

Rules of Organisation of the Collective Foundation

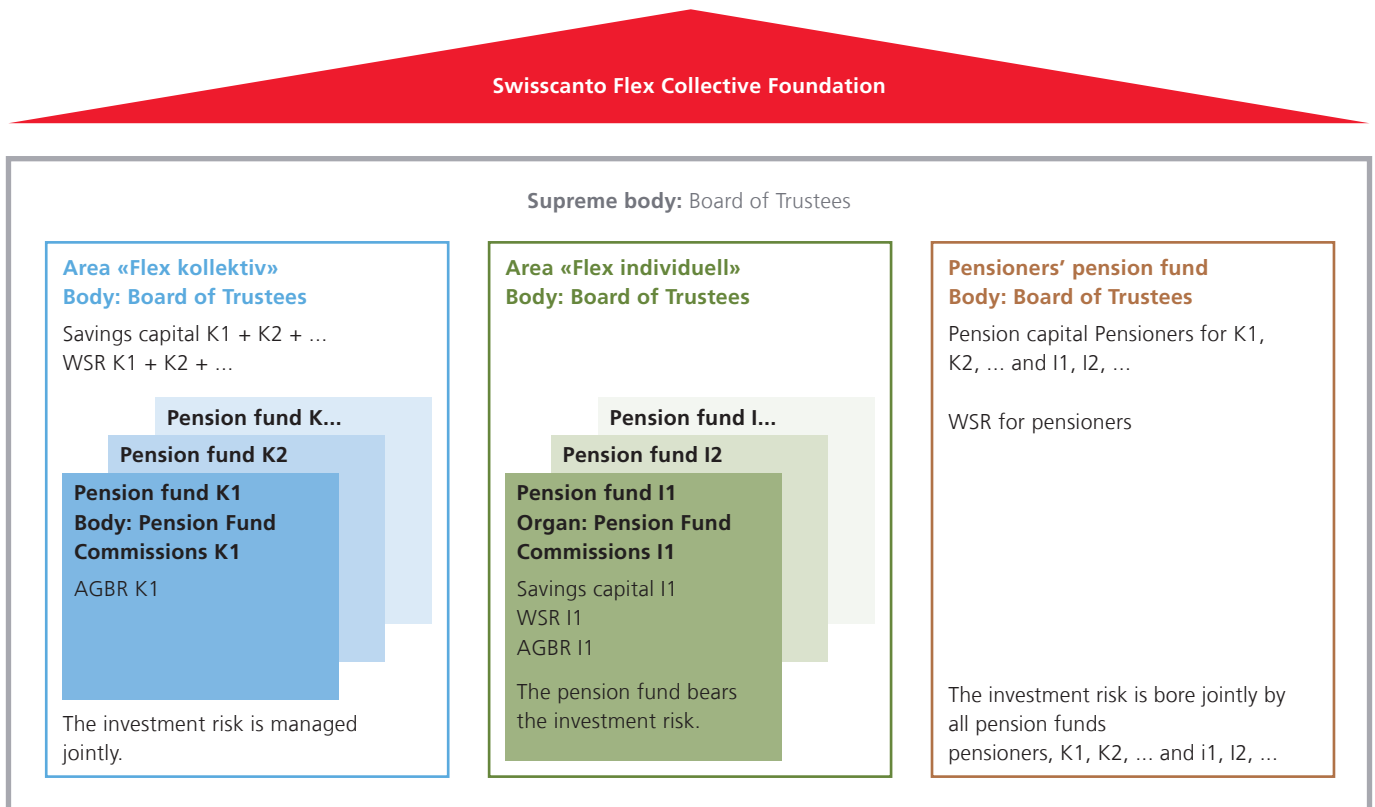
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A Organisational structure

Art. 1 Organisational structure

The pension elements described in these Rules of Organisation of the Swissscanto Flex Collective Foundation (hereinafter also referred to as «Foundation») can be set out as follows.



