

## Organisational Regulations

### 1 Foundation board

#### Composition and constitution

- 1.1 The Foundation board is comprised of at least two members.
- 1.2 The Foundation board may be comprised of representatives of the sponsor, employee or employer representatives of the affiliated companies or external specialists. Employees should be represented on the Foundation board in a number at least in proportion to their contributions pursuant to Art. 89a para. 3 Swiss Civil Code (ZGB).
- 1.3 The term of office of elected members is three years. Members may be reappointed.
- 1.4 Members generally leave the Foundation board when their employment relationship with an affiliated company ends, and may be replaced for their remaining term of office.
- 1.5 The Foundation board mandate may be revoked in writing at any time with a six-month notice period to the end of the year.
- 1.6 The management attends the meetings and has a consultative vote.
- 1.7 The Foundation board constitutes itself and elects a chairman from among its members.

#### Election procedure

- 1.8 The following procedure is used for the election of the Foundation board:
  - a) The seats to be filled on the Foundation board are determined in advance of the election. The pension fund commission can submit a maximum of one candidate for Foundation board representative and one replacement candidate for each pension scheme. A list of all candidates standing for election to the group of representatives shall be prepared. The members of the Foundation board are elected by the pension fund commissions.
  - b) If the number of candidates proposed for election is the same as the number of seats available on the Foundation board, these candidates shall be elected without the need to complete the following procedure.
  - c) The list of candidates is sent to all pension fund commissions of companies affiliated to the Foundation.
  - d) The list is sent with the request that the pension fund commissions elect as many candidates as necessary to fill the seats for this group of representatives.
  - e) Each pension fund commission vote is weighted in accordance with the number of actively insured persons for the corresponding pension scheme. The candidates for Foundation board representatives who receive the most votes shall be deemed elected. Unsuccessful candidates will be noted in the event there is a subsequent by-election.

#### Meetings and decisions

- 1.9 The Foundation board meets as often as business requires, but at least once annually. Meetings are convened by the Chairman at least ten days in advance via written notice to all members. All members may request that a meeting be convened; the items to be discussed at the meeting must be stated. The Foundation board has a quorum if the majority of the members is present.
- 1.10 Decisions are reached with a simple majority of the votes present. In the event of a tie, the Chairman's vote shall count twice. However, the Chairman shall only have the deciding vote if the Foundation board is comprised of more than two members. Decisions may also be reached by circular resolution. Decisions reached by circular resolution must be included in the minutes of the next meeting of the Foundation board.

- 1.11 The Foundation board keeps minutes of its decisions. The minutes are approved at the next meeting.

#### Powers

- 1.12 In particular, the Foundation board has the following duties and powers:
  - Defining the persons with signing authorisation as well as the type of signing authorisation
  - Defining the strategic objectives and principles as well as determining the organisation of the Foundation
  - Monitoring management
  - Determining the funding system, performance objectives and pension plans as well as the principles for utilising the free funds
  - Issuing and amending regulations
  - Preparing and approving the annual accounts
  - Determining the technical details
  - Structuring the accounting system
  - Defining the eligible insured persons and ensuring that they receive information
  - Ensuring the initial and ongoing training of employee and employer representatives
  - Appointing and removing persons entrusted with management
  - Appointing and removing the occupational pension expert and the auditor
  - Naming the reinsurance company
  - Defining the objectives and principles of asset management as well as implementing and monitoring the investment process
  - Conducting periodic reviews to ensure the medium and long-term conformity of the investment of the assets and the pension fund's obligations
  - Defining the conditions for the repurchase of benefits
  - Answering all questions related to the pension fund, provided this responsibility has not been assigned to a different entity by law, deed or regulation.
  - Ensuring that all decision-makers are adequately informed about the risks associated with their decisions and the resulting potential consequences;
  - Adoption of an internal control system (ICS);
  - Ensuring that only pension plans that have been confirmed by the occupational pensions' expert in accordance with Art. 52e BVG are used.
- 1.13 Exercising the Foundation's shareholder rights:
  - a) The voting and electoral obligations shall be carried out for the directly held shares of Swiss companies listed in Switzerland or abroad. The voting obligation also applies to collective investments, provided there is an enforceable voting right in respect of the collective investment. At minimum, the voting rights shall be exercised for the statutorily required proposals and in the interests of the insured persons.
  - b) The interests of the insured persons shall be deemed safeguarded if the voting rights are exercised primarily in the long-term financial interests of shareholders. When exercising voting rights, it is particularly important to focus on returns, security, liquidity, and sustainability. Voting rights shall be exercised in accordance with the proposals of the Foundation Board, provided said proposals do not conflict with the interests of the insured persons.
  - c) The rules regarding the exercising of shareholder rights are contained in the investment regulations.
  - d) The implementation of these rules is delegated to the Foundation's Voting and Elections Committee.
  - e) The Voting and Elections Committee is comprised of the Foundation Chairman and the director of the Foundation.
  - f) If there is a lack of agreement within the Voting and Elections Committee, the full Foundation board shall decide the issue by means of circular resolution.

