

Rules of Organisation Swisscanto 1e Collective Foundation

31 December 2022

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A Purpose of the rules of organisation

Art. 1 Purpose and contents

1.1 Principles

Based on the Pension Fund Regulations of the Swisscanto 1e Collective Foundation (hereinafter referred to as the Foundation) and in consideration of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), the Board of Trustees adopts these rules of organisation.

1.2 Duties, powers and responsibilities of the governing and executive bodies

These regulations govern the duties, powers and responsibilities of the Board of Trustees and the other corporate bodies of the Foundation as well as the persons deployed by these bodies.

1.3 Investment activities

The investment of the assets and the related tasks and obligations of the persons and units involved are governed by separate investment regulations. The Board of Trustees establishes an investment committee if needed, and appoints the members to this committee.

B Governing and executive bodies of the Foundation

Art. 2 Responsible persons and bodies

2.1 Responsible persons and bodies

The following bodies and persons are responsible for the orderly processing of the pension fund's business operations:

- a. the Board of Trustees;
- b. the pension fund commissions;
- c. the management office;
- d. the auditors;
- e. the pension actuary.

Art. 3 Board of Trustees

3.1 Composition

The Board of Trustees is the highest governing body of the Foundation and consists of four members, i.e. two employer and two employee representatives. External members may also sit on the Board of Trustees.

3.2 Constitution

The Board of Trustees constitutes itself. It elects a chairman and a vice-chairman from among its members, but these persons may not both be employer or employee representatives. If no agreement can be reached, a neutral arbitrator appointed by mutual agreement shall decide the matter. If the trustees cannot agree on the arbitrator, the arbitrator is appointed by the supervisory authority.

3.3 Term of office

The term of office for members of the Board of Trustees is three years. Reelection is possible. Members who have an employment relationship with the employer of an affiliated pension fund must resign from the Board of Trustees when the employment relationship is terminated. This also applies if the affiliation contract with the pension fund of which the trustee is a member is cancelled. Members elected during the term of office inherit their predecessor's term of office.

3.4 Election of employer and employee representatives

All pension fund commissions are informed of the date and procedure for the elections.

The employer representatives in the Board of Trustees can nominate employer representatives and the employee representatives can, in turn, nominate employee representatives as candidates for election to the Board of Trustees. The nominations are submitted to the pension fund commissions in writing.

The employer companies are entitled to nominate employer candidates. The employee representatives on the pension fund commissions are entitled to nominate employee candidates. The candidates do not necessarily have to be insured with the Foundation. For pension funds with less than 20 insured, the employee candidate must be able to provide the written consent of at least 2/3 of the insured, and for bigger pension funds, of at least 15 insured.

The candidates must be informed of their huge financial and personal responsibility. Well-founded knowledge of

the employee benefits insurance is essential for candidates. The serving Board of Trustees can reject candidates who do not meet the requirements.

3.5 Voting procedure

Persons who stand for election to the Board of Trustees have to notify their candidacy to the management office within 60 days from the date on which the election notice was sent.

Two electoral lists are prepared containing the names of the candidates for employee and employer representatives. The employer and employee representatives on the pension fund commissions each vote for a maximum of two candidates from their electoral list, whereby a candidate may only be given one vote. The election of the up to four candidates is weighted by the number of active insured for the respective pension fund on 1 January of the election year.

The employer and employee representatives of the eligible pension fund commissions vote by letter or electronically. The completed electoral lists must be returned to the management office within 30 days from the date of dispatch.

The valid votes are counted by the management office. An electoral list is invalid if more than two candidates are listed, if names of persons who are not standing for election are listed, or if the completed electoral list is not returned to the management office before the deadline. The election result is documented in minutes.

The candidates who received the most votes are elected as employer and employee representatives. Elections are determined by a relative majority of the votes cast. The serving Board of Trustees can decide that the candidate who ranked third shall be a reserve member.

Only one representative (employee or employer) per affiliated company can be elected to the Board of Trustees. If more persons are elected, the person who received the most votes joins the Board of Trustees. Lots are drawn in the event of a tied vote.

The pension fund commissions are informed of the new composition of the Board of Trustees within 30 days of the final submission date.

3.6 By-election during term of office

If a member of the Board of Trustees resigns, the Board of Trustees proposes a suitable candidate as new member. If the proposed candidate is not elected, another person is proposed and the process is repeated.

