

# ORGANISATIONAL, ELECTION AND COMPENSATION REGULATIONS

Valid from 01 August 2024





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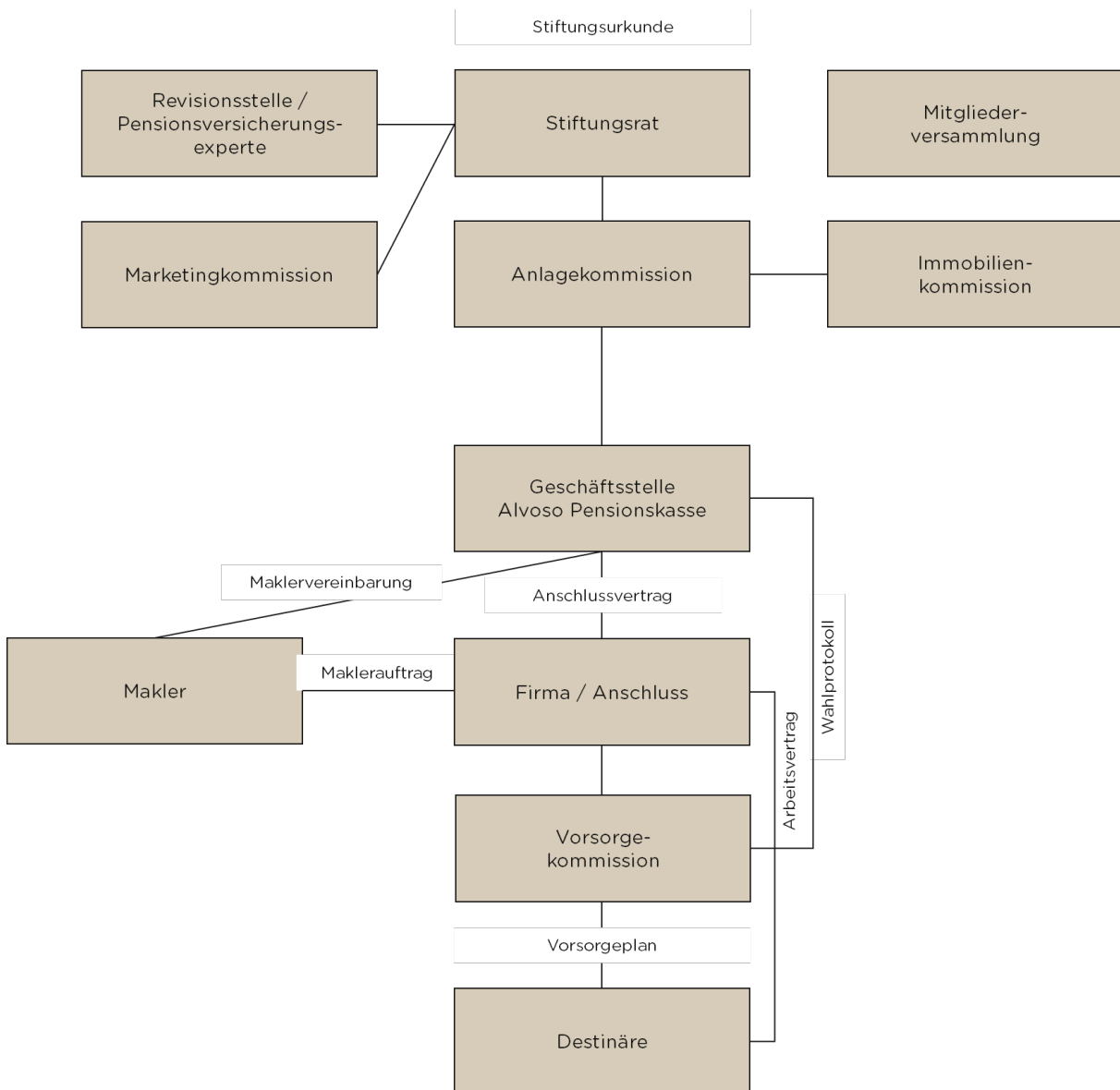
## 1. Introduction

### 1.1. Purpose and scope of application

The Organisational regulations govern organisation and responsibilities within the Alviso Pension Fund (hereafter referred to as the foundation). The deed of foundation and Pension Fund regulations take precedence over these regulations. If any provisions of the Organisational regulations contradict the overarching regulations, the provisions of the overarching regulations shall apply.