Legend/terms

- Swissscanto Flex describes each affiliated employer as a pension fund.
- K1, K2, ... stand for pension funds in the “Flex Collective” area
- I1, I2, ... stand for pension funds in the “Flex Individual” area
- AGBR: Employer contribution reserve
- WSR: Value fluctuation reserve

Remarks

- The Board of Trustees is the supreme body of Swisscanto Flex, see Art. 2 et seqq.
- The Pension Fund Commission is responsible for safeguarding the interests of insured persons in the pension fund, see Art. 12 et seqq.
- The governing bodies of the Board of Trustees and the Pension Fund Commissions are in each case composed in equal measure.
- The Foundation has its own account for the pensioners' pension fund and for each affiliated employer in the "Flex Individual" area. For the affiliated employers in the "Flex Collective" area, the Foundation has a joint account. In accordance with the FRP 7 directive of the Swiss Chamber of Pension Actuaries, the affiliated employers therefore form a pension fund in the "Flex Collective" area. For the purposes of the regulations, Swisscanto Flex is based on the concept of Swisscanto Flex and is based on the "Flex Collective" area, "Flex Individual" area and pensioners' pension fund.
- The risks of death, disability and longevity are borne jointly by all pension funds in the "Flex Collective" area, by all pension funds in the "Flex Individual" area and by the pensioners' pension fund.

B The Board of Trustees

Art. 2 Composition of the Board of Trustees

¹ The Board of Trustees is the highest governing body of Swisscanto Flex Collective Foundation and consists of six members, i.e. three employer and three employee representatives. External members may also sit on the Board of Trustees.

Art. 3 Appointment and constitution of the Board of Trustees

¹ 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.

Art. 4 Term of office of the Board of Trustees

¹ The term of office of the Board of Trustees is three years. Re-election is possible.

Art. 5 Election of employer and employee representatives

¹ All Pension Fund Commissions are informed about the date and procedure for the elections by the Management Office.

² The serving Board of Trustees consisting of an equal number of employer and employee representatives can nominate employer as well as employee representatives as candidates for election to the Board of Trustees. The nominations are submitted to the Pension Fund Commissions in writing.

³ Employer representatives of the Pension Fund Commissions 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 Swisscanto Flex. For pension funds with less than ten insured, the employee candidate must be able to provide the written consent of at least two-thirds of the insured, and for bigger pension funds, of at least ten insured.

⁴ 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.

Art. 6 Election procedure

¹ Persons who stand for election to the Board of Trustees have to notify their candidacy to the Management Office of Swisscanto Flex Collective Foundation within 60 days from the date on which the election notice was sent.

² 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 three candidates from their electoral list, whereby a candidate may only be given one vote. The votes of the Pension Fund Commission are weighted by the number of active insured for the respective pension fund on 1 January of the election year.

³ The employer and employee representatives of the Pension Fund Commissions vote by letter. The completed electoral lists must be returned to the Management Office within 30 days from the date of dispatch.

⁴ The valid votes are counted under supervision of the auditors. An electoral list is invalid if more than three 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 that are signed by the auditors.

⁵ 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 may decide that the candidates with the fourth most votes are considered to be reserve members; para. 6 is reserved.

⁶ 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.

⁷ The Pension Fund Commissions are informed of the new composition of the Board of Trustees and the reserve members within 30 days of the final submission date.

Art. 7 By-election during the term of office

¹ If a member of the Board of Trustees resigns, the Board of Trustees proposes a suitable candidate as a new member. If the proposed candidate is not elected, another person is proposed and the process is repeated.

² If the Board of Trustees appointed the candidates with the fourth highest number of votes as reserve members and these persons accept election to the Board of Trustees, a by-election is not needed.

Art. 8 Election dates

¹ The election process always starts three months before the term of office ends.

Art. 9 Meetings of the Board of Trustees

¹ 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.

² 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 two reserve members are not invited.

³ The meeting is chaired by the chairman or, in their absence, the vice-chairman.

⁴ The members receive an appropriate fee for their services from the Foundation.

⁵ 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 cast.

⁶ A qualified majority of the votes of four out of six trustees is needed for the following important decisions.

