



Organisational regulation

Tellico pk

Tellico pk
Bahnhofstrasse 4
Postfach 713
CH-6431 Schwyz
t + 41 58 442 50 00
tellico.ch

valid as of 1 October 2021

1 Preamble

- 1.1 In order to set up an occupational pension plan within the framework of the Federal Act of 25 June 1982 on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA; Bundesgesetz vom 25. Juni 1982 über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge – BVG), the employer has joined Tellco pk (referred to hereinafter as the «Foundation»).
- 1.2 This contract forms the basis for an affiliation relationship between the Foundation and the employer and a pension relationship between the Foundation and insured employees. The terms of these relationships are set out by the Board of Trustees in corresponding contracts or through the adoption of regulatory provisions.
- 1.3 In accordance with the law and contractual provisions, the Foundation will set up a separate pension fund with its own organisation and accounting management to provide the occupational pension scheme for each affiliated employer.
- 1.4 Each pension fund is assigned to one actuarial group (referred to as a compartment). The Foundation runs four different compartments (PRO, PULSE, FLEX and INDIVIDUA). The compartments differ as follows:

PRO

- Collective investment for all affiliated pension funds;
- The investment strategy is based on an equity component of 25 %;
- The affiliated pension funds do not make independent investment decisions;
- Provisions are formed and the coverage ratio determined at compartment level; the coverage ratio is generally the same for all pension funds Pension funds may however have non-committed funds or their own fluctuation reserves.

PULSE

- Collective investment for all affiliated pension funds;
- The investment strategy is based on an equity component of 40 %;
- The affiliated pension funds do not make independent investment decisions;
- Provisions are formed and the coverage ratio determined at compartment level; the coverage ratio is generally the same for all pension funds Pension funds may however have non-committed funds or their own fluctuation reserves.

FLEX

- Each affiliated pension fund can choose from the investment strategy funds determined by the Board of Trustees (Tellco Classic – Strategy 10, 25 or 45);
- Each affiliated pension fund can implement the selected investment strategy itself by appointing an external asset manager;
- Provisions are formed and the coverage ratio determined at pension fund level.

INDIVIDUA

- Where size and risk capacity are sufficient, one individual pension fund may form its own compartment with individual investments;
- The affiliated pension fund makes its own investment decisions (within the framework of the investment options defined by the Board of Trustees) and forms its own investment commission to this end;
- Provisions are formed and the coverage ratio determined at pension fund level.

- 1.5 These regulations set out the organisation of the Foundation and, specifically, the duties of the Board of Trustees, the pension fund commissions and the Executive Board.

I Foundation bodies

2 Governing bodies

- 2.1 The governing bodies of the Foundation are:
- the Board of Trustees;
 - the pension fund commissions of the respective pension funds;
 - the auditor (s);
 - the accredited pension actuary; and
 - the Executive Board.

A Board of Trustees

3 Composition

- 3.1 The Board of Trustees consists of six members.
- 3.2 It has an equal number of employee and employer representatives.

4 Election of the Board of Trustees

Organisation / election office

- 4.1 The Board of Trustees will appoint an election office at the Foundation's registered office. The election office will consist of three members.
- 4.2 The members of the election office may be appointed from the following groups of people:
- Employees from the Executive Board and / or administrative management;
 - Employees of companies entrusted with expert mandates or auditing.

Anyone who has been nominated as an employee or employer representative to the Board of Trustees cannot be a member of the election office.

- 4.3 Elections will be carried out using only the names that are stored in the data management system at the beginning of the electoral process. The electoral process starts
- in the event of re-elections: on ratification of the routine annual financial statements by the Board of Trustees during an election year;
 - where electing new members: on becoming aware of the departure of member(s) of the Board of Trustees.

Eligibility

- 4.4 The following persons are eligible for election:
- as employer representatives: the employer representatives of the pension funds provided the affiliation agreement with the affiliated companies has not been terminated;
 - as employee representatives: the employee representatives of the pension funds provided the affiliation agreement with the affiliated companies has not been terminated.

External representatives of pension funds are not eligible for election to the Board of Trustees.