For the sake of readability, the use of both masculine and feminine forms has been dispensed with in this document. Unless otherwise stated, all references to persons apply to both genders.

### 1.2. Organisational structure of the foundation





## 2. Bodies of the foundation

### 2.1. Foundation board

As the supreme body, the foundation board manages the foundation on an equal basis in accordance with Art. 4.2 of the deed of foundation, Art. 60 of the Pension Fund regulations and any other regulatory, statutory and supervisory provisions.

The foundation board consists of a minimum of six and a maximum of ten members. It is composed of employer's or employees' representatives and elected by the pension fund committee of the companies affiliated with the Alvosó Pension Fund. On both sides, professionally suitable persons who do not belong to the group of insured persons may be appointed or elected as members of the foundation board ("external foundation board members"). However, the external foundation board members must always be a minority on the foundation board.

The foundation board shall be elected in accordance with the provisions of section 3 "Election of the foundation board".

The foundation board assumes overall management of the foundation, ensures that its statutory duties are fulfilled, determines the strategic objectives and principles as well as the means for fulfilling them. It assumes the non-transferable and inalienable duties pursuant to Art. 51a of the Occupational Pensions Act (OPA) and appoints committees to prepare and implement its resolutions.

The foundation board may delegate decision-making powers for tasks that are not subject to Art. 51a OPA to the committees it has appointed.

The committees do not need to be made up of equal numbers.

To ensure that the members of the foundation board are qualified to carry out their tasks, every new member of the board must attend a basic course of at least one day on the topic of occupational pensions during their first year of office. In addition, every member of the foundation board must complete at least one day of further training, consisting of ten sessions of 50 minutes each during their three-year term of office. Attendance at morning or evening events is also possible. The foundation will cover the cost of this further training.

#### 2.1.1. Constitution of the foundation board

The foundation board is self-constituting. It elects the Chairman from among its members, i.e. the Chairman and Vice-Chairman, whereby the foundation board may decide, with a qualified majority of at least 3/4 of all board members, that both (Chairman and the Vice-Chairman) may represent the employer's or the employee's side. If no agreement can be reached on the election, a neutral arbitrator designated by mutual agreement shall decide the matter. In the absence of a decision on the arbitrator, the arbitrator shall be appointed by the Supervisory Authority.

The term of office of the Chairman and the Vice-Chairman is three years; it begins and ends with the term of office of the member of the foundation board (see section 3.5 below). The Chairman (i.e. the Chairman and the Vice-Chairman) may also be delegated to the same side (as either an employer's or employees' representative) for further periods of office, subject to the written (unanimous) consent of the other side (either the employer's or the employees' representative respectively). This consent can be revoked at any time.

#### 2.1.2. Meetings of the foundation board

The foundation board is convened by the Chairman as required, but at least once a year, after closure of the annual accounts. Any member may request in writing that the Chairman convenes a meeting.

Meetings are convened by the Chairman at least 10 days in advance, with a written invitation stating the agenda items.

The meeting shall be chaired by the Chairman or, in his absence, by the Vice-Chairman.

The foundation board has a quorum if more than half of its members are present. It decides by a simple majority of votes unless a qualified majority is required.



For the following important transactions, a qualified majority of at least 2/3 of all members of the foundation board present is required on the foundation board.

