

Organisation Regulations

of the Baloise Perspectiva Collective Foundation BVG

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Organisation Regulations

of the Baloise Perspectiva Collective Foundation BVG

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1. Subject matter

The present regulations govern, in accordance with Art. 50 (1) "b" of the BVG, the organisation and duties of the Board of Foundation, the Investment Committee, Pension Fund's Committee and the person entrusted with the administration (Management Office).

2. Board of Foundation

2.1 Composition

The Board of Foundation has six members. It consists of equal numbers of employee and employer representatives.

2.2 Appointment

The appointment of the Board of Foundation and departure from the Board of Foundation are governed by the Election Regulations.

2.3 Term of office

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

2.4 Constitution

The Board of Foundation appoints a Chairman and a Vice-Chairman from among its members, each for a term of two years. Entitlement to the chairmanship and vice-chairmanship alternates between the employer and the employees.

2.5 Meetings

2.5.1 The annual general meeting of the Board of Foundation takes place after the annual accounts have been audited by the external auditor. Extraordinary meetings take place as and when required or if requested by at least half of the members of the Board of Foundation, with notification of the items on the agenda.

2.5.2 The meetings are convened by the Chairman or an authorised representative at least 10 days in advance by means of written notification of the items on the agenda to the members and to the Management Office. The observance of these procedural rules may be waived with the unanimous consent of the members.

2.5.3 The Management Office delegates a representative who participates in the meetings of the Board of Foundation in an advisory capacity.

2.5.4 The Chairman presides over the meetings. If the Chairman is unable to attend, the Vice-Chairman takes the chair.

2.5.5 If a member of the Board is unable to attend the meeting, he/she may authorise another member to act as proxy with or without instructions at the meeting. The issue of a proxy, together with any given voting instructions, must be submitted to the Chairman for inclusion in the minutes at the start of the meeting.

2.6 Passing of resolutions

2.6.1 The Board of Foundation constitutes a quorum if more than half of its members are present. Any member who participates at the meeting via telephone, video link or other equivalent means of telecommunication is also considered to be present.

2.6.2 Resolutions for which a qualified majority is not expressly required are passed by a simple majority of the members present. The Chairman is also entitled to vote. If votes are tied, the Chairman has the casting vote.

2.6.3 Circular resolutions are permitted. However, the Management Office and all members of the Board of Foundation have the right to call a meeting to discuss the subject matter of the circular resolution. Circular resolutions are only valid if passed unanimously.

2.6.4 Resolutions passed by the Board of Foundation, including circular resolutions, must be recorded in the minutes of meetings.

2.7 Duties

2.7.1 The Board of Foundation is the supreme joint body and responsible for the overall management of the Foundation, for ensuring compliance with statutory obligations and for defining the Foundation's strategic goals and principles and the resources required to implement them. It determines the Foundation's organisational structure, ensures financial stability and supervises the management.

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2.7.2 The Board of Foundation performs the following non-transferable and inalienable duties:

- a. Determining the system of financing
- b. Determining the performance goals and pension plans of the Foundation, taking into account the plan offered by the insurance company specified in Appendix I (hereinafter referred to as “the Insurance Company”), as well as the basic principles governing the use of the unallocated assets
- c. Issuing and amending regulations, provided that this is not expressly delegated to the Pension Fund’s Committee
- d. Preparing and approving the annual financial statements
- e. Setting the actuarial interest rate and specifying the application of other actuarial principles
- f. Determining the organisational framework
- g. Structuring the accounting processes
- h. Designating the insured group of persons and ensuring this group is kept adequately informed
- i. Ensuring the initial and further training of the employee and employer representatives
- j. Appointing and dismissing the persons entrusted with the management
- k. Choosing and dismissing the auditors and occupational pension experts
- l. Deciding on the full or partial reinsurance of the Foundation and, if applicable, the reinsurer
- m. Specifying the goals and principles of asset management, as well as implementing and monitoring the investment process
- n. Regularly checking that the investments are in accord with the obligations over the medium-term and long-term.
- o. Specifying the qualifying conditions for the purchase of benefits

2.7.3 In particular, the Board of Foundation must perform the following duties:

- a. Representing the Foundation to external parties and designating the Foundation’s authorised signatories and the nature of such authorisation
- b. Annual reporting to the supervisory authority
- c. Making decisions regarding the collective investment of the Foundation’s assets
- d. Appointing and dismissing the Investment Committee
- e. Specifying the principles for the formation of provisions and reserves, arrangement of any restructuring measures and exercising of the statutory obligation to provide information in the event of a shortfall
- f. Monitoring the benefits from the collective life insurance contracts and taking receipt of a clear and detailed statement of participation in surpluses
- g. Monitoring compliance with the integrity and loyalty requirements and supervising the Trustees of the Fund
- h. Deciding on the appropriate compensation of its members for attending meetings and training sessions
- i. Exercising the rights and duties of the Pension Fund’s Committee if the Fund’s Committee does not fulfil its obligations, or if no Pension Fund’s Committee is appointed under clause 4.1 and a decision of the pension fund based on equal representation is required
- j. Determining the procedure for exercising shareholder rights and defining the precise method of exercising voting rights.