Right to nominate

- 4.5 The employee representatives of each pension fund have the right to nominate an employee candidate for election to the Board of Trustees. They will exercise their right to nominate jointly.
- 4.6 The employer representatives of each pension fund have the right to nominate an employer candidate for election to the Board of Trustees. They will exercise their right to nominate jointly.

- 4.7 If the number of candidates standing for election is less than the number of seats to be filled, the Board of Trustees must provide additional candidates. In this case, the employee representatives of the Board of Trustees will nominate the employee representative candidates.
- 4.8 Candidates must submit a written declaration stating that they are prepared to accept the mandate if they are elected and that they fulfil all the eligibility criteria.

Election procedure

- 4.9 The pension funds will be requested to submit a written declaration of candidacy for election to the Board of Trustees by registered letter within one month from the mailing date of the election announcement. The timeliness of this candidacy will depend on its arrival at the election office. The form provided for this purpose must be used. Together with the official form, the candidate must enclose a signed CV and current extracts from both the register of criminal convictions and the debt collection register.
- 4.10 The candidacies are checked for conformity with the statutory eligibility conditions. Any candidacies submitted late will be excluded from the election. Candidacies with incorrect or incomplete information must be corrected within five working days (registered letter and post stamp), otherwise these will be excluded from the election.
- 4.11 If the number of candidates standing for election does not exceed the number of seats to be filled, the candidates will be deemed to have been elected automatically.
- 4.12 If the number of candidates exceeds the number of seats to be filled, the election office will produce two ballot papers, one listing the candidates for employer representative and the other listing the candidates for employee representative. This must be done within a period of three weeks from the end of the deadline for submitting declarations of candidacy. The order in which the candidates' names are listed on the ballot paper is determined by the date on which the declaration of candidacy is received, and by alphabetical order if multiple declarations of candidacy are received on the same date.
- 4.13 After the ballot papers for the election of the representatives to the Board of Trustees have been sent to the pension funds, the employer and the employee representatives of the pension fund commissions will elect their respective representatives by secret ballot. Each member of the pension fund commission has one voting right.
- 4.14 The pension fund commissions will vote by postal vote whereby the deadline for submitting votes will be one month from the mailing date (postmark) of the ballot papers. When the returned ballot papers are received, they are checked to ensure that they are valid. To be valid, the returned ballot papers must be originals, which have been filled out correctly. In particular, the following will be invalid:
 - a) Ballot papers which have been filled out in illegible handwriting;
 - b) Ballot papers with handwritten entries, which are irrelevant for the election;
 - c) Ballot papers which are not received at the election office within the set deadline;
 - d) Ballot papers containing the names of persons who are not listed on the ballot paper prepared by the election office.
- 4.15 If the number of candidates on the ballot paper exceeds the number of seats on the Board of Trustees to be filled, the additional candidates will be deleted from the ballot paper, starting with the candidate whose name appears last on the right-hand side at the bottom of the list and then moving to the left and up.

- 4.16 Similarly, if a candidate's name appears more than once on the ballot paper, the repeats of the name will be deleted (no accumulation of votes is possible).
- 4.17 The valid votes will be counted. The results will be recorded in the minutes and then notarised.
- 4.18 The candidates who receive the most votes are elected as members of the Board of Trustees. Lots will be drawn in the event of a tie.
- 4.19 Only one representative may be elected for each affiliated company. If an affiliated company elects several representatives, the representative with the highest number of votes will take a seat on the Board of Trustees. Lots will be drawn in the event of a tie.
- 4.20 The pension funds will be notified of the result of the election within one month at the latest.
- 4.21 Any changes of personnel on the Board of Trustees will be reported to the relevant supervisory authority immediately. This supervisory authority may conduct an integrity and loyalty check.

5 Term of office

Members hold office for a term of five years. Re-election is permitted.

6 Departure

A member of the Board of Trustees must step down during his or her term of office if any of the following occurs:

- a) The member is not employed by an affiliated employer.
- b) The member does not have an untermiated follow-up contract with their employer.
- c) The member no longer satisfies the eligibility criteria for an employer or an employee representative.
- d) The member resigns.

7 Election of new members

If a member steps down from the Board of Trustees prior to the expiry of his / her term of office, he or she will be succeeded by the candidate who had the highest number of votes of those not elected at the last ordinary election.