This applies to:

- Conducting an unscheduled election of the foundation board;
- Electing and de-electing the office;
- Amendments to the regulations;
- Conclusion and dissolution of a management mandate or insurance contract;
- Conclusion and termination of bank accounts;
- Appointment or dismissal of the actuary and consultant;
- Appointment or dismissal of the Statutory Auditor;
- Requests for amendments to the deed of foundation;
- Requests for dissolution of the foundation

Resolutions may be passed by circular unless a member of the foundation board requests that the matter be discussed verbally. A circular resolution is valid if it is passed by a 2/3 majority of all members of the foundation board.

## **2.2. Investment Committee**

The Investment Committee is responsible for monitoring, implementing and initialising an adjustment of the investment strategy to reflect changes in the foundation's financial situation. The foundation board elects the members of the Investment Committee. The Investment Committee constitutes itself. It is the executive body responsible for the operational management of the foundation's investments.

The tasks and reporting duties of the Investment Committee are set out in the Investment regulations issued by the foundation board.

## **2.3. Real Estate Committee**

The Real Estate Committee devises the decision-making criteria for investing in and divesting from direct real estate investments for the attention of the Investment Committee and proposes to the Investment Committee the purchase or sale of direct and indirect real estate investments in accordance with the real estate investment guidelines (Investment regulations). The Real Estate Committee may invest up to 10 % of the real estate component (basis: last revised financial statements). The Investment Committee's approval must be obtained for investments that exceed this amount. The duties of the Real Estate Committee are set out in the Investment regulations issued by the foundation board. The foundation board elects the members of the Real Estate Committee. The Real Estate Committee constitutes itself.

## **2.4. Marketing Committee**

The Marketing Committee is responsible for communicating to customers and third parties, events and all marketing measures. At the same time, the Marketing Committee is responsible for the foundation's digital presence, including in the area of the website and current and future "social media" opportunities. Within the scope of the marketing budget approved annually by the foundation board, it prepares proposals and applications for the attention of the foundation board, with the Marketing Committee responsible for the marketing budget. The foundation board elects the members of the Marketing Committee. The Marketing Committee constitutes itself.

## **2.5. Other committees and temporary working groups**

The appointment of further committees or temporary working groups and the corresponding allocation of tasks is the responsibility of the foundation board. Other committees may only be permanent in nature, and working groups are appointed temporarily for subject-specific or strategic tasks. The foundation board works out the details during the appointment. Election, constitution and remuneration shall be based on the existing committees and/or section 2.6 hereof.

## **2.6. Remuneration of the foundation's governing bodies**

The members of the foundation's governing and executive bodies are remunerated at a flat rate, depending on their function, for attending meetings and preparing them. Fee rates are based on the work expected for the role and have been determined by the foundation board as follows:

Members of the foundation board CHF 2,000 p.a.

Chairman of the foundation board CHF 4,000 p.a.



Members of a committee	CHF 1,000 p.a. per committee
Chairmanship of committees	CHF 500 p.a. per committee
Temporary working groups	CHF 300 per meeting
Chairmanship of temporary working groups	CHF 100 per meeting
Audit of the annual financial statements by the foundation board	CHF 1,000 per foundation board

External members of the foundation board are remunerated based on standard market rates. The amount of the respective remuneration is determined by the foundation board.

The above rates are cumulative. The fees are paid annually following the members' meeting as follows:

- a. If the foundation board is delegated by the employer during working hours, payment shall be made to the employer.
- b. If the foundation board is delegated and the foundation board meeting does not count as working time, it shall be paid out to the foundation board by means of a salary statement. No social security deductions are deducted up to the AHV-exempt amount (CHF 2,300 as of 2023).

At the first meeting of the foundation board in the financial year, each foundation board informs the administrative office how the disbursement arrangements are to be handled for it in the current year (in accordance with lit. a or b above).

Any additional mandates issued to members of the foundation board outside working groups and committees that are issued on the basis of specialist expertise or specific expertise shall be compensated at a rate of CHF 150 per hour. At the request of the foundation board, the designated representative must provide suitable evidence that the hourly rates charged are in line with the market.

Such mandates may only be issued by the foundation board in exceptional cases. They must satisfy the requirements of Art. 48i OPO 2 "Legal transactions with related parties".

