

Rules of Procedure

Lealta Foundation for vested pension benefits

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Rules of Procedure

Relying on Article 9 of the Charter of Lealta Foundation for vested pension benefits (hereafter "Foundation"), the Board of Trustees hereby adopts the following Rules of Procedure (hereafter "Rules"):

Art. 1 Purpose

- 1 These Rules regulate the organisation of the Foundation, and the duties and activities of its governing bodies.
- 2 The governing bodies of the Foundation are:
 - a) Board of Trustees
- 3 If necessary, ad hoc committees may be established to deal with special issues. Their powers and responsibilities shall be defined in accordance with these Rules.
- 4 Relationship with other regulations
The Rules of Procedure are the basic internal regulations of the Foundation; they take precedence over other regulations.

Art. 2 Board of Trustees

- 1 Highest governing body
The Board of Trustees is the highest governing body of the Foundation; it represents the Foundation externally.
- 2 General management
 - a) Pursuant to Article 51a BVG, the Board of Trustees is responsible for the general management of the Foundation, it fulfils the statutory tasks, determines the strategic goals and policies of the Foundation and the means for implementing them.
 - b) It regulates the organisation of the Foundation, ensures its financial stability and oversees management.
- 3 Composition
The Board of Trustees consists of at least four members. At least one member shall not belong to the Foundation and shall not be part of the management or asset management team of the Foundation. Moreover, this member shall not be a beneficial owner of the Founder or of any company entrusted with its management or the management of its assets. This member shall be designated by the Board of Trustees. The other members shall be appointed by the Founder.
- 4 The Manager shall attend the meetings of the Board of Trustees in an advisory capacity.
- 5 The members of the Board of Trustees, the persons in charge of investments and the Manager are bound by the code of conduct in occupational benefits.

6 Term of office

The members of the Board of Trustees shall be appointed for a three-year term of office. On expiry of their term of office, members may be re-elected.

7 Remit

The Board of Trustees has the following remit:

- preparation of Board of Trustee meetings and elections to the Board of Trustees. The Board of Trustees may delegate the preparatory work and the conduct of business transactions to one or more of its members;
- all matters concerning occupational benefits which are not assigned to another body by law, the Charter, these Rules or the Investment regulations;
- designating the authorised signatories. Signing powers are always joint (with another signatory);
- overseeing BVV2/OPP2 guidelines and annual performance;
- appointment of the Manager;
- appointment of the auditor for one year at a time;
- outsourcing pension plan administration to third parties;
- adoption of all regulations;
- adoption of remuneration and compensation rules;
- decisions on granting and securing mortgage loans;
- approving the annual report;
- defining admission criteria and business strategy;
- decisions on the investment of liquidities;
- setting interest rates on liquid funds;
- decisions on proposals to the Regulatory Authority for changes in the Charter of the Foundation and the dissolution of the Foundation;
- the Board of Trustees may deny requests without substantiation.

8 Principles of integrity and ethical conduct

- a) The Board of Trustees is responsible for ensuring compliance with the principles of integrity and ethical conduct (Articles 48f to 48l BVV2/OPP2). To ensure implementation and monitor compliance with such principles, it shall adopt appropriate organisational measures (Article 49a BVV2/OPP2) and sanction persons and institutions that infringe those principles.
- b) In particular, it shall ensure that:
 - i possible conflicts of interest are considered when persons are appointed or employed by the Foundation;
 - ii the disclosure of conflicts of interest is periodically included on the agenda;
 - iii third parties are informed about the regular disclosure of potential conflicts of interest.

9 Meetings and resolutions

- a) Meetings of the Board of Trustees shall be convened by the Chair as required or at the request of one third of its members. The Board is quorate when a majority of its members are present. Decisions shall be adopted by a simple majority of the members present and voting. In case of a tie, the Chair's vote shall count double. Resolutions may be adopted unanimously by circulation. Resolutions adopted by circulation will be recorded in the minutes of the following meeting.
- b) Board of Trustee meetings shall be convened by the Chair with at least 10 days notice; the invitations to Board members shall be in writing and shall be accompanied by the agenda. If all Board members agree, this time limit may be waived.
- c) The resolutions of the Board of Trustees shall be recorded in minutes. The minutes shall be signed by the Chair of the meeting, the Manager and the secretary and approved at the next meeting.

shall ensure that the offers are appraised objectively and transparently. The decision-making process shall be documented to enable and facilitate the proper annual audit of the financial statements by the Auditor. The decision shall be made in the interest of all account-holders.