This applies for:

- An unscheduled new election of the Board of Trustees¹);
- Election and dismissal of the Management Office;
- Amendments to regulations;
- Conclusion and cancellation of a management mandate or an insurance contract;
- Opening and closing of banking relationships;
- Election and dismissal of the pension actuary and advisor;
- 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.

⁷ Resolutions can also be adopted by circular letter. For these to be valid, a qualified majority of the votes cast is needed. These resolutions are only valid if none of the trustees requests they be included in the agenda for the next meeting. Circular resolutions are included in the minutes of the next meeting.

⁸ Minutes are taken of the resolutions of the Board of Trustees.

¹ For example, if criminal proceedings should be initiated against one of the members of the Board of Trustees.

Art. 10 Tasks of the Board of Trustees

¹ The Board of Trustees manages the Foundation's business in accordance with the law, the Deed of Foundation and the directives of the supervisory authority.

² The Board of Trustees has the following main tasks:

- Organisation 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);
- Issuing one or more framework regulations with generally applicable implementing provisions regarding benefits, organisational structure, administration, financing and control;
- Issuing rules and regulations about the creation of provisions and reserves and carrying out partial liquidations of pension funds;
- Taking out group reinsurance contracts for the risks of death and invalidity;
- Approving the annual financial statements;
- Determining the technical interest rate and other actuarial tables;
- Defining the structure and principles of accounting (approval of chart of accounts);
- Providing basic and advanced training for the employee and employer representatives;
- Electing the Management Office;
- Electing the Investment Committee headed by a member of the Board of Trustees and supervising and controlling the management of the assets;
- Electing the pension actuary and advisor;
- Changing the most important banking relationships;
- Electing the auditors;
- Electing the investment controller;
- Determining the objectives and principles of asset management and implementing and monitoring the investment process;
- Periodically monitoring whether the investments cover the medium- and long-term obligations;
- Monitoring the Pension Fund Commissions' compliance with the statutory and regulatory provisions, in particular with regard to the management of the assets and the transparency provisions;
- Determining the yield to be paid out to the pension funds on the basis of the net performance;
- Deciding about the partial adjustment of current pensions to inflation;
- Providing information in accordance with the statutory provisions on transparency;
- Annual reporting to the supervisory authority.

³ The Board of Trustees regulates the activities of the Pension Fund Commissions and issues guidelines and directives in this regard. It informs and monitors the Pension Fund Commissions.

C The Pension Fund Commissions

Art. 11 Background

¹ 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.

² Pursuant to Art. 51 of the Federal Act on Occupational Old Age, Survivors' and Invalidity 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.

Art. 12 Purpose

¹ 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 general regulations of the pension plan.

Art. 13 Composition

¹ In accordance with Art. 51 BVG, the Pension Fund Commission must consist of at least one employer representative and the same number of employee representatives.

Art. 14 Appointment

¹ The employer representatives are appointed by the employer.

² The employees elect their representatives from among the insured, whereby the individual employee categories should be represented appropriately. The employer organises the election.

³ The term of office is three years. Re-election is possible.

⁴ If the employment relationship of an employee representative is terminated before their regular retirement, the representative has to leave the Pension Fund Commission. A new member must be elected as replacement, unless a reserve member has already been appointed. The new member takes over the term of office of the predecessor.

⁵ The Management Office of the Foundation must be informed without delay of any changes in the composition of the Pension Fund Commission.

Art. 15 Constitution

¹ 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.

Art. 16 Representation

¹ The Pension Fund Commission elects the members who represent it vis-à-vis Swisscanto Flex and appoints the persons who are authorised to sign on its behalf 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.

Art. 17 Meetings

¹ 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.

² The meeting is chaired by the chairman or, in their absence, the deputy chairman.

³ 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 immediately after being drawn up.

⁴ Resolutions by the Pension Fund Commission may only be announced to the insured persons after consultation with the Board of Trustees.

Art. 18 Tasks

¹ The Pension Fund Commission chairing a pension fund is responsible for the implementation in compliance with the law of the employee benefits insurance by its pension fund. It checks the Foundation's data and provides the Foundation with the requested information and documents in a timely manner. The Pension Fund Commission is free to make decisions within the legal, regulatory and framework conditions defined by the Board of Trustees.

