

Organizational Regulations

Valid as of January 1, 2020

Where versions of these regulations exist in different languages, should they give rise to discrepancies, the German version takes precedence.

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A Purpose of the Organizational Regulations

Art. 1 Purpose and contents

¹ Principles

The Board of Trustees of the Agilis 1e Collective Foundation (hereinafter the “Foundation”) is issuing these Organizational Regulations based on the framework regulations of the Foundation.

² Tasks, competences, and responsibilities of the bodies

These regulations address the tasks, competences, and responsibilities of the bodies of the Foundation and the persons of the management which it uses, insofar as they are not conclusively governed by the Federal Act on Occupational Retirement, Survivors’ and Disability Pension Plans (OPA), in the Foundation deed, or the framework regulations.

B Bodies of the Foundation and duty of confidentiality

Art. 2 Responsible persons and bodies

The following bodies and persons are responsible for properly processing the Foundation’s transactions:

- a) The Board of Trustees
- b) The Pension Planning Commission
- c) The Foundation Management
- d) The administration
- e) The auditor
- f) The pension insurance expert
- g) The asset management
- h) The bank/depository

Tasks, competences, and responsibilities are regulated in the following, with the exception of paragraphs g and h, which are addressed in separate investment regulations.

Art. 3 Board of Trustees

¹ Composition and administration of office

The Board of Trustees consists of at least four members. The employees have the right to representation on the Board of Trustees in accordance with the contributions made by them. When new elections take place, the ratio of employer and employee contributions is reviewed using the Foundation’s annual financial statements, and the composition of the Board of Trustees is adapted as needed. The Board of Trustees can be occupied by representatives of the Foundation company, insured people of the affiliated companies, or external persons. A maximum of one person is permitted to be a representative of the Foundation company, and this person counts as an employer representative.

The term of office of the Board of Trustees is four years. Resignations and reelection shall be allowed at all times with no restrictions. The Board of Trustees can decide to dismiss one of its members if reasonable cause exists.

The Board of Trustees shall constitute itself and determine the Chairman from the group of employer representatives.

Upon invitation by the Chairman, the Board of Trustees convenes at least twice a year. Every member is entitled to file a request for a convocation of the Board of Trustees with the Chairman.

The Board of Trustees manages the Foundation according to the law, the Foundation deed, the regulations it has enacted, and the directives of the supervisory authorities at its dutiful discretion.

The Board of Trustees shall have a quorum if the majority of the members is present. The resolutions shall be enacted by a majority. Should there be a tie, the vote cast by the Chairman shall count twofold. Minutes shall be kept concerning negotiations.

Resolutions can also be enacted by way of circulation. Resolutions adopted by circulation require the written approval of all members of the Board of Trustees.

² Tasks

The Board of Trustees assumes overall management of the Foundation, makes sure statutory tasks are fulfilled, and determines the strategic goals and principles of the Foundation, as well as the means to fulfill them. It determines the organization of the Foundation, ensures its financial stability, and monitors the management. It exercises the following non-transferable and inalienable tasks:

- Stipulating the financing system
- Stipulating performance goals and pension plans, as well as principles for using the free funds
- Issuing and changing regulations
- Creating and approving financial statements
- Stipulating the technical interest rate and the remaining technical bases
- Determining the Foundation's organization
- Organizing accounting
- Determining the group of insured persons and guaranteeing this group remains informed
- Guaranteeing the initial and further training of the members of the Board of Trustees
- Appointing and dismissing the people entrusted with management
- Electing and dismissing the occupational retirement provision expert and the auditor
- Reaching a decision about the complete or partial reinsurance of the Foundation and any necessary reinsurers
- Stipulating the goals and principles of asset management, as well as executing and monitoring the investment process
- Periodically inspecting the medium- and long-term agreement between the investment of assets and liabilities
- Monitoring the performance of the 1e investment strategies
- Determining the costs of the Foundation which are to be charged to the pension scheme

It can delegate individual tasks to members of the Board of Trustees. The Board of Trustees ensures appropriate reporting to its members.

³ Authorization to sign

All members of the Board of Trustees are collectively authorized to joint signature by two. The Board of Trustees shall regulate the other authorizations to sign, whereby only joint signature by two shall be authorized.

