

# Contract of Association

## Swisscanto Supra Collective Foundation of the Cantonal Banks

### 1 Association with the Foundation

#### 1.1

For the purpose of implementing an occupational benefit scheme in the non-compulsory sector, the undersigned company (hereinafter called the Company) hereby associates itself with the Swisscanto Supra Collective Foundation of the Cantonal Banks in Basle (hereinafter called the Foundation).

#### 1.2

The Foundation is organized as a collective foundation and registered as such with the BSABB, BVG and Stiftungsaufsicht beider Basel in the list of supervised foundations. The associated company forms a separate pensions insurance scheme within the Foundation.

#### 1.3

A collective life insurance contract exists between the Foundation as the insured and the Helvetia Swiss Life Insurance Company Ltd, Basle (hereinafter called Helvetia) to cover the risks of death, earning disability and longevity.

#### 1.4

The pension fund assets are invested by the Board of Foundation.

#### 1.5

By affiliating with the Foundation, the pension fund has a claim to participation in the surpluses granted to the Foundation under the collective life insurance contract as well as the income earned on the investment of savings assets in accordance with regulatory provisions.

#### 1.6

The Foundation can provide the responsible cantonal bank with the company's data resulting from the implementation of the association relationship that is required for processing.

### 2 Bases

#### 2.1

The rights and obligations of the contracting parties arise from this contract of association, the benefits and financing plan, the rules on costs, the foundation instrument, the rules for the election of employee representatives to the Board of Foundation and the organisation rules. The associated company acknowledges the current legal basis and any subsequent amendments made to it

#### 2.2

The benefits and financing plan and the rules on costs form an integral part of the contract of association. The company confirms that it has taken notice of the contents of these documents.

#### 2.3

The relations between the Foundation and the beneficiaries (employees of the associated company or their surviving dependants) shall be determined exclusively by the pension fund regulations. The pension fund regulations comprise the benefit plan and the General Regulation Provisions of the Foundation. The Foundation undertakes to implement the benefit scheme in accordance with the regulations and, in particular, to provide the benefits applicable under these regulations.

### 3 Administration / Board of Trustees

#### 3.1

Immediately after the signing of this contract, the associated company undertakes to have the employees' representatives elected for the Board of Trustees in accordance with the provisions of the organization rules and to appoint the employer's representatives. In the event of a vacancy and before the beginning of each term of office, the Board of Trustees is to be completed or to be newly elected.

#### 3.2

In particular the company agrees to be bound by the provisions of the foundation instrument concerning the appointment of the Board of Foundation. The election of employee representatives to the Board of Foundation takes place on the basis of the relevant rules of the Foundation. The associated company declares its acceptance of the existing composition of the Board of Foundation.

### 4 Duties to cooperate

#### 4.1

The company shall notify the Foundation of the staff to be included in the provident insurance pursuant to the benefits and financing plan.

## 4.2

The Foundation is to be notified within the specified time of:

- New admissions, at the earliest 90 days before and at the latest 60 days after the beginning of the employment or after the beginning of pension scheme coverage;
- Cases of disability which are of more than 3 months duration, and incapacity to work (notified within the following month);
- Other facts of relevance for the implementation of the provident insurance (e.g. changes in matrimonial status).

Cases of death and surrender from service and wage reductions which go below the regulatory levels for inclusion in the scheme are to be notified to the Foundation without delay. In the case of surrender of service, the address for the transfer of termination benefit and the person's address is to be notified at the same time. At the same time it is to be notified if the surrender of service because of health reasons. At the beginning of each year, the Foundation is to be notified of the current total number of persons employed, with details of the wages relevant for the implementation of the provident insurance.

## 4.3

The associated company undertakes to cooperate with any measures undertaken by the benefits management.

## 4.4

For all notifications of the total number of persons employed, the forms made available by the Foundation for this purpose are to be used. They are to be completed truthfully and completely.

## 4.5

For new entries and at the beginning of each year, the Foundation shall prepare an individual insurance certificate for each insured person which stipulates the benefit entitlements. The insurance certificates will be sent directly to the insured persons or made available in electronic form.

The associated company is obliged to hand the pension fund regulations drawn up by the Foundation to each insured person if they have not been sent or made available in electronic form to the insured persons.

## 4.6

The company has sole responsibility for compliance with the provisions of collective employment agreements (CEAs). In particular, the company must report any new members of a CEA or changes to existing CEA provisions immediately to the Foundation. Only CEA provisions expressly ensured by the contract of association or the pension fund regulations shall be effective in the benefit arrangement and enforceable towards the Foundation.