² The Pension Fund Commission and the employer have the following main tasks:

Tasks of the Pension Fund Commission

- Issuing, implementing and amending the plan-specific elements of the pension plan within the limits of the general framework 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 compliance.
- Discussing requests and applications regarding the pension plan and the general framework regulations.
- Deciding about the use of the uncommitted funds.

In the "Flex individual" area, the Pension Fund Commission also carries out the following tasks:

- Determining the interest rate applying to the individual savings capital of the insured persons in consideration of the pension fund's financial situation.
- Identifying the safety level and time horizon for determining the target variable of the value fluctuation reserve.

Tasks of the employer

- Reporting new appointments to the Pension Fund Commission.
- Transferring the contributions requested by the Foundation in a timely manner.
- Checking and correcting the annual salary list received from the Foundation for completeness, accuracy and supplementation:
 - Presumed annual AHV salary for the current insurance year in accordance with the pension plan. The salary must always be extrapolated to a full year;
 - Level of invalidity pursuant to the decision of the Federal Invalidity Commission (first pillar, AHV/IV);
 - Category allocation;
 - Confirming the existence of daily sickness benefits insurance providing full cover for at least 80% of the lost salary for which the employer pays at least half the premiums. The benefit period for the daily sickness benefits insurance must also be provided;
 - Confirming that the insured persons pay at most 50% of the total contributions to the pension fund.
- Notifying new employees who have to be insured under the law and the regulations immediately.
- Making sure that termination benefits from the pension funds of previous employers are transferred to the Foundation.

- Notifying departures with the «Notification of exit» form
 - Departures must be notified as soon as possible, but at the latest when the employee leaves;
 - The exact address of the departing insured must be provided;
 - The category must be listed;
 - The exact address of the pension fund of the new employer and the correct transfer instructions must be provided;
 - For cash withdrawals, the required proof and certified signature of the spouse must be provided. The banking relationship and personal bank account must also be provided;
 - If a vested benefits account or vested benefits policy is set up, the address must be provided.

- Notifying deaths (active insured and pensioners) with the «Notification of change» form
 - Notification must be given immediately;
 - The family record booklet and death certificate have to be enclosed;
 - For the lump-sum option, the lump-sum payment of the spouse's pension must be requested before the first pension payment;
 - The eligible beneficiaries for the lump-sum payment must be listed with their data (private address, bank or post office account, etc.);
 - A written confirmation from the teacher/training college must be provided for children younger than 25 who are still in education;
 - The transfer address for regular pension payments has to be provided.

- Notifying invalidity cases with the «Notification of invalidity» form
 - Enclose a medical certificate reporting on the development of the invalidity;
 - Enclose the decisions by the IV Commission (first pillar, AHV/IV);
 - Enclose family record booklet;
 - A written confirmation from the teacher/training college must be provided for children younger than 25 who are still in education;
 - The transfer address for the regular pension payments has to be provided.

- Notifying retirements with the «Notification of change» form

Regular retirement

- Provide date of retirement (last day of the month of birth);
- Enclose family record booklet if there is an entitlement to a pensioner's child's pension;
- A written confirmation from the teacher/training college must be provided for children younger than 25 who are still in education;
- For the withdrawal of a lump sum instead of a pension, the certified signature of the spouse has to be submitted;
- Provide the transfer address for regular or once-off payments.

Early retirement

- Provide date of retirement;
- Enclose family record booklet if there is an entitlement to a pensioner's child's pension;
- For the withdrawal of a lump sum instead of a pension, the certified signature of the spouse has to be submitted;
- Provide the transfer address for regular or once-off payments.

Continued employment after the regular retirement age

- Provide expected age of retirement;
- Inform the insured person that the risks of death and invalidity are no longer insured after the retirement age.

The application for the lump-sum payment of the retirement pension has to be sent to the Foundation's Management Office before eligibility to a pension arises.