⁴ Electing the Board of Trustees

The Board of Trustees is elected by the Pension Planning Commissions. The employee representatives of the Pension Planning Commissions elect the employee representatives of the Board of Trustees and the employer representatives of the Pension Planning Commissions elect the employer representatives of the Board of Trustees.

If a member of the Board of Trustees withdraws during the current term of office, a follow-up election is to be conducted immediately. The follow-up member then continues the term of office of the predecessor until its expiry.

The Board of Trustees is responsible for conducting the Board of Trustees elections. It can delegate this task to the branch. All Pension Planning Commissions are informed about the election date and voting process.

The Pension Planning Commission is to be informed about election date and voting process by the Foundation at least 60 days before the election date. The Pension Planning Commission informs the insured parties of its pension scheme immediately after receiving this information regarding elections and about the possibility of and prerequisites for candidacy.

Employer representatives of Pension Planning Commissions can propose candidates for the employer representatives to the branch. Employee representatives of Pension Planning Commissions propose candidates for the employee representatives. The Board of Trustees can suggest candidates for both categories of representatives.

The Vontobel representative in the Board of Trustees is named by Vontobel's Executive Board. If the Vontobel representative leaves the Board of Trustees early, the Vontobel Executive Board shall designate a follow-up representative who shall complete the term of office of the member of the Board of Trustees who is leaving office. If Vontobel makes use of its right to name a Board of Trustees member, this person counts as a employer representative.

The Foundation invites the Pension Planning Commission to name its candidates within a period of 20 days and to submit these into the branch.

The candidates submitted to the Foundation are reviewed within ten days with regard to timeliness, correctness, completeness, and conflicts of interest. Late, incorrect, or incomplete candidatures or ones with conflicts of interests will not be considered. The Foundation can also reject candidates if the candidates obviously do not fulfill the requirements of a Board of Trustees mandates. After completing the review, candidates who fulfill the requirements for a Board of Trustees mandate will be contacted by the Foundation and asked to give written and binding notice within five calendar days of their willingness to run for election and accept the post if they are elected to the Board of Trustees.

Board of Trustees members already in office will be noted as candidates without any formal candidacy procedure unless they renounce their candidacy within the submission period.

Once the candidates for the Board of Trustees are set, the Foundation will create ballots that list both the employer and employee representative candidates. Electronic ballots are allowed. The Foundation delivers these ballots to the Pension Planning Commission and sets a limit of 14 days within which the ballot must be returned.

Each Pension Planning Commission has as many votes as there are seats to be filled by members in the Board of Trustees. Each Pension Planning Commission may only cast one vote for each candidate. The employer representative in the Pension Planning Commission vote for the employer seats and the employee representatives in the Pension Planning Commission vote for the employee seats in the Board of Trustees.

The votes are counted by the branch within seven days. Records of the results are to be created, which are signed by the body conducting the election and submitted to the Board of Trustees.

The election takes place with a simple majority of votes cast, separately for the employer and employee representatives. The candidates that receive the most votes cast are elected. In case of a tie or if no valid votes were cast, lots are drawn to decide the election. An affiliated employer can only have one representative elected to the Board of Trustees.

If only one single candidate runs for a Board of Trustees seat, then this candidate is considered elected by way of a tacit election.

The Pension Planning Commissions, the insured persons, and the supervisory authority are informed about the election results in a suitable manner by the Foundation.

Art. 4 Pension Planning Commission

¹ Composition and administration

At the time of Foundation affiliation, the respective employer or association must establish a Pension Planning Commission. The employer is responsible for the correct composition of the Pension Planning Commission over the entire duration of the affiliation and collaboration with the Foundation.

For individual affiliations to the Foundation where a single insured person is insured by the Foundation, this individual takes on the role of the Pension Planning Commission.

The Pension Planning Commissions have at least two members. The Pension Planning Commissions have at least one employer and one employee representative, whereby the employees are entitled to representatives in proportion to the contributions that they make. The employer representatives are named by the employer. The employee representatives are chosen from among the insured persons in due consideration of any employee categories. Parties who are not insured may also be elected as long as they are not from the ranks of the affiliated employer.

