thematic focus of each Chair. Among the thematic foci that will be considered are chairs as those mentioned in Annex 1. Each Chair's profile must ensure that the Chair covers research areas in line with the objectives and thematic focus of the Chairs as agreed in Section 3 above.

After UBS Foundation approves, in its own discretion, the financing of a Chair with the related profile, UBS Foundation and UZH shall enter into a separate agreement (each a "**Chair Sponsorship Agreement**").

Following the conclusion of the respective Chair Sponsorship Agreement, UZH will autonomously conduct the recruiting process for the Chair in line with applicable laws and regulations, without involvement of the UBS Foundation.

5.1.3 Establishment

The holders of the Chairs will be appointed and employed by UZH in line with all applicable regulations of UZH and the Canton of Zurich.

UZH undertakes to provide in the appointment order ("*Anstellungsverfügung*") for each holder of a Chair that the holder shall report twice a year in an event of UBS Center or UBS Foundation about its research activities at the Chair.

Each Chair shall be fully equipped, i.e. have, in addition to a professor, at least one administrative assistant (50%) and two academic positions (each 100%) assigned to it and appropriate office space, IT-infrastructure and operating costs.

5.1.4 Sponsorship Amount per Chair

The sponsorship amount UBS Foundation will be required to pay to have a Chair established as a fully equipped (see Section 5.1.3) lifetime or permanent chair at UZH shall be negotiated between UBS Foundation and UZH, it being agreed that such amount (including VAT, if applicable) shall not exceed CHF 10 Mio. for a fully equipped lifetime chair and CHF 13 Mio. for a fully equipped permanent chair and adequately reflect UBS Foundation's extraordinary overall support provided in the framework of the collaboration hereunder.

In those cases in which UBS Foundation finances a lifetime Chair, the respective Chair Sponsorship Agreement shall provide for the possibility of UBS Foundation to "upgrade" at anytime such Chair to a permanent Chair by later paying the balance to the sponsorship amount for a permanent Chair.

The negotiated amount for each Chair shall be paid in installments to be agreed upon, and defined in the respective Chair Sponsorship Agreement concluded, between the UBS Foundation and UZH.

Except for the sponsorship amount agreed upon in the respective Chair Sponsorship Agreement, UBS Foundation shall not be obliged to contribute to any costs of the Chair or its academic or non-academic personnel and infrastructure.

5.1.5 Naming

Each chair funded by the UBS Foundation shall officially be named " Chair of..., funded by the UBS International Center".

UZH will, throughout the term of this Agreement and thereafter, always use, and procure that each holder of a Chair uses, such official name in its entirety in all Communication Means.

5.1.6 Timing

UBS Foundation will commit the funding of a first Chair by the end of 2012, and considers to fund a further Chair in each of the following four years.

5.2 Assistant Professorships

5.2.1 In General

In view of UBS Foundation's aim to also support young academics and to underline the home-grown aspect, UBS Foundation and UZH may also negotiate, in addition to the Chairs, the funding and establishment of positions for assistant professors ("*Assistenzprofessuren*") (each an "**Assistant Professorship**") at the Department.

The funding of the establishment of each Assistant Professorship by the UBS Foundation is subject to a specific decision of UBS Foundation which it may take in its own discretion. Nothing in the Agreement obliges UBS Foundation to sponsor an Assistant Professorship.

5.2.2 Procedure, Establishment and Naming

In respect to procedure, establishment and naming of the Assistant Professorships Sections 5.1.2, 5.1.3 and 5.1.5 shall apply *mutatis mutandis*, it being understood that such Assistant Professors shall be equipped in line with the applicable regulations, namely UZH's Fundraising Policy of 16 June 2009 and the "*Richtlinien zur Schaffung und Besetzung von Assistenzprofessuren und SNF-Förderungsprofessuren vom 10. April 2001*".

5.2.3 Financing

Financing of each Assistant Professorship shall be negotiated between UZH and UBS Foundation on a case to case basis.