## 5 Contribution payment / Due date

### 5.1

The Foundation reserves the right to make contribution adjustments and to levy additional contributions in the event of changes to pay agreements. The company undertakes to pay all the contributions invoiced by the Foundation. The employees' contributions are to be deducted from their wages and to be remitted regularly, (at least every quarter).

### 5.2

The relevant date shall be regarded as being the 1<sup>st</sup> January of a year. As a rule, wage, benefit and contribution adjustments are to be made only as of the relevant date.

### 5.3

The contributions for the risk benefits and the contributions to the costs are due in each case at the beginning of a year or with the admission of an employee to the pension fund. The maturity of the old age credits and the contributions to the security fund is at the end of the year, in the case of surrenders of service from service with the date of the termination of employment.

### 5.4

Interest will be credited to payments before the due date, interest will be charged to delayed payments without reminder. The Foundation is entitled to fix interest rates in conformity with the market. The interest rates may be adjusted to new circumstances at any time.

Any balance existing in the Foundation's favor at the end of a calendar year, including any accrued interest charges, shall be carried forward to the next calendar year as capital due. Any balance in the favor of the associated company, including any interest credit balance which may have accrued, will be credited to the contributions for the following year as a payment on account.

At the end of a calendar year, the Foundation will prepare a statement of account for the collection account. Its balance shall be regarded as accepted if the associated company shall not lodge an objection in writing within 4 weeks after receipt of the statement of account.

### 5.5

In the event of payment arrears of the associated company, the Foundation shall be entitled in addition to reduce its obligation to pay to the statutory minimum benefits, if the associated company shall not remit the amounts due within 14 days after receipt of a warning in writing of the consequence of this default. In order to revive the previous extent of coverage, the amounts charged shall continue to be owed.

The assets of the pensions insurance institution are composed of the pension fund assets actually in existence (including the contractually agreed benefits from Helvetia) as well as any dividends from bankruptcy or proceeds from the realization of pledged assets and any benefits paid out by the security fund.

The Foundation shall not be liable for any reductions of benefits which are attributable to outstanding payments due to Helvetia.

#### **5.6**

For the duration of any shortfall in cover suffered by the Foundation, the Board of Foundation may decide to implement measures to rectify the shortfall in accordance with the provisions of the pension fund regulations, and may in particular implement separate restructuring contributions. The restructuring contributions will be billed to the company as the entity liable to pay the full contributions. The rules applying to the risk contributions will also apply to the restructuring contributions.

#### **5.7**

The associated company may accumulate contribution reserves with the Foundation in order to discharge the employer's future contribution shares with these funds. In the event of outstanding payments, the Foundation shall be entitled to set off the employer's contribution share due against the contribution reserves.

If the Foundation suffers a shortfall in cover, the company may also decide to pay funds into a separate employer contribution reserve account with a waiver of usage.

#### **5.8**

The Foundation shall not be responsible for the tax deductibility of contributions.

### **6 Liability**

If there shall be coverage deficits in the case of the occurrence of an event covered by the pensions insurance institution as a consequence of behavior in breach of the contract by the associated company, namely as a consequence of infringement of the duty to cooperate (par. 4) or as a consequence of outstanding payments, then the associated company shall be liable to the Foundation in full for the benefits to be paid by it under the regulations.

### **7 Entry into force / termination / cancellation**

#### **7.1**

This affiliation agreement shall enter into force at the time agreed in the benefits and financing plan, following countersignature by the Foundation, and shall replace any agreements that may have been concluded previously. It shall have a fixed term of five years, and notice of termination can be given for the first time after the expiry of this term for 31st December. If notice of termination is given by the associated company, the written consent of the Board of Trustees shall be necessary. The latter and the employer shall be obliged to confirm that the termination has been approved by the staff or anybody representing their interests (pursuant to the Cooperation Act).

#### **7.2**

If the notice of termination shall not arrive at the Foundation by 6 months at the latest before the expiry of the contract, then the term shall be tacitly extended by one further year in each case. The term for notice of termination shall remain unchanged.

#### **7.3**

In the event of outstanding contributions or in the event of gross infringement of the duty to co-operate, the Foundation shall have the right to terminate this contract with immediate effect. The Foundation shall also be entitled to this right if the Board of Trustees issues regulations or passes resolutions which contradict the purpose of the Foundation, its principles, the pension fund regulations or the agreed benefits and financing plan, and insists on implementing these in spite of a written warning from the Foundation.

#### **7.4**

The contract of association may in addition be terminated by the Foundation prior to its expiry date in the event that there have been no insured persons or pensioners in the pensions insurance scheme for at least 12 months.