- g) All members of the Foundation may request a resolution of the Foundation board on matters related to votes and elections up to 15 days before the annual general meeting of the relevant company.
- h) Management is responsible for exercising the right to vote. The Voting and Elections Committee may appoint an external service provider to exercise the voting right and perform the administrative duties related to the voting and electoral obligations.
- i) The Foundation shall provide the insured persons once a year with information about how the voting rights were exercised in a suitable manner.

## 2 Pension fund commission

### Constitution and composition

- 2.1 When a company joins the Foundation pursuant to Art. 89a para. 3 of the ZGB, it shall establish a pension fund commission which is responsible for management of the pension, implementation of the regulations and the provision of information to the members of the pension fund.
- 2.2 If employees contribute or have contributed to the formation of the pension capital, they shall be entitled to elect their representatives on the pension fund commission.
- 2.3 Each pension fund shall constitute itself and appoint a Chairman. The pension fund commission is comprised of at least two members. The employee representative shall be elected from among the insured persons, with account being taken of any categories of employee. All insured persons whose employment relationship has not been terminated may be elected and are eligible to vote. The employer representatives are designated by the employer. In the case of individual affiliations to the Foundation, where only one insured person is insured with the Foundation, this individual person assumes the function of the pension fund commission. The composition and constitution as well as any changes to the pension fund commission must be reported to the Foundation.
- 2.4 The term of office of the members of the pension fund commission is fixed until revoked, unless the pension fund commission determines otherwise. The term of office expires upon termination of the employment relationship with the employer or at the request of the employee representative.

### Meetings and decisions

- 2.5 The pension fund commission shall be convened by the Chairman or at the request of half of its members, as required.
- 2.6 The pension fund commission shall have a quorum when the majority of its members is present. Decisions are reached with a majority of votes. In the event of a tie, the Chairman's vote shall count twice. However, the Chairman shall only have the deciding vote if the pension fund commission is comprised of more than two members.
- 2.7 Minutes of all discussions and decisions must be kept.

### Duties and powers

- 2.8 In particular, the pension fund commission has the following duties and powers:
  - Submitting proposals to the Foundation to change the pension plan
  - Selecting the investment strategies offered within the pension fund
  - Representation of the interests of the pension fund commission before the Foundation
  - Election of the members of the Foundation board
  - Provision of information to the insured persons regarding the investment and risk profiles
  - Supporting insured persons in the event of general questions related to the pension fund

## 3 Management

- 3.1 Management shall be transferred to a company specialised in such matters.
- 3.2 In particular, management has the following duties and powers:
  - Overall management, administration and coordination of the Foundation administration
  - Administration of insured persons
  - Organisation of reinsurance
  - Establishment and organisation of distribution
  - Support for customers and brokers
  - Financial and securities accounting
  - Preparation of annual accounts
  - Collection of contributions, including reporting to the Foundation board
  - Provision of periodic information to the Foundation board
  - Overseeing and developing IT systems that support processes
  - Overseeing and developing the internal control system
  - Contact partner for all units, companies, insured persons and partners (asset managers, banks, reinsurers, etc.)
  - Performance of the other duties described in the regulations
  - Definition of cooperation with asset managers