2.7.4 The Board of Foundation exercises all the responsibilities that are not expressly assigned to other bodies.

2.7.5 The Board of Foundation may delegate individual duties and areas of authority to special committees or commissions. It ensures adequate reporting to its members.

2.7.6 Duties that are not non-transferable by law may be delegated. Such delegation may be revoked at any time.

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3. Investment Committee

3.1 Composition

The Investment Committee must have at least three members. It can include members of the Board of Foundation and experts who have not been assigned asset management duties.

3.2 Appointment

The members of the Investment Committee and its Chairman are appointed by the Board of Foundation and can also be recalled at any time.

3.3 Term of office

The term of office of the members of the Investment Committee is four years. Re-election is possible.

3.4 Constitution

With the exception of the Chairman, the Investment Committee establishes itself. The Management Office appoints a secretary who is not a member of the Investment Committee.

3.5 Meetings

3.5.1 The Investment Committee meets as and when required or if a meeting is requested by at least two members of the Board of Foundation, which must give notification of the items on the agenda.

3.5.2 The meetings are convened by the Chairman at least 10 days in advance by written notice including the agenda items. The observance of these procedural rules may be waived with the unanimous consent of the members.

3.5.3 The Chairman presides over the meetings. If the Chairman is unable to attend the meeting, another member takes the chair.

3.6 Passing of resolutions

3.6.1 The resolutions are passed by a simple majority of the members present. The Chairman is also entitled to vote. If votes are tied, the Chairman has the casting vote.

3.6.2 Circular resolutions are permitted. However, the Management Office and all members of the Investment Committee have the right to call a meeting to discuss issues raised with regard to the circular resolution. Circular resolutions are only valid if passed unanimously.

3.6.3 The meetings and the resolutions passed by the committee, including circular resolutions, are documented in the minutes of meetings.

3.7 Duties

3.7.1 The Investment Committee carries out its assigned duties independently and in accordance with the statutory provisions, the Foundation's articles of association, the regulations issued by the Board of Foundation and the directives issued by the Board of Foundation.

3.7.2 Unless stipulated otherwise in the Investment Regulations, the Investment Committee has the following duties:

- a. Proposing investment strategies and investments in accordance with the investment strategies, including the value fluctuation reserves (target and/or minimum value fluctuation reserves), to the Board of Foundation for approval
- b. Exercising any voting rights associated with the investment of the assets
- c. Monitoring of investment activities and ensuring compliance with the Investment Regulations and the prompt notification of the Board of Foundation regarding any deviations from the Investment Regulations, the investment strategies or other investment objectives set by the Board of Foundation
- d. Periodic submission of reports on the asset management to the Board of Foundation

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4. Pensions fund's Committees

4.1 Composition

The pension fund's committee consists of an equal number of employer and employee representatives. The number of members is specified in the Fund Regulations.

4.2 Appointment

4.2.1 The employer representatives are appointed by the employer.

4.2.2 The employees elect their representative(s) from the group of insured persons. The election is decided on the basis of a simple majority of the votes cast. The Management Office must be notified of the result of the election in an appropriate way.

4.3 Term of office

The term of office of the members of the pension fund's committee is four years. Re-election is possible. Termination of the employment relationship with the employer results in the member leaving the pension fund's committee. A replacement is then elected for the remaining term of office in accordance with clause 4.2.

4.4 Constitution

The pension fund's committee elects a Chairman and a Vice-Chairman from within their group, each for a period of two years. Entitlement to the chairmanship and vice-chairmanship alternates between the employer and the employees.

4.5 Meetings

4.5.1 The pension fund's committee meets as required or when requested by at least half of its members, the committee must provide notice of the agenda items.

4.5.2 The meetings are convened by the Chairman, at least 10 days in advance, with simultaneous notification of the agenda items. The observance of these procedural rules may be waived with the unanimous consent of the members.

4.5.3 The Chairman presides over the meetings. If the Chairman is unable to attend the meeting, another member takes the chair.

4.6 Passing of resolutions

4.6.1 The resolutions are passed by a simple majority of the members present. The Chairman is also entitled to vote. If votes are tied, the Chairman has the casting vote.