### **2.7. Integrity and loyalty of those responsible**

foundation board and persons and institutions entrusted with the management or asset management of the foundation must comply with the following requirements:

- Compliance with the guidelines of the ASIP Charter.
- Annual submission of a declaration of loyalty in asset management that meets the requirements of Art. 48j to I OPO 2.
- The acquisition of personal pecuniary benefits in excess of the agreed fee must be disclosed annually. Trivial and customary occasional gifts up to an equivalent value of CHF 500 are not subject to disclosure.

All persons entrusted with the business activities of the foundation, namely the foundation board, the managing directors, the employees of the administrative office and asset management, the actuary and the auditors, must have a good reputation and offer assurance that business operations will be conducted properly.

### **2.8. Pension fund committee**

A pension fund committee must be appointed for each company affiliated to the foundation. The pension fund committee is composed as follows:

- a. employer representatives appointed by the employer, and
- b. from at least the same number of insured employee representatives elected by the insured persons (employees). In the case of voluntary groups of insured persons, employees must be involved at least in proportion to their own contributions.

The representatives of the employees shall be elected by secret ballot. The candidates elected are those with the most votes cast (relative majority). If multiple candidates have stood for election when seats are to be allocated, they shall be allocated to those with the highest proportion of votes. The other candidates are deemed to be redundant. In the event of an equal number of votes, the candidate will be chosen by lot.

The pension fund committee notifies the foundation board of its composition by sending the election protocol. The pension fund committee must notify the foundation in writing of any changes. If an insured person who has been a member of the pension fund committee leaves the employment relationship of the affiliated group of insured persons, he also automatically leaves the pension fund committee. A substitute person must be elected for the remaining period or term of office.



The term of office of the members of the pension fund committee is three years. If no new election is held after the end of the term of office, the term of office is automatically extended by one year.

The pension fund committees represent the interests of their groups of insured persons vis-à-vis the foundation board, the executive board of the foundation and the members' meeting.

The pension fund committees elect the foundation board in accordance with the provisions under Section 3 of these regulations.

### **2.9. Alviso Forum (members' meeting)**

The foundation board invites the members of the pension fund committees and the insured persons of the Alviso Pension Fund to the Alviso Forum at least once a year, once the annual financial statements have been submitted. The Alviso Forum is a kind of members' meeting without any function within the foundation and is primarily used to exchange information between the bodies of the foundation and the affiliated companies.

### **2.10. Management**

The foundation board delegates – to the extent permitted by law – the management and operational implementation of the pension fund in accordance with the administrative agreement, affiliation agreement, pension fund regulations and any resolutions of the foundation board to an internal or external managing director appointed by the foundation board or else to a management company.

The competent management requires the responsible managing director to have extensive knowledge of occupational pensions in general, as well as of the variety of relationships to be cultivated in particular. The managing director must also meet the requirements for integrity and loyalty pursuant to Art. 51b of the Occupational Pensions Act (OPA).

The managing director looks after day-to-day business on behalf of the foundation board. He may delegate tasks and responsibilities to his subordinates.

#### **2.10.1. Management duties**

The managing director's duties include the following activities:

##### **Foundation board**

- Drawing up items on the agenda, convening and taking minutes of meetings of the foundation board, as well as attending and providing professional support in meetings of the foundation board
- Management of technical administration, financial accounting and preparation of the annual financial statements and the annual report
- Execution of all tasks described in regulations or schemes as well as the resolutions of the foundation board

##### **Administration**

- Performance of operational tasks in the implementation of occupational pensions
- Advising and supporting affiliated companies, pension committees and insured persons
- Contacts with authorities, external consultants and actuaries, auditors and other occupational pension institutions
- Ensuring internal controls appropriate to the size and complexity of the collective foundation
- Processing insurance claims in cooperation with the reinsurer
- Execution and monitoring of payment transactions
- Managing financial accounting
- Preparatory work in connection with the preparation of the annual financial statements and an annual report
- Production of statistics for the ultimate supervision of occupational pensions (OAK BV) and the Federal Statistical Office (PK statistics)
- Acquiring new clients
- Maintaining contacts with brokers and brokers



### 2.11. Auditors

The foundation must have its business activities audited annually by an independent and recognised auditor (Art. 52b OPA). It must provide the auditors with all information and documents necessary for an appropriate audit. The auditor is elected by the foundation board.