## 4 Additional provisions

### Duty of confidentiality

- 4.1 Pursuant to Art. 86 Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG), the members of the Foundation board and the pension fund commission as well as all other persons entrusted with implementing the pension fund are subject to a duty of confidentiality with respect to the personal and financial information of the insured persons and sponsors or affiliated companies of which they become aware in the course of carrying out their activities. This duty shall continue to apply even after the end of the activity at the Foundation or the sponsoring company and the pension fund or affiliated company.

### Compensation

- 4.2 The members of the bodies as well as all other persons and companies entrusted with implementing the occupational pension shall be compensated for the work on behalf of the Foundation. The compensation of the Foundation board is reviewed annually and recorded in the minutes of the Foundation board.

### Integrity and loyalty of responsible persons and institutions

- 4.3 Members of the Foundation board, members of the Board of Trustees' committees and the persons entrusted with the management or asset management must have a good reputation and offer a guarantee of irreproachable business conduct. They are subject to a fiduciary duty of care and must safeguard the interests of the Foundation's insured persons in their activities. To this end, they must ensure that no conflict of interest arises due to their personal and business circumstances.
- 4.4 The members of the Foundation board must disclose their vested interests to the Foundation board and to the auditors on an annual basis. The members of the pension fund committees and the persons entrusted with the management or asset management must disclose their interests to the Foundation board on an annual basis. If potential conflicts of interest become known, the Foundation shall take effective measures, such as the following precautions:

- The person with the potential conflict of interest withdraws from the decision or hands over the decision to another person or another body.
- Exclusion of an involved business partner from an ongoing or pending tender procedure or cancellation of an existing business relationship.
- Cancellation of a relationship deemed to be incompatible, if necessary, also resignation or release of the person concerned from their function.

4.5 All persons or institutions entrusted with the management or asset management of the Foundation must fulfil the conditions of integrity and loyalty pursuant to Art. 48f - I BVV2 and must comply with all other relevant rules of conduct.

4.6 Provided there are no conflicts of interest, small gifts may be given and accepted. If the value of an individual gift or an individual invitation exceeds CHF 200, the prior consent of the director and the Chairman of the Foundation must be obtained, and the event noted in the declaration of loyalty. The total value of all gifts and invitations for each business partner may not exceed CHF 2,000 per calendar year. The acceptance of gifts of cash and cash equivalents (e.g. vouchers, precious metals) is generally prohibited.

#### Legal transactions with related parties

4.7 Legal transactions of the Foundation must be conducted at arm's length. The awarding of contracts must be based on comprehensible criteria. In the case of significant legal transactions with related parties, at least two competing offers must be obtained, whereby the decision-making authority lies with the Foundation board. The decision must be made in the interests of the beneficiaries. The decision-making process must be documented so that a proper audit can be carried out by the auditors during the annual audit of the annual financial statements.

4.8 The following are considered significant legal transactions for the Foundation:

- Legal transactions whose annual recurring costs exceed CHF 10,000;
- Legal transactions whose costs exceed CHF 50,000 on a one-off basis.

4.9 Related parties of the members of the Foundation board or the management or persons entrusted with asset management include in particular the spouse, registered partner, life partner and relatives up to the second degree as well as legal entities in which a beneficial interest exists (Art. 48i BVV 2).

4.10 The Foundation keeps an inventory of legal transactions with related parties and discusses these annually in the Foundation board.

#### Gaps in the regulations and governing language

4.11 Cases not regulated by these regulations shall be settled by the Foundation board by analogous application and in compliance with the statutory provisions. The German language is authoritative for the interpretation of all regulations.

#### Relationship to the pension regulations and entry into force

4.12 These organisational regulations come into force on 1st January 2024 and replaces the organisational regulations of 27 August 2019.

Lucerne, 27<sup>th</sup> November 2023

Foundation board of finpension 1e Collective Foundation