5.3 Relationship between Chairs and Assistant Professorship to the UBS Center

While acknowledging that the Chairs and Assistant Professorship are part of UZH and the Department respectively, exclusively operate under and in accordance with the directions and regulations of UZH and the Department and conduct their research and teaching activities autonomously, it is expected by both Parties that the academics holding the Chairs and Assistant Professorships affiliate themselves to the UBS Center and participate in the events and activities organized by the UBS Center.

UZH is aware and accepts that, during the term of this Agreement and thereafter, to this end UBS Foundation may enter into agreements with each holder of a Chair or Assistant Professorship under which they undertake to refer to this affiliation in their Communication Means and to participate and otherwise involve themselves in events and activities of the UBS Center. UBS Foundation may remunerate the respective holders of the Chairs for the services they provide for, and their involvement in the activities of, the UBS Center based on the quantity and quality of the services and involvement in the activities.

6 Forum for Economic Dialogue

The UBS Center will establish and create the Forum which will organize, in each case subject to the approval of the UBS Foundation, workshops, seminars and public events all over the world with the involvement of the Chairs, Assistant Professorships and UBS Center's academic staff, thereby ensuring a continuing presence of the UBS Center in the public and a continuous dialogue between the academic world, the private and the public sectors.

UBS Foundation shall have the right to determine, and protect in its own name, the definitive name of the Forum.

The first event of the Forum shall take place prior to the end of the 3rd quarter 2012 and involve the participation of at least Prof. Ernst Fehr, the deputy of the Director of the UBS Center and a Nobel Laureate in Economics, preferably a member of the Advisory Board of the UBS Center.

7 Swiss Graduate School of Economics

7.1 In General

Beginning in 2012, the Department shall start establishing and operating at its own cost the School, i.e. a graduate school with a program and leading teachers guaranteeing that top students are attracted. The Chairs shall be fully integrated in the teaching at the School. The School shall be open to top students from all over the world and shall comprise up to 100 advanced students.

7.2 Involvement of UBS Center

The School will be autonomously conducted by the Department and UZH respectively, in line with all applicable rules and regulations of UZH. However, where ever possible and appropriate the teaching activities and events of the School shall take place at the Centralized Premises.

7.3 Scholarships

UBS Foundation shall have the opportunity to grant, at its own discretion, scholarships to students at the Schools.

UZH shall refer to such scholarships, also in the communications and materials of UZH and the Department, as "UBS International Center Scholarships".

8 Communications and Branding

8.1 Presence in Communication Means

The Parties will establish and permanently operate a website providing for a common Web-presence of the UBS Center, all Chairs and Assistant Professorships and all activities and initiatives provided in this Agreement. UZH and the Department will post on their own websites links to such website.

The Parties will assure that such a common presence is also displayed and communicated respectively in other Communication Means.

8.2 Branding and Corporate Identity

8.2.1 Name

The UBS Center itself and UZH shall not use UBS Center's name without the "UBS" element, which the UBS Foundation will be authorized to use for the UBS Center based on, and in accordance with, a licensing agreement with UBS. UZH accepts that the UBS Center operates in the framework of all its activities under such name and displays it on all its Communication Means concerning the UBS Center.

8.2.2 Logos and other CI Elements

The Parties will agree on logos and other CI elements to be used by the UBS Center and in connection with all activities organized by or with the involvement of the UBS Center, including, but not limited to, a common logo with UZH and a new logo of the UBS Center.

8.2.3 Use of UZH Name and Logo by UBS Center, UBS Foundation and UBS

UZH agrees that the UBS Center, UBS Foundation and UBS may use the UZH name and the UZH logo in their Communication Means referring or otherwise relating to the UBS Center, UBS Foundation's support and sponsoring thereof or in connection with UBS's events or other activities involving the UBS Center, the Chairs and/or the Assistant Professors.

The use of the UZH logo has to be in line with all applicable rules and regulations of the usage of the UZH CI/CD. The UZH asks for a sign off (approve) of the final proof before any printing or publication of the UZH logo begins.