The Pension Planning Commissions shall constitute themselves. They shall select the Chairman and his or her deputy from among their members. They inform the Foundation about their composition and about any changes.

The term of office of Pension Planning Commission members is four years. Reelections are possible without limit. Members who are in an employment relationship with an affiliated employer must step down from the Pension Planning Commission if the relationship is terminated. A new election must take place if a member steps down. This replacement member shall serve for the length of office of their predecessor.

The Pension Planning Commission shall be convened upon the request of at least half of the members or as needed by the Chairman. The invitation must contain an overview of the agenda items.

The Chairman or, should they be detained, their deputy shall lead the meeting.

The Pension Planning Commission shall convene at least once per year. Minutes of the meetings shall be taken, and they shall be delivered to the Foundation Management without request and immediately after they are created.

2 Tasks

The main task of the Pension Planning Commission is to preserve the interests of the insured persons of the pension scheme concerned with respect to the Foundation and the company or the trade association.

The Foundation is responsible for handling the staff pensions of its pension schemes in a legally compliant manner. The Pension Planning Commission verifies the data of the Foundation and delivers the required information and documents to the Foundation in a timely manner.

Additional tasks of the Pension Planning Commission (list is not exhaustive):

- Motioning for changes to regulations and pension plans with the Board of Trustees
- Handling the requests and inquiries within the scope of the pension plan and the framework regulation
- Selecting the investment strategies that the Foundation provides
- Approving the financial statements of the pension scheme

Tasks of the insured parties / parties entitled to claims (list is not exhaustive):

- Selecting the investment strategy after completing a risk tolerance test
- Reporting changes to name, address, and civil status
- Reporting changes in:
 - the disability level of the DI; or
 - the degree of incapacity to work
- Designation of life partner/beneficiary declaration
- Reporting personal vested benefits assets and transferring them to the Foundation
- Reporting other pension plan assets for pillar 2
- Reporting the termination of the education of children receiving child pensions
- Reporting the parties entitled to pension benefits (e.g. in the event of death)
- Reporting the remarriage of a party receiving a spouse's pension

3 Resolutions

The Pension Planning Commission shall have a quorum if more than half of its members are present.

The Pension Planning Commission shall enact its resolutions with a simple majority of the votes of those present. In the event of a tie, a compromise shall be sought. Should no agreement be made, the motion shall be considered rejected.

Resolutions can also be enacted by way of circulation. Resolutions concerning the regulatory claims, as well as the employer and employee contributions, require a two-thirds majority of all voting members.

Resolutions that obligate the employer to pay higher or lower contributions can be enacted only with the employer's consent.

Should the resolutions of the Pension Planning Commission not be enacted by the appointed deadline, the Board of Trustees shall reach a decision.

Art. 5 Foundation Management

¹ Responsibilities

Current transactions shall be handled by the Foundation Management under the supervision of the Board of Trustees.

² Tasks

The activities and competences of the Foundation Management can, among other things, be outlined as follows:

- a) Coordinating meeting dates and preparing standard agenda items
- b) Planning and preparing the meetings
- c) Inviting the members of the Board of Trustees to meetings
- d) Summoning external parties to the meetings
- e) Performing the function of coordinating party for the Board of Trustees, pension insurance expert, auditor and administration, supervisory body, asset manager, depository, etc.
- f) Conducting the resolutions of the Board of Trustees and implementing them
- g) Preparing the information policy
- h) Informing the insured persons and pensioners, especially about:
 - changes to regulations;
 - the type of insured pension benefits (individual calculation); and
 - annual financial statements of the Foundation and the pension schemes in question
- i) Delivering the balance sheet and the financial statements, the auditor's report, and the pension insurance expert's report to the supervisory authority in a timely manner
- j) The Foundation Management shall be the contact partner for all issues of the companies, the Pension Planning Commissions, and the insured persons
- k) The contact partner for the depository and the asset managers
- l) Occasioning payments, whereby a second signature from a member of the Board of Trustees is required in each case
- m) Taking minutes