4.6.2 Resolutions may also be passed via the circulation procedure. However, each member has the right to call a meeting to discuss the subject of a circular resolution. Circular resolutions are only valid if passed unanimously.

4.6.3 Minutes of the meetings and the circular resolutions passed are to be kept.

4.7 Duties

4.7.1 The pension fund's committee manages the pension fund in compliance with the statutory provisions, the foundation charter, the regulations issued by the Board of Foundation and the directives of the supervisory authority. It is responsible for:

- a. Issuing and amending the Fund Regulations, within the scope of the pension plans defined by the Board of Foundation
- b. Monitoring of the measures required for the implementation of the occupational pension provision, such as:
 - registering the new persons to be insured;
 - deregistering the insured persons who leave the company;
 - declaring changes in salary;
 - obtaining the necessary documents for assertion of claims;
 - executing any partial liquidations of the pension fund;
 - implementing the dissolution of the pension fund; and
 - ensuring the provision of other necessary information for implementing the occupational pension provision.
- c. Monitoring to check whether the necessary payments have been transferred to the Foundation by the due date; notifying the insured persons regarding any contributions that are in arrears to the extent required by law
- d. Taking receipt of information on the financial situation of the pension fund

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- e. Deciding on the use of the pension fund's unallocated assets in the event of a distribution of the assets in accordance with the distribution criteria specified in the regulations governing the partial liquidation of pension funds
- f. Fulfilling the disclosure and information requirements, in particular:
 - informing and advising the insured persons and beneficiaries concerning the organisation, benefits and assets of the pension fund; and
 - informing the insured persons on an annual basis regarding the composition of the Board of Foundation and the pension fund's committee
- g. Complying with all other legal and regulatory obligations

4.7.2 In pension funds with independently invested assets, the pension fund's committee must carry out the following additional duties:

- a. Deciding on the investment of the independently invested assets of the pension fund in accordance with the investment provisions of the Foundation
- b. Deciding on the formation of any necessary provisions and reserves of the pension fund that exceed the Foundation's stipulations on provisions and reserves.
- c. Deciding on necessary restructuring measures and ensuring compliance with statutory obligations to provide information in the event of an underfunding of the pension fund
- d. Deciding on the level of interest on the retirement assets
- e. Decision on the applicable conversion rate for the pension fund within the scope of the provisions of the Pension Regulations

4.7.3 The Management Office performs the duties of the pension fund's committee if the appointment of the committee under clause 4.1 is not possible. Subject to clause 2.7.3 i.

5. Management Office

5.1 Appointment

The administrative duties are assigned to the Management Office specified in Appendix I.

5.2 Duties

5.2.1 The Management Office manages the business activities of the Foundation in accordance with the statutory provisions, Foundation's articles of association, the regulations issued by the Board of Foundation and the instructions and supervisory advice issued by the Board of Foundation. It has the following responsibilities in particular:

- Accounting (including additional tasks defined in pension law, such as the management of retirement accounts), preparation of the accounts and the financial statements
- Preparation and implementation of the resolutions passed by the Board of Foundation and the pension fund's committee
- Creation of underwriting guidelines
- Negotiation, conclusion and termination of contracts of affiliation
- Carrying out of the associated correspondence and communication with authorities
- Management of the Foundation's secretariat
- Marketing and sales activities
- Ensuring compliance with the Foundation's legal information requirements, unless other bodies are assigned this task
- Management of the pension fund
- Dunning and collection measures
- Management of contracts and regulations
- Creation of insurance certificates
- Assessment and settlement of pension benefit claims
- Communication with the supervisory and tax authorities
- Management of internal control procedures that are suitable for the size and complexity of the Foundation
- Implementation and monitoring of directives and instructions issued by the Board of Foundation regarding the provisions and reserves, and the asset investments
- Periodic determination and appropriate representation of the asset investments and the performance of the investments

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5.2.2 A service agreement between the Foundation and the Management Office governs the duties, areas of authority and compensation payable to the Management Office.

6. Authority to sign

Members of the Board of Foundation sign collectively in pairs. The requirement to sign collectively in pairs also applies to any other authorised signatories designated by the Board of Foundation.

7. Integrity and loyalty of the responsible parties

The statutory provisions and the rules of conduct defined in Appendix II apply to the integrity and loyalty of the responsible parties. These form an integral part of these regulations.

8. Accountability and duty of secrecy

8.1 Accountability

All persons entrusted with the administration of occupational pension provision or the monitoring and auditing of the Foundation or the pension fund are liable for any damages they inflict on the Foundation or pension fund intentionally or as a result of negligence.