8.3 Reference to Sponsoring

8.3.1 By UZH

UZH will appropriately refer in its communications relating to the UBS Center and its activities and/or the Chairs and Assistant Professorships funded by the UBS Foundation to their sponsoring by the UBS Foundation.

UZH accepts that, wherever possible under applicable regulations of UZH, the UBS Center will refer in its Communication Means to its sponsoring by the UBS Foundation.

8.3.2 By UBS Foundation and UBS

UBS and UBS Foundation are free to refer to the sponsoring (through UBS Foundation) of the UBS Center and its activities, the Chairs and Assistant Professorships funded by UBS Foundation, the Forum as well as the scholarships to Students of the School in all their Communication Means.

8.4 Image Rights

UZH accepts that UBS Foundation and UBS shall have the right to use images of Prof. Dr. Ernst Fehr and, subject to their objection, the members of each Chair and Assistant Professorship funded by the UBS Foundation in their Communication Means referring to the UBS Center, UBS's support and sponsoring thereof or in connection with UBS's events or other activities involving the UBS Center and/or the Chairs and Assistant Professorship.

8.5 Awards

In case UBS will grant awards for scientific achievements in economics to the Chairs or academic personnel of the UBS Center or students of the School, UBS may use and refer to the award granting event or award in its communications or otherwise for public relations purposes.

8.6 Publications

Subject to the consent of the related author(s) and applicable regulations of UZH, following the first publication of research results or other articles by the holder of the Chairs and Assistant Professorships and their academic personnel UBS Foundation and/or UBS may publish such research results and other articles in their own publications or periodicals in order to make them available for a broader public.

9 Involvement and Rights of UBS

9.1 In General

UBS will be involved in the UBS Center and its activities through its funding of the UBS Foundation and its representation in the foundation council of the UBS Foundation.

9.2 Benefits of UBS

In recognition of its funding of the UBS Foundation, the UBS Foundation will enable, and UZH accepts that the UBS Foundation will enable, UBS to reasonably benefit from the UBS Center's activities, by

- the rights granted to UBS under Section 8.2 to 8.6 above;
- granting privileged access of UBS personnel and selected clients to courses and events organized by the UBS Center;
- supporting and organizing regular exchanges between members of the UBS Center, the holders of the Chairs and Assistant Professorships and UBS specialists;
- providing educational access to UBS Center's personnel for UBS' employees and clients;
- providing access and organizing interaction channels (e.g. events) between the Chairs, Assistant Professors, doctoral and other students and UBS; and
- participation of appropriate representatives of the UBS Center at the annual "UBS International Economic Forum" and other UBS events to be defined. Chairs funded by the UBS Foundation, Prof. Dr. Fehr as well as members of the advisory board of the UBS Center are expected to participate at the annual "UBS International Economic Forum".

Details and parameters of such services and metrics shall be defined in the agreements referred to in Section 5.3 or other agreements between UBS, the UBS Foundation and the holders of the Chairs and Assistant Professorships. UZH expressly accepts that holders of the Chairs and Assistant Professorships enter, during the term of this Agreement or thereafter, into such other agreements directly with UBS Foundation or UBS, provided they are in line with the generally applicable rules and regulations of UZH and the Canton of Zurich.

10 Exclusivity

Any additional sponsoring of the UBS Center as well as of the activities and initiatives covered by this Agreement by any commercial undertaking is subject to the

prior approval of the UBS Foundation, which it may grant or withhold at its own discretion.

For the entire period of UBS Foundation's sponsoring of the UBS Center, UZH and the Department will not enter into agreements providing for the sponsoring of an institute, other research center or a collaboration as the one provided hereunder in the fields of economics of comparable size or with similar visibility. However, the sponsoring of single chairs shall not be restricted.

11 Term and Termination

11.1 Entry into Force and Initial Term

This Agreement shall enter into force upon its execution by the Parties and shall, subject to Sections 11.2 and 11.3, remain in force until 30 June 2022 (the "**Initial Term**").