8 Constitution

- 8.1 The Board of Trustees will elect its own officers. It elects a chairman and a vice-chairman from among its members; one of these must be an employer representative and the other an employee representative. Re-election is possible.

The Board of Trustees is chaired alternately by the Chairman or the Vice-chairman each year.

The vote of the Chairman is not counted twice in Chairman and Vice-chairman elections or re-elections. In the event of a tie vote, the procedure will fall in line with Article 51 (4) OPA, whereby the accredited pension actuary is appointed as a neutral expert.

9 Meetings

- 9.1 The Chairman convenes meetings of the Board of Trustees at least 10 days in advance by sending its members a written invitation, which includes the agenda. If all members of the Board of Trustees have given their consent thereto, such period may be waived. A meeting of the Board of Trustees must also be convened if one-third of its members call for a meeting.

10 Adoption of resolutions

- 10.1 The Board of Trustees is quorate if the majority of its members are present.
- 10.2 Decisions and resolutions are adopted by a simple majority of the votes cast by the members present. In the event of a tie vote, the casting vote decides. Entitlement to the casting vote alternates annually between the chairman and the vice-chairman (see Ziff. 8).
- Resolutions may also be adopted by way of a circular resolution if no member requests an oral discussion of the resolution. Circular resolutions must be unanimously adopted.
- 10.3 All resolutions must be recorded in minutes to be signed by the chairman and the secretary. The minutes record all resolutions and all key discussions. Members of the Board of Trustees may request that their vote be recorded verbatim.

11 Signing authority

- 11.1 Every member of the Board of Trustees is authorised to sign jointly with another member of the Board of Trustees.
- 11.2 The Board of Trustees may confer signing authority on other persons.

12 Duties and powers

- 12.1 The Board of Trustees is responsible for the overall management of the Foundation and its compliance with statutory requirements. It determines the Foundation's strategic objectives, the principles which it should follow and the means of ensuring that this occurs. The Board of Trustees defines how the Foundation should be organised, ensures that it is financially stable and monitors the conduct of business (which is carried out by the Executive Board on its behalf and in accordance with its instructions). It represents the Foundation in dealings with third parties.
- 12.2 The Board of Trustees manages the assets with a view to ensuring that investments are safe and generate adequate returns, that risks are spread appropriately and that projected cash requirements are met.
- 12.3 In particular, the Board of Trustees has the following non-transferable and inalienable powers:
- Establishing the financing system;
 - Establishing performance targets and pension plans as well as the policy for the appropriation of non-committed funds;
 - Issuing and amending regulations;
 - Defining the investment pools available to the pension funds and approving the investment strategies of the investment pools (PRO and PULSE compartments);
 - Checking and prior approval of the investment strategy chosen by a pension fund (FLEX and INDIVIDUA compartments);
 - Overseeing customised investments at pension fund level (FLEX and INDIVIDUA compartments);
 - Monitoring annual performance (all compartments);
 - Preparing and approving the annual financial statements on 31 December of each year;
 - Defining the level of the technical interest rate and the other technical bases;
 - Defining how the Foundation should be organised and specifying the persons who should be granted signing authority;
 - Appointing and dismissing members of the investment commission (provided this does not fall within the remit of the pension fund commission);

- l) Selecting other external experts such as, for example, investment controllers, to assist the Board of Trustees in performing its management tasks;
- m) Appointing and dismissing the Executive Board;
- n) Selecting and dismissing the accredited occupational pension actuary and the auditors;
- o) Determining the system of accounting;
- p) Ensuring policyholders are provided with information;
- q) Taking measures to ensure that the members of the Board of Trustees receive training and professional development;
- r) Making decisions regarding total or partial reinsurance of the Foundation and selecting a reinsurer where applicable;
- s) Deciding on reasonable remuneration for its members' and the investment commission's attendance at meetings and training courses;
- t) Defining the objectives and principles of asset management as well as implementing and monitoring the investment process;
- u) Conducting periodic reviews to ensure that the investment of the Foundation's assets is consistent with its obligations over the medium and long term.

12.4 The Board of Trustees may delegate the preparation and implementation of its resolutions or its transaction monitoring to committees or individual members of committees.

It ensures that its members receive adequate reports.