If the Board of Trustees appointed the candidate with the third highest number of votes as reserve member and this person accepts election to the Board of Trustees, a by-election is not needed.

3.7 Election date

The election process always starts three months before the term of office ends.

3.8 Meetings of the Board of Trustees

The Board of Trustees is convened by the chairman as necessary, but at least once a year. Every member may make a written request that the chairman should convene a meeting.

Meetings are called by the chairman at least ten days in advance by way of a written invitation listing the items on the agenda.

The meeting is chaired by the chairman or, in his absence, the vice-chairman.

The Board of Trustees is quorate when more than half of its members are present. Resolutions are adopted with a simple majority of the votes.

A qualified majority of the votes of three out of four trustees is needed for the following important decisions.

This applies for:

- Election and dismissal of the management office;
- Amendments to the regulations;
- Conclusion and cancellation of a management mandate or an insurance contract;
- Opening and closing of banking relationships;
- Election and dismissal of the accredited pension actuary;
- Election and dismissal of the auditors;
- Proposals for amendments to the deed of foundation;
- Proposals for the liquidation of the Foundation.

For all other matters, the chairman's vote counts double if votes are tied.

Resolutions can also be adopted by circular letter. Such resolutions require unanimous approval in order to be valid. Circular resolutions are included in the minutes of the next meeting.

Minutes are taken of the resolutions of the Board of Trustees.

3.9 Tasks

The Board of Trustees has the following tasks and responsibilities:

- Determining the organisational structure of the Foundation;
- Representing the Foundation vis-à-vis third parties;
- Appointing the persons who can legally represent the Foundation (and determining their signatory power);
- Selecting the system of financing;
- Defining the structure and principles of accounting;
- Issuing one or more pension fund regulations with generally applicable implementing provisions regarding benefits, organisational structure, administration, financing and control;
- Issuing and amending the deed of foundation;
- Issuing and amending the regulations, in particular the framework regulations, rules of organisation and investment regulations;
- Issuing the framework conditions for the formulation and amendment of pension plans;
- Deciding on reinsurance cover for the risks of death and disability and selecting the reinsurer, if any;
- Determining the objectives and principles of asset management and implementing and monitoring the investment process;
- Electing the management office;
- Electing the auditors and the accredited pension actuary;
- Approving the annual accounts, taking note of the auditors' report and discussing any management letter;
- Approving the actuarial expertise submitted by the pension actuary;
- Determining the group of insured persons;
- Keeping the insured informed;
- Providing basic and advanced training for the employee and employer representatives;

3.10 Recusal obligation

The members of the Board of Trustees have to recuse themselves when transactions are discussed in which they have a direct or significant personal, family or business interest.

3.11 Compensation

The members of the Board of Trustees receive an appropriate fee for their services from the Foundation.

Art. 4 Pension fund commission

4.1 Background

The employer has joined the Foundation under an affiliation contract in order to provide employee benefits insurance to the groups of employees employed by it.

Pursuant to Art. 51 of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), the employer must set up a pension fund commission for its pension fund to ensure the proper implementation of the employee benefits insurance.

4.2 Purpose

The principal task of the pension fund commission is to protect the interests of the persons insured with the pension fund in question against the Foundation and the employer. The pension fund commission issues pension-specific provisions to supplement the pension fund regulations of the pension plan.

4.3 Composition

The pension fund commission consists of at least one employer representative and an equal number of employee representatives.

4.4 Appointment

The employer representatives are appointed by the employer. The employees elect their representatives from among the insured, whereby the individual employee categories should be represented appropriately. The employer organises the election.

The management office of the Foundation must be informed without delay of any changes in the composition of the pension fund commission.

4.5 Term of office

The term of office is three years. Re-election is possible.

If the employment relationship of an employee representative is terminated, the member must withdraw from the pension fund commission. A new member must be elected as replacement (see para. 4), unless a reserve member has already been appointed. The new member takes over the term of office of the predecessor.

4.6 Constitution

The pension fund commission constitutes itself. It elects a chairman and a deputy chairman from among its members, but these persons may not both be employer or employee representatives. Each member has one vote.

4.7 Representation

The pension fund commission elects the members who represent the commission vis-à-vis the Foundation and appoints the persons who are authorised to sign on behalf of the commission and determines their signatory authority. It also informs the Foundation of the names of the persons who are authorised to sign notices regarding changes in the number of staff, unless these persons are also members of the pension fund commission.