UZH represents that prior to the execution of this Agreement by UZH the Universitätsrat has agreed to and duly approved the conclusion of this Agreement and the collaboration provided hereunder.

11.2 Extension Option

UBS Foundation shall have the option to extend the term of this Agreement (and its support of the UBS Center) by one or several additional five years period(s) (each an "**Extension Term**"). UBS Foundation shall exercise such option at the latest twelve months prior to the expiry of the Initial Term and running Extension Term respectively.

11.3 Early Termination

11.3.1 Termination by UBS Foundation

UBS Foundation shall have the right to terminate this Agreement

- a) for convenience with twelve months prior notice by 30 June 2017; or
- b) if changes in legislations or the failure of any competent public authority or body of the UZH to approve or otherwise authorize any activity under this Agreement deprive UBS Foundation from the benefits and rights provided herein.

11.3.2 Termination for Cause

Either Party may terminate this Agreement by written notice, if

- a) the other Party seriously fails to comply with any of its material obligations under this Agreement and does not remedy such failure within 60 days after being called up to do so by written notice;
- b) if the continuance of the collaboration hereunder entails – for whatever reasons – significant reputational risks for a Party (including, as far as UBS Center is concerned, for UBS) and has therefore become untenable (*"unzumutbar"*) for such Party.

11.4 Surviving Rights and Obligations

Expiry or termination of this Agreement shall not affect the Chair Sponsorship Agreements concluded by the Parties prior to the expiration or termination of this Agreement. In particular, UBS Foundation shall remain obliged to pay the outstanding sponsorship amounts owed thereunder for the Chairs, and UZH shall remain obliged to continue to use the full official name "Chair of ..., funded by the UBS International Center" for the respective Chairs also after the expiry or termination of this Agreement.

Further, those provisions which by their terms or sense are intended to survive expiry or termination of this Agreement, including but not limited to Sections 12, 13, 14 and 15, shall survive expiry or termination of this Agreement. Termination of this Agreement shall be without prejudice to any existing rights and/or claims that either Party may have against the other and shall not relieve such other Party from fulfilling any and all obligations accrued prior or due to termination. For the avoidance of doubt, termination of this Agreement shall not have any effect on any agreements UBS or UBS Foundation has entered into, or will enter into following termination of this Agreement, with the holders of the Chairs and Assistant Professorships respectively pursuant to Sections 5.3 and 9.2 or any other financial obligation UBS Foundation has entered into in connection with the sponsoring of the Chairs and Assistant Professorships.

11.5 Effect of Termination on UBS Center

Upon expiry or termination of this Agreement, UZH shall have the right to terminate the status of the UBS Center as associated institute and request UBS Foundation to close down UBS Center's activities at UZH and/or to transfer UBS Center's operations to another legal entity for continued operation by another legal entity under a new name and with a new sponsor.

12 Public Statements and Announcement

The Parties shall always emphasize in their communications concerning the UBS Center and the collaboration hereunder their commitment and support to the joint project and the initiatives and activities provided for herein.

Any presentations of, or public communications concerning, the UBS Center and the collaboration hereunder shall be agreed upon by the Parties and be based on agreed scripts.

13 Confidentiality

The Parties undertake to keep this Agreement and its contents strictly confidential and not to make any disclosures in respect thereof save where required by law or as separately agreed upon in writing. In particular, neither Party shall disclose this Agreement or any other contractual arrangement concluded in the framework of the collaboration hereunder to the public. UBS Foundation and UBS takes note of the fact that for approval and authorization purposes the Agreement may need to be disclosed to the Universitätsrat and Regierungsrat of the Canton of Zürich. UZH undertakes in this respect to take all reasonable measures necessary to avoid that the Agreement or its contents will be directly or indirectly disclosed to third parties in connection with such disclosure of the Agreement to the Regierungsrat and certain officials of the Canton of Zurich.

14 Independent Parties

This Agreement does not constitute either Party the agent of the other or create a partnership, joint venture or similar relationship between the Parties, and neither Party has the power to obligate or bind the other Party in any manner whatsoever. The Parties are in all respects independent.