#### **7.5**

In the event of cancellation of the contract of association, art. 3 of the rules on costs shall apply. The cancellation of the contract of association may lead to the application of the rules on partial and complete liquidation.

#### **7.6**

After cancellation of the contract of association, the assets of the pensions insurance scheme shall be transferred to the new pensions insurance institution or - in the event of the simultaneous liquidation of the company - be distributed to the beneficiaries in a legally prescribed manner.

#### **7.7**

If the contract of association is cancelled by the associated company or for reasons pursuant to par. 7.3 the insured employees as well as all recipients of disability benefits shall be transferred to the new pension fund indicated by the company. The same applies to insured employees who are unable to work and who are only classified as disabled after the termination of the contract of association, where the disability was caused by an event that occurred before the termination of the contract of association.

If the contract of association is cancelled, all the Foundation's obligations vis-à-vis the recipients of benefits shall lapse. The company shall be responsible for transferring these recipients of benefits and their claims to pension benefits to the new pension fund.

Insured employees who are entitled to retirement benefits or survivors' benefits at the time of termination of the contract of association shall remain with the Foundation even after the termination of the contract of association.

**7.8**

If the contract of association is terminated by the Foundation (for reasons other than those provided for under par 7.3.), the Foundation and the new pensions insurance institution shall agree whether the recipients of benefits remain with the Foundation or transfer to the new pensions insurance institution. In the event that agreement should not be reached the recipients of benefits shall remain with the Foundation.

**7.9**

The legal venue for disputes arising from the present contract is determined in accordance with art. 73 of the LOB.

**Enclosures:**

- Benefits and financing plan
- Rules on costs
- Foundation instrument
- Rules for the election of employee representatives to the Board of Foundation
- Organization rules

The company confirms that the conclusion of this contract has the agreement of the staff to be accepted into the provident insurance in accordance with the benefits and financing plan or the body representing their interests (pursuant to the Co-operation Act).

Place, date: \_\_\_\_\_ Basle, date: \_\_\_\_\_

Company (official name based on the commercial register), Signature(s):

Swisscanto Supra  
Collective Foundation of the Cantonal Banks

---

# Rules on Costs

## Swisscanto Supra Collective Foundation of the Cantonal Banks

### 1 Basis

These rules on costs form an integral part of the contract of association made between the Foundation and the company (par. 2.2).

### 2 Expenditure with costs

#### 2.1

The Foundation charges the following amounts for the following expenses:

- Registered dunning letters in connection with arrears of premiums CHF 300.–
- Installment repayment agreements CHF 250.–
- Enforced collections (excluding official costs):
  - Application for enforced collection CHF 500.–
  - Application for continuation CHF 500.–
  - Application for disposal of assets from a bankrupt's estate or realization of a pledge CHF 500.–
- Inquiries that the Foundation has to make because the associated company violated its duties of cooperation to ensure that the employees remain insured (e.g. asking the OASI compensation according to effort fund office in charge for salary at least lists) CHF 500.–
- Informing the Security Fund of the insolvency of a pension fund CHF 500.–
- Special charges for services that do not form part of the regular management services according to effort

#### 2.2

These costs are billed to the associated company.

### 3 Cancellation of the contract

#### 3.1

If a contract is cancelled, the cancellation value equals 100% of the assets of the pension fund, minus any deductions in accordance with the following provisions.

#### 3.2

If the valuation of the Foundation's assets shows that there is a shortfall in cover, a pro rata share in this shortfall is deducted as a loss from the assets of the pension fund.

#### 3.3

If a contract is cancelled and any recipients of pension benefits are transferred to the new pension fund, the mathematical reserve calculated by Helvetia Swiss Life Insurance Company Ltd. that must be transferred to the new pension fund together with the cancellation value shall be based on Helvetia's valid rates and the statutory provisions.

#### 3.4

If the contract of association shall be terminated as a result of the adjudication of bankruptcy over the company, as a result of the liquidation of the company or as a result of the lack of staff, a deduction depending on the expense incurred, at least, however, a deduction of CHF 1 500.–, shall be made from the existing assets of the pensions insurance scheme.

### 4 Amendment of the rules

#### 4.1

In the event of the existence of important reasons, the Board of Foundation may adopt a resolution on an amendment of these rules on costs at any time.

#### 4.2

Any amendments are to be brought to the knowledge of the associated companies in writing at least three months before they shall come into effect.

### 5 Coming into effect

These present rules on costs come into effect as of the 1st June 2008.