8.2 Duty of secrecy

All persons entrusted and involved with the implementation or auditing of the occupational pension provision are subject to a duty of secrecy with regard to the personal and financial circumstances of the insured persons and the employer. The above provisions remain subject to Art. 86a BVG regarding the disclosure of information. The duty of secrecy continues to apply even if such people no longer work for the Foundation.

9. Reservation of right of amendment

The Board of Foundation may amend these regulations at any time as provided for by law and by the Foundation's articles of association. The supervisory authority must be notified of any amendments.

10. Entry into force

These Organisation Regulations enter into force on 01 January 2023 and replace the previous Organisation Regulations.

Appendix I

The Insurance Company with which a collective life insurance contract has been concluded to reinsure the risks of disability and death before retirement: Baloise Life Ltd
The Management Office: Baloise Life Ltd

Appendix II

Code of conduct regarding maintenance of integrity and loyalty

I. Basic principles

1. This code of conduct applies to all persons with a role of responsibility at the Foundation (in particular members of the Board of Foundation, and persons with business or asset management duties).
2. Those in charge of the Foundation act in such a way as to protect the interests of the Foundation, the insured persons and the pension recipients.
3. All persons entrusted with the Foundation's management, administration or asset management must have a good reputation and guarantee the proper conduct of business operations. They are subject to a fiduciary duty of care and must safeguard the interests of the persons insured by the Foundation when performing their duties. To this end, they ensure that no conflicts of interest occur due to their personal or business relations.
4. Persons exercising management duties at the Foundation must demonstrate in-depth practical and theoretical knowledge in the field of occupational pensions.
5. Individuals and institutions that are entrusted with the asset management must be qualified to do so and must offer assurance that they meet the requirements, in particular, of Art. 51b (1) BVG and that they adhere to Articles 48g to 48l BVV2.
6. Staff changes in the Board of Foundation, the management, administration and asset management units must be reported without delay to the competent supervisory authority.
7. It must be ensured that it is possible to terminate without any detriment asset management contracts, insurance contracts and management contracts concluded by the Foundation in order to carry out the provision of occupational pensions at the latest five years after signing.

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II. Proprietary transactions

Individuals and institutions that are entrusted with the asset management must act in the interests of the Foundation. The following, in particular, are not permitted, even if such actions result in financial benefits:

- a. the exploitation of price-relevant advance information in order to obtain a pecuniary advantage;
- b. the trading of a security or investment whilst the Foundation is trading this security or investment and if the Foundation can be disadvantaged as a result of this; involvement in such transactions in any other form is considered to be the same as trading in this respect;
- c. the regrouping of deposit accounts of the Foundation without a reason that is in the interest of the Foundation;
- d. the making of investments based on inside knowledge of the planned or proposed transactions of the Foundation (“front running”, “parallel running”, “after running”); a period of 48 hours applies to “front running” and “after running”.

III. Disclosure of mutual interest links

Individuals and institutions that are entrusted with the management or investment management of the Foundation must disclose any mutual interest links to the Board of Foundation on an annual basis. This includes, in particular, beneficial ownership relating to companies that have a business relationship with the Foundation. Beneficial owners are considered to be persons whose direct or indirect interest in the share capital of a company is at least 5%. The Board of Foundation makes such disclosures to the auditors.

IV. Avoiding conflicts of interest

1. External persons entrusted with the management or asset management or those who are beneficial owners of companies responsible for these areas may not be members of the Board of Foundation.
2. Legal transactions concluded by the Foundation must conform with generally accepted market conditions and must comply with the requirements specified in Art. 48i BVV 2.

V. Legal transactions with related parties

1. Legal transactions conducted by the Foundation with the following persons/entities must be disclosed to the auditors during the annual audit: members of the Board of Foundation, affiliated employers or natural/legal persons entrusted with the business management or asset management, and natural persons or legal entities related to the aforementioned persons.

Related parties are considered in particular to be spouses, registered partners or life partners, and relatives up to once removed, as well as legal entities to which there is a beneficial owner relationship.

2. With regard to significant transactions with related parties, competitive offers must be requested. In this context, there must be complete transparency with regard to contract awards.

Such transactions include, in particular, the establishment of a Global Custody Agreement, the conclusion of agreements in the fields of asset management or property management as well as investment advice and the purchase or sale of directly held properties.

VI. Personal financial benefits

1. Individuals and institutions that are entrusted with the management, administration or portfolio management of the Foundation must have the type, nature and size of their remuneration defined unambiguously in a written agreement.
2. Personal financial benefits for such responsible parties that go beyond the scope of the proper remuneration defined in writing and which would not be granted without their position in the Foundation are not permitted.
3. Corresponding monetary benefits, particularly in the form of cash, kickbacks, retrocessions and similar payments are to be rejected or reimbursed. In obvious cases of such wrongdoing, the concerned person must inform the Board of Foundation.