Tasks of the Pension Fund Commission and the employer

- Compliance with the duty of disclosure and information towards the insured persons:
 - Distribution of the pension plan and general framework regulations, if needed, to the insured persons or making these documents available for inspection at any time with the Pension Fund Commission. Invalid or obsolete documents have to be destroyed and new versions ordered from the Foundation's Management Office.

Tasks of the employer and the insured persons

- Notification of changes in name and marital status;
- Notification of changes in
 - the degree of invalidity approved by the IV or
 - the degree of incapacity for work;
- Notification of personal vested benefits policies and vested benefits accounts as well as other second pillar retirement benefits;
- Notification of the completion of education for children who receive child's pensions;
- Notification of entitlement to pension benefits (e.g. deaths);
- Notification of remarriage of a recipient of a spouse's pension;
- Checking if the employee contributions invoiced by the Foundation match the contributions that were deducted from the salary.

Art. 19 Resolutions

¹ The Pension Fund Commission is quorate when more than half of its members are present.

² The Pension Fund Commission passes its resolutions by a simple majority of the votes of the attending members. If votes are tied, a compromise solution should be sought. If a compromise cannot be found, the motion is deemed to have been rejected. If agreement is mandatory, the matter has to be submitted to a neutral arbitration panel appointed by mutual consent.

³ Resolutions can also be adopted by circular letter. Resolutions concerning regulatory claims and employer and employee contributions require a two-thirds majority of the votes of all members entitled to vote.

⁴ Resolutions obliging the employer to pay higher or lower contributions can only be passed with the employer's consent.

⁵ The Pension Fund Commission submits the signed minutes or circular resolution to the Management Office within two weeks.

⁶ The resolution on interest must be submitted annually by 20 January in order for it to be implemented. The details are regulated in the Participation and Restructuring Regulations.

Art. 20 Inspection rights

¹ The Pension Fund Commission has the right to inspect all the Foundation's documents pertaining to its own pension fund that it requires to meet its legal obligations. The annual report of Swisssanto Flex Collective Foundation of the Cantonal Banks and the auditors' report are delivered to the Pension Fund Commission. The Foundation is obliged to provide the information required in this regard.

D Other bodies and offices

Art. 21 Organisation of the Management Office

¹ The Management Office is appointed by the Board of Trustees.

² 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's accounts and annual financial statements in compliance with all deadlines
- Investing the assets in accordance with the valid investment strategy
- Checking the investment decisions by the asset managers and banks
- Taking out reinsurance cover for the risks of death and invalidity with an insurance company
- Updating all valid regulations and documents
- Acquiring new customers.

Art. 22 Auditors

¹ 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. 23 Pension actuary

¹ 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 proposals to the Board of Trustees regarding the technical interest rate, the demographic bases and the measures that should be implemented in the event of an actuarial deficiency.

E Duty of responsibility, confidentiality and loyalty of the persons in charge

Art. 24 Standards of conduct

¹ 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.

² To guarantee data privacy, all the organisational and technical measures dictated by circumstances must be implemented.

³ All persons entrusted with the business of the Foundation must maintain the utmost confidentiality regarding any information they acquire in the course of carrying out their duties. In particular, this duty extends to the personal, contractual and financial situation of the insured persons and their dependants, as well as their employer. The duty of confidentiality continues to apply after the termination of activities for the Foundation.

⁴ All persons entrusted with the business of the Foundation, namely the members of the Board of Trustees, the Manager, the employees of the Management Office and the asset managers, pension actuary and auditors, must have a good reputation and be able to guarantee exemplary business conduct.

⁵ 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.

⁶ 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).

F Final provisions

Art. 25 Scope of validity

¹ These regulations were adopted by the Board of Trustees on 22 October 2020 and entered into force on 1 November 2020. Together with the new regulations about the Creation of Provisions and Reserves it replaces the previous Organisational Regulations of the Collective Foundation of 12 January 2017.

² The Board of Trustees may amend these rules at any time in accordance with the law and the Deed of Foundation. The supervisory authority must be informed of such amendments.

Zurich, 22 October 2020

Swisscanto Flex Collective

The Board of Trustees