Swisscanto Supra  
Collective Foundation of the Cantonal  
Banks

The Board of Foundation

# Foundation Instrument

## Swisscanto Supra Collective Foundation of the Cantonal Banks

Version complying with the decision of the supervisory authority of 15 August 2017 and approved by resolution of the Board of Foundation on 31 May 2017.

### Art. 1 Name and Office

(1) The Swisscanto Collective Foundation of the Cantonal Banks in Basle set up a foundation called Swisscanto Supra Collective Foundation of the Cantonal Banks (Swisscanto Supra Sammelstiftung der Kantonalbanken, Swisscanto Supra Fondation collective des Banques Cantonales, Swisscanto Supra Fondazione collettiva delle Banche Cantionali) – hereinafter the Foundation – in accordance with Art. 80 et seq. of the Swiss Civil Code.

(2) The Foundation has its registered office in Basle, at the Founder's domicile. The Board of Trustees may move the registered office to another place in Switzerland with the consent of the supervisory authority.

### Art. 2 Purpose

(1) The purpose of the Foundation is to provide an occupational benefit scheme for employees and employers in addition to the mandatory benefits prescribed in the law on occupational benefits insurance (LOB). A further purpose of the Foundation is to provide collective pension solutions for self-employed persons without any employees.

(2) The Foundation particularly operates savings banks for the individual existing pension funds as appropriate to the funds available to them and the special pension rules. In order to cover the risks of death, disability and longevity the Foundation can conclude insurance contracts for some or all of these risks with a life insurer licensed in Switzerland. The Foundation must always be the policyholder and the beneficiary.

(3) The insurance cover provided to the employer must be restricted to the retirement, disability and death benefits as set out in the pension fund regulations. Discretionary benefits are not permissible. As for the rest, the same rights and obligations shall apply for the employer as for the employee.

(4) The benefits for the employer must be limited to age, earning disability and death, as for his/her employees, in accordance with the plan. Discretionary benefits that exceed the benefits determined conforming to the regulations are only possible in favor of employees and their survivors who find themselves in a situation of need due to no fault of their own.

(5) The Foundation can conclude contracts with a manager (managing agency) to deal with managerial and operational tasks arising from the implementation of pensions.

### Art. 3 Foundation Assets

(1) The assets of the Foundation consist of the foundation's capital, pooled assets and the assets of the individual pension funds.

(2) The Foundation assets or parts thereof may under no circumstances be returned to the associated employers or to the founder. The foundation's endowment fund must also not be alienated from the purpose of occupational provident insurance in any other way.

### Art. 4 Foundation Capital

(1) The foundation capital consists of the sum initially contributed by the founder CHF 1'000, the income generated by it and the foundation's free assets.

### Art. 5 Pooled Assets

(1) The following are credited to the pooled assets:

- required provisions and reserves and the income generated by them
- any third-party donations.

(2) The pooled assets shall be liable primarily for liabilities of the foundation not resulting from benefit scheme claims.

### Art. 6 Pension Fund Assets

(1) The assets of the pension funds are formed as follows:

- contributions stipulated by the rules
- payments and profit shares distributed to the pension funds under insurance contracts
- specially augmented employer contribution reserves from the associated employer (in accordance with art. 331 (3) CO
- any further donations from the employer, the beneficiaries or third parties
- income on pension fund assets.

(2) The pension endowment fund of a pension scheme shall be liable solely and primarily for the pension claims of its beneficiaries in accordance with the regulations.

(3) The beneficiaries' claims shall be limited by the amount of the pension endowment fund concerned.

#### **Art. 7 Pension Schemes/Regulations**

(1) The individual pension schemes shall be independent of each other. They shall be administered separately.

(2) Pension fund regulations are drawn up for every associated employer and its employees which define the type and scope of the insurance contributions and benefits, the group of beneficiaries and all the other provisions necessary for an occupational employee benefits scheme.

#### **Art. 8 Control**

(1) The Board of Foundation appoints recognised auditors to conduct the annual audit of its management, accounting and investments. The auditors prepare a written report on their activity for the Board of Foundation.

(2) The Board of Foundation appoints a recognised occupational pensions expert to conduct a periodic audit of the foundation.

#### **Art. 9 Organization**

(1) The foundation's governing bodies are the Board of Foundation, the Boards of Trustees, the Investment Commission, the manager and the auditors.

(2) The Board of Foundation consists of six members (natural persons). Two insured employees are elected to the Board as employee representatives. Half the remaining Board members are appointed by Helvetia Swiss Life Insurance Company Ltd, and half by the Association of Swiss Cantonal Banks. It shall represent the foundation externally and determine the authority to sign, which may also be granted to persons outside of the Board of Foundation.