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4. Exceptions to this rule include customary business-related invitations and occasional gifts, provided that the following limits are not exceeded:

- CHF 100 per individual case
- CHF 1,000 per business partner
- CHF 2,000 as the total limit per year

Such customary invitations and occasional gifts, however, are to be disclosed to the Board of Foundation.

5. If external persons and institutions are entrusted with the brokering of pension business, they must inform customers during the initial contact about the nature and origin of all the remuneration they receive for their brokerage activity. The type and nature of the remuneration must be regulated in a written agreement, which must be disclosed to the Foundation and to the employer. The payment and receipt of additional volume-related, growth-related or claim-related remuneration is prohibited.
6. The Board of Foundation shall take appropriate organisational measures to implement these provisions:
- Individuals and institutions that are entrusted with the investment and management of pension assets must submit an annual written declaration regarding whether and what personal financial benefits they have received in connection with the performance of their duties for the Foundation.
 - The asset management agreements shall stipulate that any retrocession fees must be credited to the Foundation.

VII. Sanctions

The Foundation will decide on appropriate sanctions in the event of violations of the integrity and loyalty rules. The criminal law provision under Art. 76 BVG also applies.

Appendix III

Implementation of an internal control system (directive OAK BV W-01/2021)

In accordance with clause 4.3 of directive OAK BV W-01/2021 "Transparency and internal control requirements for pension funds in competition", the following requirements are implemented in the context of internal control:

1. Sufficient information for the board of foundation and boards of trustees of pension schemes with independently invested assets regarding the risks associated with their decisions and the resulting possible consequences via:
 - a. the annual review and assessment of the occupational pensions expert on the basis of a risk inventory, taking into account the existing structural models with regard to actuarial risks (retirement losses, longevity, death and disability) and restructuring risks, as well as the decision-making structures with regard to the investments;
 - b. the ongoing monitoring of risks and reporting in connection with the investment, in particular in accordance with clause 3.7.2 and the Investment Regulations, by the appointed investment committee or, for pension funds with independently invested assets, by the board of trustees of a fund and, in accordance with clause 5.2.1, by the Management Office;
 - c. the annual preparation of an actuarial report including, in the event of underfunding, a profit and loss analysis conducted by the occupational pensions expert;
 - d. regular further training for the board of foundation and the management within the context of board of foundation meetings, annual workshops with the occupational pensions expert and external events;
 - e. periodic information events of the Management Office for boards of trustees, in particular for pension funds with independently invested assets.

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2. Identification and disclosure of conflicts of interest (Art. 51b of the Federal Act of 25 June 1982 on Occupational Retirement, Survivors' and Disability Pension Plans [BVG]) involving the members of the board of foundation and individuals entrusted with investment, management members and third parties providing essential services to the foundation, as well as taking measures to avoid conflicts of interest in accordance with Appendix II, Sections III and IV.
3. Identification and disclosure of the foundation's legal transactions with related parties (Art. 51c BVG) in accordance with Appendix II, Section V.
4. Use only of pension plans for which confirmation has been issued by the occupational pensions expert on compliance with the principles of occupational pensions according to Art. 52e BVG via:
 - a. Review of the pension offering consistent with the confirmation pursuant to Art. 1 BVG at the time of amendments to the plan or Regulations (Fund and Pension Regulations)
 - b. Systematic review of the limits for the permissible combinations of the modular plan offering by the occupational pensions expert before introduction or amendment
 - c. Periodic review of the processes for automatically ensuring that the principles are adhered to as part of the offer and portfolio system of the Management Office
5. Use only of investment strategies for which there is a regulatory basis via:
 - a. Description of the permissible investment strategies in the Appendix to the General Investment Regulations and in the Appendix to the Investment Regulations for Pension Funds with Independently Invested Assets
 - b. Use of an adequate systemic investment and compliance reporting and controlling system for the attention of the investment committee, board of foundation and boards of trustees of pension funds with independently invested assets in accordance with the Investment Regulations

The board of foundation will ensure that the internal control requirements are also met by third parties providing essential services. For the latter, the code of conduct set out in Appendix II and the provisions of the Investment Regulations for individuals entrusted with investment also apply. The following control measures will be taken:

- Use of a comprehensible, careful and documented selection process
- Contractual assignment to third parties of the obligations arising from the Regulations applicable to the foundation
- Measures to ensure adequate and documented instruction and supervision