The statutory auditor must report to the highest body of the **occupational pension scheme**. It is not bound by instructions to any persons who are responsible for the management or administration of the foundation. The auditors submit their annual report to the supreme body of the foundation. If it identifies deficiencies during its audit, it must set the occupational pension scheme a reasonable period of time to rectify the deficiencies or restore the proper state of affairs. If the deadline is not met, the auditor is obliged to notify the supervisory authority.

### 2.12. Actuary

The foundation appoints an independent actuary (Art. 52a OPA) who is licensed by the Supervisory Committee pursuant to Art. 52d OPA. The actuary for employee benefits is elected by the foundation board. Pursuant to Art. 52e OPA and Art. 40 ff. OPO 2, the actuary periodically assesses whether the occupational pension scheme offers the assurance that it will be able to meet its obligations and whether the actuarial provisions on benefits and financing comply with statutory provisions.

In the event of a shortfall, the actuary will propose measures to the foundation board pursuant to Art. 65d ff. OPA to remedy this within a reasonable period.

## 3. Election of the foundation board

### 3.1. Introduction

Based on Art. 4.2 of the deed of foundation, the right to vote and the procedure for electing the foundation board are set out below.

### 3.2. Election of employer and employee representatives

All pension fund committees are informed in good time before the end of a term of office or if an additional election is due, about the conduct of the upcoming elections and the number of foundation board seats to be filled.

All pension fund committees of the affiliated groups of insured persons are entitled to submit nominations and propose candidates on the part of both employers and employees.

The following conditions must be met for a person insured with the foundation to stand for election to the foundation board:

- The insured person must be a member of a pension fund committee whose group of insured persons is affiliated with the foundation as employer or employee representative. Each group of insured persons of the foundation is presided over by a pension fund committee.
- employee representatives must meet the applicable criteria with regard to their status as an employee (e.g. no significant involvement in the employer's decision-making process).
- The candidate must have a non-terminated employment relationship with a member employer and the affiliation contract of the pension scheme must not have been terminated either.
- In the case of pension schemes with fewer than ten insured persons, a candidate must be able to provide evidence of written consent as an employee representative of at least 2/3 of the insured persons, or in the case of larger pension plans of at least ten insured persons.

The pension fund committees may nominate non-insured and/or non-employed persons (with the affiliated employer) as external members of the foundation board, provided they are suitably qualified on the basis of their professional experience and qualifications. The above requirements also apply *mutatis mutandis* to external members of the foundation board.

Provided they do not waive their candidacy within the specified submission deadline, the current members of the foundation board will participate in the election without further formal application and will be deemed to have been nominated by the respective pension fund committee.





External persons entrusted with the management or asset management or beneficial owners of companies entrusted with these tasks may not be represented on the highest governing body.

All candidates must be made aware of their grave financial and personal responsibilities. Sound knowledge of occupational pensions is essential for candidates. The foundation board assesses to the best of its knowledge whether the candidate has a good reputation in order to be able to perform their duties on the foundation board.

### **3.3. Election process**

The foundation board appoints an election office for each election, consisting of members of the foundation board and/or the office. The election office is administratively supported by the Secretariat. The candidates proposed by the pension fund committees for election to the foundation board must submit their candidacy to the offices of the Alvoso Pension Fund within a submission deadline of one month after the call for votes is sent out. The call for votes is administered by the election office.

Two electoral lists will be drawn up, each of which will include the employee and employer representatives standing for election. The employer and employee representatives of the pension fund committees each elect the specified number of candidates from the list, whereby each person may only be named once.