(3) The Board of Foundation shall constitute itself. The term of office of members of the Board of Foundation shall be five years. They are eligible for re-election. The Board of Foundation is quorate if a majority of its members is present. As a rule resolutions are adopted by a simple majority of the members present. In the event of a tie the Chair has the casting vote.

(4) The Board of Foundation issues organisation rules with regard to the composition of the governing bodies and the division among them of responsibilities and authorities that can be amended at any time, and election rules for the election of employee representatives to the Board of Foundation. The adoption of amendments to the organisation rules and the election rules shall require the consent of at least two thirds of all members of the Board of Foundation.

#### **Art. 10 Accounting**

(1) The foundation maintains separate accounts for each pension fund, especially with regard to pension contributions, accumulated savings capital, insurance policies and pension benefits, and with regard to provisions or reserves formed for contributions and benefits over and above the employer and employee contributions stipulated by the regulations.

(2) Separate accounts are also kept for the foundation capital and pooled assets.

(3) The closing date for foundation accounts is 31 December of each year.

#### **Art. 11 Change to the Foundation Instrument**

Changes to the foundation instrument that do not conflict with the foundation's purpose (Art. 2) can be put forward by at least two thirds of all Board members as proposals to the supervisory authority for its approval.

#### **Art. 12 (Partial) liquidation of a pension fund**

The procedures for the full or partial dissolution of a pension fund are determined in accordance with the regulatory provisions issued by the Board of Foundation, which are subject to amendment at any time and approved by the responsible supervisory authority.

#### **Art. 13 Liquidation of the Foundation**

(1) In the event of the liquidation of the Foundation, the Board of Foundation shall adopt a resolution on the utilization of any balance possibly remaining from the Foundation's endowment fund. Payment to the founder or to associated employers or their legal successors shall be excluded.

(2) This shall be subject in all cases to the consent of the supervisory authority.

# **Regulations for the election of employee representatives to the Board of Foundation of the Swisscanto Supra Collective Foundation of the Cantonal Banks**

On the basis of Art. 1.1 of the organisation rules the Board of Foundation issues the following rules:

## **1 Composition of the Board of Foundation**

The Board of Foundation consists of six members (including the Chair). Two Board members are employee representatives (hereinafter called the "employee representatives"), who are also members of the Boards of Trustees of the associated companies.

Half the remaining Board members are appointed by the Association of Swiss Cantonal Banks, and half by Helvetia Swiss Life Insurance Company Ltd.

The employee representatives shall represent all staff members in salaried employment who are not involved in fundamental business policy decisions.

## **2 Voting entitlement**

### **2.1 Active entitlement**

Voting rights are enjoyed by employee representations on the Boards of Trustees of all companies in an association relationship with the foundation unless such relationship is under notice of termination.

They jointly elect the two employee representatives on the Board of Foundation on the basis of the provisions of the voting instructions.

### **2.2 Passive entitlement**

Members of the Boards of Trustees (employees) of associated companies are eligible for election. Only one member of a Board of Trustees (employee) per associated company can stand for election and be elected to the Board of Foundation.

### **2.3 Language of use, specialist knowledge**

The Board of Foundation conducts business and adopts resolutions in the German language. The employee representations on the Board of Trustees shall ensure that employees standing for election to the Board of Foundation have adequate knowledge of the German language and sound knowledge of pension law. The incumbent Board of Foundation can reject candidates if these requirements are not met.

## **3 Proposals for election**

### **3.1 Proposals for election by the Board of Foundation**

The Board of Foundation proposes candidates for membership to the employee representations of the Boards of Trustees, taking account of the election criteria set out in section 1.1.

The Board of Foundation can propose at least six further persons so that, in the case of the retirement of a member from the Board of Foundation during the term of office, the seat that has become vacant can be filled with a successor (replacement candidates).

### **3.2 Candidacy of members of the Board of Trustees (employees)**

Members of the Board of Trustees (employees) can stand for election themselves, taking account of the election criteria.

A proposal for election may be submitted only on the form provided for this purpose and shall require the consent of the candidate and the employee representation on the Board of Trustees in order to be valid.

Proposals for election must be submitted to the foundation's managing agency (for the attention of the electoral office) no later than seven weeks before the election date.

Proposals for election shall be checked by the electoral office for their eligibility pursuant to sections 2.2 and 2.3. The current list of candidates shall be announced no later than three weeks before the election date.

### **3.3 Uncontested election**

If only so many candidates stand for election as there are seats to be filled, then no election pursuant to section 4 shall be held and the candidates shall be regarded as elected uncontested.