- 4 The Investment Regulations shall stipulate the rules and responsibilities for related-party transactions relating to asset management.

Art. 3 Management

- 1 Management shall be outsourced to a specialised company.
- 2 Powers
 - a) Management shall have the following powers in particular:
 - structure and organisation of distribution;
 - support and guidance for account-holders, financial intermediaries, asset managers, consultants and brokers;
 - technical administration;
 - finance and securities accounting;
 - preparation of annual financial statements;
 - monitoring and securing operational liquidity;
 - definition and management of all control processes (ICS);
 - contact office for all governing bodies, account-holders and partners (banks, asset managers, etc.).
 - b) The separate Management Agreement shall be the reference basis for the duties entrusted to the Manager.

Art. 6 Disclosure and written confirmation of pecuniary benefits

- 1 The amount and nature of the compensation for persons and entities entrusted with management, administration or asset management shall be clearly defined and stipulated in a written agreement. They shall surrender any pecuniary benefits, within the meaning of Article 48k BVV2/OPP2, to the Foundation. Excepted from this rule are small presents and occasional customary gifts worth no more than CHF 200 per case and CHF 1,000 per business partner, subject to a maximum limit of CHF 2,500 per year.
- 2 The Manager shall require all persons and entities responsible for the management and administration of pension assets to provide a written confirmation once a year indicating any personal pecuniary benefits (within the meaning of Article 48k BVV2/OPP2) and shall report thereon to the Board of Trustees.
- 3 In case of infringement of the disclosure obligation, the Foundation may apply sanctions including, in individual cases, the termination of a mandate or dismissal, and the filing of a criminal complaint.

Art. 4 Auditor

- 1 The Board of Trustees shall designate the auditor. The Auditor shall audit the governance, books and investments of the Foundation once a year,
- 2 The Auditor shall submit a written report on its observations and findings to the Board of Trustees.

Art. 7 Other provisions

- 1 Confidentiality

All persons responsible for the provision of occupational benefits shall be bound by strict professional secrecy in respect of all information which they may acquire in the scope of their assignment, in particular about the personal and financial situation of account-holders and their family members. The confidentiality obligation shall survive the termination of their assignment.
- 2 Liability

The members of the Foundation's governing bodies and all persons and companies entrusted with the management and administration of the Foundation's pension benefits are liable for any damages caused by them deliberately or through negligence.
- 3 Recusal

Members of the governing bodies shall withdraw when matters affecting them or their spouse, partner, children or parents, personally or professionally, are discussed. If a member is obliged to withdraw, he shall not participate in the discussion or decision-making. The business or item shall be dealt with in his absence.

Art. 5 Related-party transactions

- 1 Legal transactions with related parties are admissible if they serve the interests of all account-holders.
- 2 The Board of Trustees shall determine which related-party transactions are deemed significant.
- 3 In the case of significant related-party transactions, the Board of Trustees shall request at least two competing offers and

4 Remuneration

Members of the governing bodies and all other persons and institutions entrusted with the management of the Foundation's occupational benefits shall be remunerated for their activities on behalf of the Foundation.

Art. 8 Omissions in the Rules

If any provision on any specific point has been omitted from these Rules, the Board of Trustees shall adopt an appropriate rule in line with the object of the Foundation.

Art. 9 Amendments

The Board of Trustees may decide to amend these Rules at any time. The Foundation shall inform account-holders in an appropriate manner about any amendments to these Regulations. The currently valid version shall be available at www.lealta.ch or may be obtained from the Foundation.

Art. 10 Language and equality

All regulations shall be construed and interpreted in the German-language version. Words in the male form shall apply indifferently to men and women.

Art. 11 Jurisdiction and governing law

All Regulations are governed by Swiss law. Disputes between the account-holder, any other beneficiaries and the Foundation shall be subject to the jurisdiction of the courts in accordance with Article 73 BVG. Otherwise the place of jurisdiction for all types of proceedings shall be Schwyz, which shall also be the place of performance and debt recovery for account-holders and contractual partners not resident or domiciled in Switzerland.

Art. 12 Validity

These Rules of Procedure shall come into force on 1 January 2020; they cancel and supersede the prior Rules of 1 September 2019.

Schwyz, 1 March 2019 / 5 December 2019

Board of Trustees of Lealta Foundation for vested pension benefits