Art. 6 Administration

¹ Technical administration

The technical administration of the Foundation can be outsourced. The detailed rights and obligations, including fees, are addressed in a separate mandate contract. The activities and responsibilities can be outlined as follows:

- a) Administration of the required data for the insured person for assets and liabilities
- b) Administration of technical accounts
- c) Creating the annual pension plan certificates for the insured persons based on the custody and account information of the asset manager or the depository
- d) Addressing claims as per the regulations, the deed, and the law
- e) Calculating vested benefits
- f) Occasioning payments to be made
- g) Calculating and collecting contributions
- h) Periodic checking of the right to pension claims
- i) Accepting and inspecting the submitted list of the persons entitled to lumpsum death benefits

- j) Following the resolutions of the Board of Trustees
- k) Archiving the required data from the insured person and documents
- l) Inspecting and approving the submitted strategy forms

² Commercial accounting

Commercial accounting includes the following task areas among others:

- a) Managing the Foundation's accounting
- b) Managing securities accounting based on individual custody and account information from the asset manager or depository
- c) Creating the annual financial statements with reporting to the Board of Trustees
- d) Reclaiming withholding tax
- e) Managing the required data from the insured person for assets and pensioners' portfolios
- f) Invoicing and debtor management for the Foundation

³ Financial statements

Financial statements are issued on December 31 of each year. Accounting is performed according to the statutory provisions.

Art. 7

Auditor

¹ Annual audit

The Board of Trustees commissions an auditor to perform the annual audit of the management, accounting (financial statements consisting of the balance sheet, operating statement, and the annex), and asset investment.

² Tasks

The auditor checks whether the following facts can be proven and the following documents exist, are valid, and are updated:

- a) Deeds and regulations
- b) Commercial register entries
- c) Important resolutions and directives
- d) All types of contracts
- e) Actuarial reports from the pension insurance expert

The inspection results shall be recorded in an auditor's report and, if necessary, in a management letter.

The provisions for the auditor in Art. 34 – 36 OPO 2 shall be complied with.

Art. 8 Pension insurance expert

The pension insurance expert shall provide the following services:

- a) Advise the Board of Trustees concerning all questions of staff pensions, especially in relation to the following:
 - Deeds and regulations
 - Actuarial practice
 - Information technology
 - Taxes
 - Law
 - New legal provisions and decrees (current information)
- b) Periodically prepare a detailed actuarial report:
 - to check the financial security of the Foundation; and
 - to confirm that the regulatory actuarial provisions concerning the services and financing comply with legal provisions
- c) Prepare an annual short actuarial balance sheet to check the development of the pension obligations
- d) Clarify and plan the necessary adjustments to changes in the market environment
- e) Detect possible technical risk potential
- f) Negotiate with the reinsurer
- g) Develop the necessary basis for making decisions within the Board of Trustees
- h) Information and documentation of the members of the Board of Trustees
- i) Provide explanations and additional information concerning individual agenda items during Foundation Board meetings

Art. 9 Asset management

The management organization for managing the assets of the Foundation includes the Board of Trustees, the Foundation Management, the asset management, and the bank / depository.

The Board of Trustees selects the asset management.

Additional information, as well as the investment instructions, are in the investment regulations.

Art. 10 Duty of confidentiality

The members of the bodies, as well as all other persons entrusted with addressing staff pensions, are obligated to confidentiality concerning the personal and financial circumstances which become known to them within the scope of their activity, whether these circumstances pertain to insured persons, those entitled to claims, or companies.

The duty of confidentiality shall remain in effect even after these persons leave office or finish their activity.

C Effective date

Art. 11 Temporary provisions

All regulatory provisions valid as of March 31, 2019, shall apply to persons insured prior to April 1, 2019. The insurance coverage shall last until the end of the temporary employment agreements.

Art. 12 Approval and effective date

These Organizational Regulations enter into force on January 1, 2020.

They replace the Organizational Regulations that came into force on April 1, 2019.

The Organizational Regulations can be changed, supplemented, or repealed by means of a resolution from the Board of Trustees at any time. The Board of Trustees shall submit these Organizational Regulations and any changes to the responsible supervisory authorities for review.

Lucerne, March 24, 2020

Foundation Board Agilis 1e Collective Foundation

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