

Statutes of the Baloise Collective Foundation for Compulsory Occupational Welfare Provision

Edition June 2008

Art. 1 Name and registered office

- 1.1 The Baloise Life Insurance Company in Basel (hereafter referred to as the Founder) is establishing a foundation within the meaning of Article 80 ff. of the Swiss Civil Code (ZGB).
- 1.2 The Foundation has the following names:
Bâloise Sammelstiftung für die obligatorische berufliche Vorsorge;
Bâloise Fondation collective pour la prévoyance professionnelle obligatoire;
Bâloise Fondazione collettiva per la previdenza professionale obbligatoria;
Baloise Collective Foundation for Compulsory Occupational Welfare Provision.
- 1.3 The name of the Foundation may also be translated into other languages.
- 1.4 The Foundation has its registered office in Basel. It has been entered in the Register for Occupational Benefits and is subject to supervision by the responsible regulatory authorities.

Art. 2 Objective

- 2.1 The purpose of the Foundation is to provide occupational pension cover within the meaning of the Federal Law on Occupational Old Age, Survivors' and Disability Pension Plans (BVG) and its implementing ordinances for the employees of the affiliated employer, as well as dependants and survivors to counter the economic consequences of old age, death and disability. Under the provisions of the BVG, self-employed employers may join their employees' pension fund.
- 2.2 The Foundation may also make provision for benefits in excess of the legally prescribed minimum benefits.
- 2.3 In particular, the Foundation's objective is to establish pension funds based on special arrangements with employers in accordance with the full insurance plan offered by the Founder in order to contractually reinsure all risks associated with financial consequences of old age, disability and death. The Foundation must act as both policyholder and beneficiary, and conclude life insurance contracts with the Founder accordingly.

Art. 3 Regulations

The Foundation shall provide regulations defining the organization, executive bodies, administration, benefits, funding,

auditing, asset management, total and partial liquidation, as well as the relationships to employers, insured persons and beneficiaries. These regulations may be amended or revoked at any time in accordance with the Foundation objectives and the acquired rights of entitled persons, especially in compliance with statutory ordinances or court rulings as a result of new or revised BVG provisions.

Art. 4 Assets

The Founder shall pay the sum of CHF 2000.– to the Foundation as original assets. Foundation assets will be subsequently increased by contributions from the Founder or third parties.

Art. 5 Foundation funds

- 5.1 The Foundation funds are comprised of:
 - a) The foundation assets in accordance with Art. 4 and any revenues generated from them,
 - b) Funds to be used in accordance with legal requirements and the foundation objectives, the allocation of which is determined by the Board of Foundation,
 - c) Pension fund assets, such as:
 - i. policy reserves,
 - ii. unallocated assets, and
 - iii. contribution reserves.
- 5.2 Pension fund assets are accumulated by way of:
 - a) normal contributions paid in by employers and employees,
 - b) payments from full insurance plans, and
 - c) revenues from pension fund investments.
- 5.3 Unless used specifically for fund purposes, payments may not be made out of Foundation funds to meet the employer's legal obligations or for compensation relating to normal employment services (such as inflation, family and children's' allowances, bonuses, etc.).
- 5.4 Foundation assets must be managed in observance of the Swiss Federal Law on Investment Funds and related withdrawal provisions in accordance with generally accepted principles.
- 5.5 Employer contributions can be provided from pension fund assets, if they are paid out of previously accumulated, separately reported contribution reserves.

Art. 6 Independence of individual pension funds

- 6.1 The pension funds of individual affiliated employers are independent from one another.
- 6.2 Separate accounts will be maintained for each pension fund.
- 6.3 The entitlements of members of individual pension funds may only be paid out of the assets credited to the specific accounts of the respective pension funds by the Foundation.

Art. 7 Exclusivity of purpose

Foundations assets are solely for use in relation to occupational pension funds.

Art. 8 Organization

The governing and executive bodies of the Foundation are:

- a) the Board of Foundation,
- b) the Trustees of the Fund of the affiliated employer.