## **4 Conduct of the election**

### **4.1 General principles**

The employees' representation on the Board of Foundation shall be elected in a free and secret ballot.

### **4.2 Time of the election**

The elections can be held within the framework of the processing of annual salary reports.

### **4.3 Electoral office**

Elections are prepared and conducted by an electoral office.

The Board of Foundation appoints employees of the manager as members of the electoral office.

Members of the Board of Foundation itself are excluded.  
Before each Board of Foundation election the electoral office shall prepare short election instructions which shall be sent to the employee representations of the Boards of Trustees that are eligible to vote together with the voting papers.  
The entire election procedure can be supported by the Internet.

#### **4.4 Secrecy of the ballot**

The electoral office shall stipulate an electoral procedure that ensures the secrecy of the ballot. This procedure shall be explained to those entitled to vote when the election material is sent out. Steps must be taken to ensure that:

- the employers' representation of each Board of Trustees shall have no knowledge of how the same Board of Trustees' employees' representation voted
- the individual associated company shall have no knowledge of how the other companies voted, and vice versa.

If the electoral procedure does not offer any absolute guarantee against members of the electoral office gaining knowledge of how those entitled to vote did so, then the members of the electoral office shall be obliged to maintain absolute secrecy on their observations.

#### **4.5 Electoral documents**

The electoral documents shall be sent to the employees' representations on the Boards of Trustees.

The electoral documents shall consist of:

- voting instructions
- list of candidates.

#### **4.6 Notice of election**

The date of the election and the Board of Foundation's proposals for election pursuant to section 3.1 shall be announced no later than nine weeks prior to the election.

#### **4.7 Ballot**

Employee representations on Boards of Trustees entitled to vote (section 2.1) elect persons from the list of nominated candidates.

The election must take place by means of the ballot papers provided for this purpose.

The candidates achieving the highest number of votes (simple majority) shall be elected.

In the event of a tie, the candidate with the longer term of membership of the Board of Trustees of the associated company shall be elected.

If the election criteria postulated are not met by an elected party, the electoral office can appoint in his/her place the non-elected candidate with the highest number of votes who does meet the criteria required.

The non-elected candidates are to be designated as replacement candidates pursuant to section 5.2 in accordance with their numbers of votes.

#### **4.8 Election scrutiny**

The validity of the ballot papers received shall be checked by the electoral office. Only correctly completed ballot papers received in good time before the election day shall be valid.

The electoral office must keep a record of its activities and ascertainties and notify the results of the election to the Board of Foundation.

The electoral office shall ensure that the election results are appropriately announced.

The newly elected Board of Foundation must determine the validity of the election at its constituent meeting.

### **5 Term of office, replacement**

#### **5.1 Term of office**

The term of office shall be five years. If an employees' representative retires during his/her period of office from the Board of Trustees of the associated company, this will result in his/her retirement from the Board of Foundation.

If notice of termination of the association relationship is issued or the relationship is terminated with immediate effect for other reasons, the relevant elected employee representatives shall also leave the Board of Foundation with immediate effect.

#### **5.2 Replacement of a retiring employee representative on the Board of Foundation**

If an elected Board of Foundation member retires from the Board of Foundation, then the non-elected candidate (replacement candidate) with the highest number of votes shall take his/her place. If no alternative candidate is available for the remaining term of the retiring member, the Board members appoint a new member for his/her remaining term.

### **6 Appeals**

Appeals based on procedural violations in the preparation and conduct of the election, stating reasons in writing, can be filed with the Foundation office within two weeks after validation by the Board of Foundation.

The Board of Foundation adjudicates the appeal.

### **7 Entry into force**

These election rules come into force on 1 September 2017.

Swisscanto Supra  
Collective Foundation of the Cantonal Banks

The Board of Foundation

# Organisation Rules

## Swisscanto Supra Collective Foundation of the Cantonal Banks

The Board of Foundation hereby issues the following rules on the basis of Art. 9 (4) of the articles of incorporation.

### 1 Board of Foundation

#### 1.1 Duties and competencies

The Board of Foundation is the foundation's top governing body. It is responsible for the overall management of the foundation, ensures that statutory duties are performed, and determines strategic goals and principles as well as the resources with which they will be met. It determines the organisational structure of the foundation, ensures its financial stability and monitors its management.