The employer and employee representatives of the pension fund committees entitled to vote cast their votes in writing. The completed electoral lists must be returned to the Secretariat no later than 30 days after being sent out.

Valid votes are counted by the election office. An electoral list is invalid if more than the specified number of candidates are on the list, if names are listed that are not candidates for election or if the completed electoral list is not received by the Secretariat on time.

The candidate with the most votes is or will be elected on the employee or employer side. In the event of an equal number of votes, the candidate will be chosen by lot.

The maximum number of voting rights per pension scheme corresponds to the size of the enterprise as follows:

- |   |                 |
|---|-----------------|
| - Enterprise with up to 25 insured persons:           | 2 voting rights |
| - Enterprise with between 26 and 50 insured persons:  | 4 voting rights |
| - Enterprise with between 51 and 100 insured persons: | 6 voting rights |
| - Enterprise with 100 or more insured persons:        | 8 voting rights |

Only one representative (employee or employer) may be elected to the foundation board by a member enterprise. If more than one person is elected, the person with the highest number of votes shall sit on the foundation board. In the event of a tie, lots will be drawn.

If no more candidates are proposed on the employer and/or employee side than seats on the foundation board are to be filled, these candidates shall be elected automatically.

Minutes will be kept of the election results.

### **3.4. Election by replacement during the term of office**

Members of the foundation board who are employed by the employer of an affiliated pension scheme shall retire from the foundation board when it is dissolved, unless the member of the foundation board in question changes to a new employment arrangement with the employer of another affiliated pension scheme. If the affiliation agreement with the pension scheme to which the foundation board member is a member is dissolved, he shall also leave the foundation board. A member of the foundation board has a duty to inform the Chairman of the foundation board without delay if he no longer fulfils one or more requirements under Section 3.2. External members of the foundation board retire from the foundation board by resigning, reaching the age of 70 or by non-re-election.

For the remainder of the term of office, those candidates who were not considered in the last ordinary election of the foundation board shall advance in the order of their number of votes. If no replacement member is available, a replacement election is required for the remainder of the current term of office, whereby the election procedure described in Section 3 shall be applied *mutatis mutandis*.



### 3.5. Date of elections and term of office of the foundation board

The foundation board elections are held three months before the end of a term of office (May to May).

The term of office of the members of the foundation board is three years and begins and ends at the meeting of the foundation board at which the annual financial statements are approved. Re-election is possible.

## 4. Internal controls

### 4.1. Introduction

In accordance with Section 4.3 of the Occupational Pension Supervisory Commission (OPSC) Directive – 01/2021 “Anforderungen an Transparenz und interne Kontrolle für Vorsorgeeinrichtungen im Wettbewerb” (Requirements for transparency and internal controls for competitive occupational pension schemes), internal controls must be used for occupational pension schemes, with several affiliated employers or pensioner portfolios that are competing for affiliation of employers or pensioner portfolios to ensure, among other things, that the fulfilment of the tasks of financial management is controlled and monitored not only at the level of the occupational pension scheme, but also at the level of risk-bearing solidarity communities and groups of insured persons. The decision-makers at the different levels are defined below and the internal control requirements are executed.

### 4.2. Decision-makers

The decision-makers are the bodies according to section 2 (Bodies of the foundation).

These include, in particular:

- At the level of the occupational pension scheme: The foundation board and management, the Investment, Real Estate and Marketing committees.
- At the level of the group of insured persons: The pension fund committees.

### 4.3. Internal control requirements

Internal controls shall ensure at all levels that where the decision-makers listed in section 4.2 are concerned,

- sufficient information is provided of the risks associated with their decisions and the possible consequences resulting therefrom;
- the conflicts of interest (Art. 51b OPA) are identified and disclosed and measures are taken to prevent them;
- the legal transactions with related parties (Art. 51c OPA) are identified and disclosed and that these are carried out under normal market conditions.