Art. 9 Board of Foundation

- 9.1 The Board of Foundation is the highest body of the Foundation. It must have at least six members. Each social partner is entitled to at least 3 representatives to be appointed from the group of insured employees and the employer. The term of office is four years. Members of the Board of Foundation may be reappointed.
- 9.2 The Board of Foundation designates the signatory authority for the Foundation.
- 9.3 The Board of Foundation can assign the management of business operations to the Founder.
- 9.4 The Board of Foundation represents the Foundation externally and supervises all asset management activities. It is responsible for the annual accounts.
- 9.5 The Board of Foundation is quorate when more than half of the members are present. Provided qualified majority voting is not expressly required, resolutions shall be passed via simple majority voting of the members present. The Chairman also votes and has the deciding vote if votes are tied.
- 9.6 Resolutions are admissible by means of a circular letter to board members. Each member of the Board nevertheless has the right to call a meeting to discuss issues concerning the circular letter. Provided no member

requests a meeting, circular decisions must be unanimously adopted.

- 9.7 The financial year for the Foundation is the same as the calendar year.
- 9.8 All persons entrusted with the administration, management or auditing of the Foundation are liable for damages caused intentionally or negligently by the Foundation. Said persons are legally obligated to exercise strict confidentiality with regard to information relating to the personal and financial relationships of the insured persons.

Art. 10 Trustees of the Fund

- 10.1 The Trustees of the Fund shall be comprised of employer and employee representatives in accordance with statutory regulations (Art. 51 BVG).
- 10.2 Parity representation shall be defined in the Regulations.
- 10.3 In accordance with the Foundation objectives and subject to the authority of the Board of Foundation, the Trustees of the Fund shall prepare and implement the occupational welfare regulations and decide on amendments to fund-specific regulations and amendments to the pension plan in particular.

Art. 11 Auditors

- 11.1 The Board of Foundation shall appoint the auditors.
- 11.2 The responsibilities and obligations of the auditors are defined under Swiss law. The auditors must file a report detailing their activities to the Board of Foundation and the supervisory authorities.

Art. 12 Pension actuaries

- 12.1 The Board of Foundation shall appoint an accredited pension actuary.
- 12.2 The responsibilities and obligations of the pension actuary are defined under Swiss law. The pension actuary shall file a report detailing his/her activities to the Board of Foundation.

Art. 13 Amendments to the Statutes

Subject to the approval of 2/3 of its members and provided its actions comply with the Foundation objectives, the Board of Foundation is authorized to initiate procedures with the supervisory authorities to modify the Foundation in accordance with the relevant legal provisions.

Art. 14 Termination and liquidation

- 14.1 Where the pension fund of one of the employers affiliated with the Foundation is transferred to another benefit institution, the existing pension fund assets of insured persons may only be used for purposes of occupational welfare provision.
- 14.2 Upon termination or liquidation of the pension fund of one of the employers affiliated with the Foundation, the entitlements of members and beneficiaries have first priority in regard to the distribution of pension assets. The Trustees of the Fund shall decide over the use of any remaining funds in accordance with the regulations and the Foundation objectives.

- 14.3 Upon termination or liquidation of the Foundation, the Board of Foundation shall decide over the use of any remaining assets.
- 14.4 Foundation assets may not be used to reimburse affiliated employers or their legal successors, or for any other purpose other than the provision of occupational welfare.
- 14.5 All decisions based on this article remain subject to the approval of the supervisory authorities.

Art. 15 Final provisions and transitional regulations

These statutes take effect as of 11 June 2008 and replace the statutes from 30 December 2004.

Baloise Collective Foundation
for Compulsory Occupational Welfare Provision
c/o Baloise Life Ltd.
Aeschengraben 21, P. O. Box
CH-4002 Basel

Customer Service 00800 24 800 800
Fax +41 58 285 90 73
customerservice@baloise.ch

Making you safer.
www.baloise.ch