Each Party shall at all times refrain from making any statements, whether oral or in writing, to the effect or which could create the impression or from which third parties or the public could infer that

- a) it acts as an agent or representative of the other Party; or
- b) it assumes a joint and several liability for or guarantees the fulfillment of any payment or other obligation of the other Party.

It is agreed that neither Party shall be liable for any obligations or liabilities assumed or incurred by the other Party vis-à-vis to third parties in connection with the activities and initiatives covered by this Agreement, and that each Party shall fully indemnify and hold the other Party harmless against any and all claims, demands or causes of actions of third parties arising out of or in connection with the activities and initiatives provided hereunder.

15 General Provisions

15.1 Entire Agreement

This Agreement is intended to be the sole and complete statement of the obligations of the Parties as to its subject matter and supersedes all previous oral and written representations, understandings, negotiations, arrangements, proposals and agreements relating to the subject matter between the Parties or UZH and UBS.

15.2 Amendments

This Agreement, including this Section 15.2 and its Annexes, may not be amended or modified except by a document in writing duly executed by the Parties hereto.

15.3 Assignments

No Party may assign, in whole or in part, its rights, interests or obligations under this Agreement without the prior written consent of the other Party. Any assignment made without such consent shall be void.

15.4 Severability

Should any provision of this Agreement be unenforceable or invalid, such provision shall be ineffective only to the extent of such unenforceability or invalidity and be replaced by such valid and enforceable provision which the Parties consider to match as closely as possible the invalid or unenforceable provision and attaining the same or a similar economic effect. The remaining provisions of this Agreement shall continue to be binding and in full force and effect.

15.5 Notices

All notices and other communications provided for hereunder shall be in writing and shall be mailed or delivered personally, by overnight delivery service, by facsimile, or by e-mail with confirmation of receipt, addressed as follows:

If to UZH:

University of Zurich
Attn: President of the University
Rämistrasse 71
CH-8006 Zurich

If to UBS Foundation:

UBS Foundation of Economics in Society
Attn: Chairman UBS Foundation
c/o University of Zurich
Department of Economics
Blümlisalpstrasse 10
CH-8006 Zurich

15.6 Governing Law

This Agreement is to be governed by, and interpreted in accordance with, Swiss law.

15.7 Jurisdiction / Arbitration

Any dispute arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the competent courts in Zurich.

Signatures on the following page

Signatures

Zurich, this 1 June 2012

University of Zurich



Name: Prof. Dr. Andreas Fischer
Title: President of the University of Zurich



Name: Prof. Dr. Egon Frank
Title: Vice President Laws and Economics of the University of Zurich

Zurich, this 22 May 2012

UBS Foundation of Economics in Society



Name: Kaspar Villiger
Title: Chairman of UBS Foundation



Name: Prof. Dr. Ernst Fehr
Title: Member of the Foundation Council

Accepted by Prof. Dr. Ernst Fehr as far as his personal commitments referred to herein are concerned

Zurich, this 22 May 2012



Annex 1

Thematic Foci of Chairs

The Chairs shall focus on topics related to economics and financial markets. Particular emphasis will be placed on funding and establishing chairs in interdisciplinary and innovative areas of research that promise important scientific insights. Chairs that examine the following themes in an integrated and interdisciplinary manner will be considered:

- (i) the macroeconomic and financial foundations of economics,
- (ii) the legal and institutional foundations, and
- (iii) the entrepreneurial, organizational, and management bases of economic life.

The graph below and the subsequent detailed description illustrate important potential topics that may be covered by the planned chairs.

The new chairs will cover three central areas of economics.

- 1 Macroeconomic and financial foundations of economics
- 2 Legal and institutional foundations of economics
- 3 Entrepreneurial, organizational and management bases of economics

The Chairs strive to solve fundamental problems beyond disciplinary boundaries and perform innovative research that has a positive and sustainable effect on the economic dynamics and competitiveness of Switzerland.

Example chairs distributed over the three areas