4.8 Meetings

The pension fund commission is convened by the chairman on request of at least half of the members or when business requires. The invitation must contain an overview of the agenda for the meeting.

The meeting is chaired by the chairman or, in his absence, the deputy chairman.

The pension fund commission meets at least once a year. Minutes must be kept of all meetings and copies of the minutes must automatically be submitted to the Foundation's management office after being drawn up.

4.9 Functions and powers of authority

The pension fund commission is responsible for the implementation in compliance with the law of the employee benefits insurance by its pension fund. It can delegate some duties and powers to special commissions, to the management office of the Foundation or to third parties. It has the following tasks in particular (this list is not exhaustive):

- Issuing, implementing and amending the plan-specific elements of the pension plan within the limits of the pension fund regulations.
Amendments to the pension plan may not contradict the law, the deed of foundation, the affiliation contract or the rules of organisation of the Foundation. The Board of Trustees is authorised to check the resolutions of the pension fund commission to ensure legal and cost compliance.
- Discussing requests and applications regarding the pension plan and the pension fund regulations.

Art. 5 Management office

5.1 Management office

The Board of Trustees appoints the management office of the Foundation.

5.2 Rights and obligations

The management office has the following rights and obligations in particular:

- Advising the insured and the affiliated companies;
- Executing the technical administration in compliance with all deadlines;
- Preparing the Foundation accounts and the annual financial statements in compliance with all deadlines;
- Taking out reinsurance cover for the risks of death and disability with an insurance company;
- Serving as coordination unit between the Board of Trustees, the companies, HR departments, the pension actuary, the auditors, the supervision, etc.;
- Updating all valid regulations and documents;
- Acquiring new customers;
- Executing the decisions of the Board of Trustees and the insured persons relating to investments and assuming the tasks set out in the investment regulations.

The management office will ensure that there is a size and complexity-appropriate internal control system in place in accordance with Art. 35 para. 1 BVV 2 and that it is applied.

Art. 6 Auditors

6.1 Tasks

The auditors appointed by the Board of Trustees carry out the tasks listed in the BVG. In particular, they check whether the annual financial statements meet the statutory requirements and whether the organisational structure, management and investments meet the requirements of the law and the regulations. The auditors summarise their findings in an annual report addressed to the Board of Trustees.

Art. 7 Pension actuary

7.1 Services

The pension actuary appointed by the Board of Trustees carries out the tasks listed in the BVG. In particular, the pension actuary periodically checks whether the Foundation can guarantee that it can meet its obligations and whether the actuarial provisions on the benefits and their financing contained in the regulations meet the requirements of the law. The pension actuary submits their recommendations to the Board of Trustees.

Art. 8 Data security and duty of confidentiality

8.1 Confidentiality

All documents and information must be treated in the strictest confidence and may not in any form or manner whatsoever be made accessible, either in whole or in part, to any unauthorised persons.

8.2 Data security

To guarantee data security, all the organisational and technical measures dictated by circumstances must be implemented.

8.3 Duty of confidentiality

The members of the governing and executive bodies and all persons entrusted with the implementation of the employee benefits insurance are bound to maintain the utmost confidentiality about all personal and financial information regarding the insured persons, beneficiaries and employer that comes to their attention in their official capacity.

8.4 End of office

The duty of confidentiality continues after the resignation from office or the termination of activities.

Art. 9 Integrity and loyalty of persons in charge

9.1 Integrity

All persons entrusted with the business of the Foundation, namely the members of the Board of Trustees, the members of the pension fund commissions, the manager, the employees of the management office and the asset managers, the pension actuary and the auditors, must have a good reputation and be able to guarantee exemplary business conduct.

9.2 Loyalty

They are subject to the fiduciary duty of care and must promote the interests of those insured with the Foundation in all their activities. To this end, they must guarantee that no conflicts of interest could arise due to their personal and professional relationships.

Art. 10 Liability

10.1 Liability

All persons involved in the administration, management and control of the Foundation are liable for any damage they may cause intentionally or through negligence. (Art. 52 BVG).

C The pension commissions

Art. 11 Approval and entry into force

11.1 Entry into force

These rules of organisation enter into force on 31 December 2022.

11.2 Amendments

The rules of organisation can be amended, supplemented or rescinded at any time by resolution of the Board of Trustees. The Board of Trustees must submit these rules of organisation and any amendments for the information of the relevant supervisory authority.

Glattbrugg, 20 December 2022

Swisscanto 1e Collective Foundation

The Board of Trustees