The Board of Foundation has the following non-transferrable and inalienable duties:

- a) it establishes the financing system;
- b) it draws up and approves the annual accounts;
- c) it determines the level of the technical interest rate and other basic technical parameters, as applicable;
- d) it appoints the persons entrusted with the Foundation's management. These can also be legal entities;
- e) it issues rules governing the procedures for the formation and dissolution of required operating reserves and provisions;
- f) it designs the accounting system;
- g) it issues and amends all the rules of the Foundation
- h) it decides on the range of pension products, especially with regard to the benefits and financing plans (benefit plan), and defines the principles for the appropriation of free assets;
- i) it elects and dismisses the auditors with the consent of at least two thirds of the Board members;
- j) it elects and dismisses occupational pension experts with the consent of at least two thirds of the Board members;
- k) it ensures that its members are appropriately trained and decides on their reasonable compensation;
- l) it conducts a periodic review of the medium and long-term capacity of the foundation's invested assets to meet its obligations;

The Board of Foundation also undertakes the following duties itself:

- m) it sets out the rules for authorized signatories for the Foundation in accordance with the provisions of the Foundation instrument;
- n) it approves the annual report;
- o) it determines the annual appropriation of earnings from the investment of the Foundation's assets and of profits under insurance contracts;

- p) it approves the budget;
- q) it decides on the full or partial reinsurance of the Foundation and on any reinsurers and concludes the insurance contract
- r) it fulfils the obligation to supply insured persons with information insofar as this obligation does not apply to the employer or the Board of Trustees. The Board of Foundation can delegate this duty to provide information to the management;
- s) it reaches decisions on measures based on the actuarial report from the occupational pensions expert and the auditors' report;
- t) it specifies the principles of contracts with distribution partners (framework agreements, compensation regulations);
- u) it approves the basic texts for the General Provisions of the pension fund regulations and for the contracts of association;
- v) it concludes contracts for the investment and administration of Foundation assets;
- w) it appoints the members of the Investment Commission.

All other tasks are – to the extent permitted – delegated to the management.

#### 1.2 Resolutions

The Board of Foundation is quorate if a majority of its members is present. Subject to Art. 9 (4) of the Articles of Incorporation and with regard to the election and dismissal of the auditors and occupational pensions experts, it adopts resolutions by a simple majority. In the event of a tie, the Chair has the casting vote.

Resolutions may also be adopted by circular letter.

### 2 Board of Trustees

#### 2.1 Composition

There shall be a Board of Trustees for each pension scheme.

The Board of Trustees are made up of employers' and, providing the employees pay contributions, employees' representatives. The employees' participation in the pension scheme commission shall correspond at least to the ratio of their contributions to the overall financing of the pension scheme. The Boards of Trustees constitute themselves.

On termination of the employment relationship, membership in the Board of Trustees shall lapse.

#### 2.2 Election of the employees' representatives

All employees who are also beneficiaries of the associated pension fund may be elected and are entitled to vote.

The employer representatives on the Board of Trustees are elected in a secret ballot. Election shall be by a straight majority of the votes cast (relative majority).

Those candidates are elected who gain the majority of the votes cast in the first ballot. The same procedure shall be adopted for subsequent elections under Art. 2.1 Par. 4. Elections shall be notified in writing by means of an election report to the Board of Foundation.

### **2.3 Meetings of the Boards of Trustees; Resolutions**

Each Board of Trustees shall meet as required by the business of the pension fund, however at least once a year. A meeting shall be convened either on the request of the president or on the request of half of the members of the Board of Trustees.

The president chairs the meeting.

Resolutions shall be passed by a straight majority of the votes of all the defined and elected members.

Minutes shall be kept of resolutions and shall be signed by a representative of both the employers and the employees (if applicable). These minutes must be submitted to the Board of Foundation if the Foundation has to act on the basis of the resolutions.

If the Board of Foundation discovers an illegality, it shall notify the Board of Trustees immediately and, if necessary, instruct it to take legal action or do so itself.

The Board of Foundation cannot annul a resolution passed by the Board of Trustees but may suspend it until investigation by a supervisory or legal body has been concluded.

In the event of a tied vote, the president has a casting vote.

Resolutions may also be passed by circular letter. A circulation resolution shall be adopted if all members of the Board of Trustees consent.

### **2.4 Functions; Rights and Obligations**

The Board of Trustees performs the following duties:

- a) it approves pension fund regulations prepared by the foundation and defines performance targets based on the benefit plan proposed by the foundation and selected by it;
- b) it informs the beneficiaries about the organisation, the activities and the asset position of the pension fund;
- c) it monitors the provision by the employer of the documents and reports set out in the association agreement;
- d) it ensures that the contributions are transferred when due;
- e) it collaborates in obtaining the documents required for substantiating claims on the occurrence of an insured event;
- f) it notifies the Board of Foundation of any changes in the entitlement to benefits under the regulations immediately after the adoption of such a resolution;
- g) it cooperates in the assessment of claims for benefits and in decisions on the disbursement of benefits;
- h) it decides on the appropriation of free pension fund assets in accordance with the purpose of the foundation;
- j) it meets its obligations to provide the foundation, insured persons and employers with information

and to cooperate with them in accordance with the provisions of the pension fund regulations.