It is also ensured at all levels that

- only pension plans are used for which there are confirmations from the expert on occupational benefits schemes in accordance with Art. 52e OPA;
- exclusively investment strategies for which there is a regulatory basis are used.

As the supreme body, the foundation board also ensures that the internal control requirements are met not only by the decision-makers of the occupational pension scheme and groups of insured persons, but also by third parties who provide essential services to the occupational pension scheme or groups of insured persons. The essential services of third parties include, in particular, management, asset management, financial accounting and technical accounting.

### 4.4. Concept and implementation

The internal control system (ICS) of the Alvos Pension Fund is defined in a separate concept paper. The ICS is decided by the foundation board of the pension fund and reviewed by the auditors. The concept paper defines both the control components and the implementation of the internal controls and is intended for internal use only.

### 4.5. Disclosure of conflicts of interest

The responsible persons listed under Art. 2.7 of these Organisational regulations may not be involved in any conflict of interest (Art. 48h and 48I OPO 2). Any impairments to independence due to vested interests must be disclosed in good time to the foundation board and management. Potential conflicts of interest arise through

- membership of supervisory and decision-making bodies



- substantial financial participation
- close private business relationships
- close personal relationships with contact persons, decision-makers or owners

if the companies concerned are current or potential business partners of the pension fund.

If conflicts of interest become known, the foundation board takes effective measures. These usually include the exclusion of the affected member from the corresponding transaction.

Prior to the conclusion of a transaction, or prior to the holding of an election or employment, vested interests must be disclosed as early as possible. Individuals with a vested interest that may affect independence shall be excluded from the decision-making process in question, as well as any associated preparation, consulting or monitoring.

This regulation applies to all responsible persons in accordance with Art. 2.7 of these Organisational regulations.

#### **4.6. Definition of legal transactions with related parties**

Legal transactions with related parties include those with responsible persons in accordance with Art. 2.7 of these Organisational regulations as well as natural and legal persons close to these persons, in particular those as defined in Art. 48I (2) OPO 2. Individuals who give the impression that they could be regarded as related in the above sense must disclose this to the foundation board and management.

Legal transactions with related parties are only permitted if they serve the financial interests of the pension fund and its insured persons and maintain transparency. They must be disclosed to the foundation board and the auditors.

Significant legal transactions must be checked for market conformity. Legal transactions with related parties are considered significant if they involve one-off or annual expenditure of more than CHF 10,000.

In the case of significant transactions with related parties (including the conclusion of asset management contracts), quotes from competitors must be requested. When concluding asset management contracts with related parties, an assessment of the investment opportunity's market conformity must also be carried out by an independent, external investment expert.

The decision-making process must be documented so that the auditor can properly audit significant transactions with related parties during the annual audit of the annual financial statements. (Art. 48i OPO 2).

In accordance with Art. 4.4 of these Organisational regulations, the responsibility and verification of market conformity is implemented in accordance with the definitions in the ICS concept.

## **5. Final provisions**

### **5.1. Responsibilities**

All persons tasked with the administration, management and auditing of the foundation are liable for any damage they cause to the foundation whether intentionally or through gross negligence.

The persons mentioned in Paragraph 1 shall be subject to the duty of confidentiality with regard to all matters and information of a confidential nature concerning the foundation, the pension schemes or the insured persons of which they become aware in the course of their activities. This obligation shall remain in effect even after they cease to work for the foundation.

### **5.2. Cases not covered by any provisions of these regulations**

In cases for which there are no provisions in the regulations, the foundation board shall adopt a regulation corresponding to the purpose of the foundation.



### **5.3. Regulation changes**

The foundation board may amend these regulations at any time. They must take into account the circumstances of the foundation and the statutory provisions and are submitted to the Supervisory Authority for review.

### **5.4. Entry into force**

These regulations shall enter into force upon adoption by the foundation board.

Schlieren, 10 July 2024

The foundation board of the Alvoso Pension Fund

Remo Schällibaum  
Chairman of foundation board

Wolfgang Fanger  
Vice-Chairman of foundation board