Communications from the Board of Trustees to the Board of Foundation shall be legally valid provided they are received in writing by the managing agency of the Swisscanto Supra Collective Foundation of the Cantonal Banks in Basle.

## **3 Management**

### **3.1 Delegation**

In accordance with the contract of association, pension fund regulations, any resolutions of Boards of Trustees and resolutions of the Board of Foundation, the Board of Foundation delegates – to the extent permitted by law – the management and operating implementation of pensions to Helvetia Swiss Life Insurance Company Ltd (hereinafter called Helvetia) as the management.

### **3.2 Duties of the management**

The scope of the duties delegated by the Board of Foundation to the management is outlined in section 3.1. Accordingly, the management has the following tasks in particular:

- a) contact with associated companies, insured persons, Boards of Trustees, distribution partners and network partners of the cantonal banks, official bodies (especially the supervisory authority), the Security Fund, the National Substitute Pension Plan Foundation, the auditors (except for accepting audit reports), the occupational pensions expert (except for accepting the expert report), and with other pension and vested-benefits institutions (especially with regard to pension and vested-benefits cases and liquidation situations);
- b) fulfilment of operating duties and specialist responsibility for the implementation of occupational pensions with regard to new and existing business, especially advising and supporting associated companies, insured persons, Boards of Trustees and distribution channels;
- c) performing all duties under the regulations that are not assigned to another of the foundation's governing bodies;
- d) submitting budget proposals to the Board of Foundation and assuming responsibility for the budget;
- e) preparing periodic management reports for the Board of Foundation;
- f) implementing underwriting policy in accordance with the principles approved by the Board of Foundation and taking account of the insurer's actuarial guidelines for the reinsured portion of the product;
- g) overseeing the administration;
- h) planning distribution and providing marketing support;
- i) product management for the portion of the product not defined by the insurance contract;
- j) carrying out investment instructions and conducting cash (liquidity) management;
- k) implementing profit sharing as sanctioned by the Board of Foundation;

- l) carrying out resolutions of the Board of Foundation;
- m) performing the duties delegated to it by the Board of Foundation;
- n) bookkeeping and preparing the basis for the annual accounts to be drawn up by the Board of Foundation;
- o) conducting the foundation's financial controlling;
- p) preparing the basic texts approved by the Board of Foundation for the pension fund regulations, benefit plans and contracts of association;
- q) delegating a representative to meetings of the Board of Foundation to record its resolutions.
- r) preparing the basis for the regulations and amendments to regulations requested by the Board of Foundation or required by law.

Where Boards of Trustees of pension funds cannot conform to the composition requirements of section 2.1 (e.g. after termination of the contract of association following the liquidation of the associated employer company or if no employees remain), the Board of Foundation acts on their behalf and delegates this function to the management.

The rights and obligations of the management in relation to the investment organisation are defined in the Board of Foundation's "Rules relating to the investment organisation, duties and authorities of the investment bodies of the Swisscanto Supra Collective Foundation of the Cantonal Banks" (investment rules).

### **3.3 Managing agency**

Helvetia also acts as the managing agency of the Foundation towards insured members, the associated employers, the authorities and third parties.

## **4 Investment Commission**

The Investment Commission is made up of three to five members (natural persons), who are elected by the Board of Foundation for four years. Reelection is possible. The Investment Commission has the following duties:

- a) it carries out investments within the parameters of the investment guidelines;
- b) It takes the decisions in connection with implementation of the investment strategy and submits the necessary contracts to the management for signing;
- c) it regularly reports to the Board of Foundation on the investments made, the performance and the net asset value of the investment portfolio.

## **5 Auditors**

The auditors selected by the Board of Foundation shall exercise their mandate in accordance with statutory provisions.

The auditors can be given assignments by the Board of Foundation, in particular for the inspection of individual pension funds.

## **6 Occupational Pensions Expert**

The occupational pensions expert shall exercise his mandate in accordance with statutory provisions.

## **7 Relationship to pension fund regulations**

These organisation rules constitute an integral component of all pension fund regulations. They can be amended by the Board of Foundation at any time.

Basle, August 2017

Swisscanto Supra  
Collective Foundation of the Cantonal Banks

The Board of Foundation