12.5 It ensures that the Foundation's internal controls are appropriate for its size and complexity.

12.6 Any powers that the law, the Foundation Deed or the regulations do not expressly reserve to other bodies of the Foundation, to the employers or policyholders will reside in the Board of Trustees.

13 Accounting

Standard 26 of the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER 26), in the version of 1 January 2014, must be applied to the valuation of assets and liabilities and to the preparation and presentation of the annual accounts. If the Foundation consults any experts, investment advisers or investment managers, their names and positions must be reported in the annual report.

14 Training and professional development

The Foundation ensures that the members of the Board of Trustees undergo training and professional development in a manner that equips them to carry out their management tasks.

15 Asset management

15.1 The Board of Trustees appoints asset managers. The Board of Trustees uses the Investment Regulations to lay down the requirements which must be satisfied by persons and institutions that invest and manage the Foundation's assets.

15.2 The Board of Trustees is supported by an investment commission in asset management for the compartments PRO, PULSE and FLEX.

15.3 The Board of Trustees has, among others, the following tasks in relation to asset management:

- a) Laying down the requirements which must be satisfied by persons and institutions that invest and manage the Foundation's assets;

- b) Issuing investment regulations and a reserves management policy, which set out the objectives and principles governing asset management;
 - c) Approving the asset management strategy (strategic asset allocation) for all compartments;
 - d) Structuring, monitoring and controlling the investment process in a transparent fashion and with due regard to risk and return for all compartments.
- 15.4 Investments must be carefully selected, managed and monitored. The primary task of the Board of Trustees in connection with asset investment is to ensure that the objective of pension provision is guaranteed. Return targets must be geared to the ability of the compartments to compensate for market-driven fluctuations in the value of the total assets which are to be expected.
- 15.5 In evaluating the security of investments, due consideration must be given to total assets and liabilities, the structure and the expected growth of the portfolio of pensions.

16 Controlling and reporting

- 16.1 Investment controlling must be organised in such a way that the necessary management-relevant information is available on a timely and reliable basis and that the transparency of the investment process necessary for efficient management and monitoring is guaranteed continually and at all times.
- 16.2 The Board of Trustees will appoint an independent controller. The controller must be organisationally separate from / must not be an employee in asset management or on the Executive Board. In particular, the controller has the following tasks:
- a) Helping the Board of Trustees to define the investment strategies (PRO, PULSE and FLEX compartments);
 - b) Monitoring asset structure and, in particular, compliance with statutory and regulatory ranges as well as investment guidelines across all compartments;
 - c) Assisting in the periodic review of fitness of the investment guidelines for purpose;
 - d) The Board of Trustees' and the investment commission's contact for issues of asset management;
 - e) Assisting in the periodic issue of a study to determine the target fluctuation reserve in accordance with the «Provisions and Fluctuation Reserves» regulations and comparing the value calculated with existing reserves;
 - f) Preparing management-relevant information at the behest of the investment commission or Board of Trustees.
- 16.3 The independent controller presents the results to the investment commission and, at least once a year, to the Board of Trustees.

17 Administration

The Board of Trustees transfers, among other things, day-to-day operational management to the Executive Board.

18 Monitoring

- 18.1 The Board of Trustees appoints the auditors for the annual review of the conduct of business, accounts and investments. The auditor performs these tasks in accordance with the statutory provisions.

- 18.2 The Foundation must commission an accredited pension actuary at least once every three years to review whether:
- the Foundation offers security to ensure that it can meet its obligations at all times; and
 - the regulations on actuarial provisions governing payments and financing meet the statutory requirements.
- 18.3 If the auditors or expert discover shortcomings in the management of the Foundation, they must inform the Board of Trustees and, where necessary, the supervisory authority and propose suitable measures for rectifying the issues.

B Executive Board

19 Duties and obligations

- 19.1 The Executive Board has the duties and powers that are delegated to it by the Board of Trustees. A schedule of tasks may be drawn up for these purposes.
- 19.2 Under the framework of the statutory provisions, in particular the provisions governing proper pension fund accounting, the Executive Board manages the financial reporting and the conduct of the annual audit, the preparation of the annual financial statements, consisting of the balance sheet, operating statement and the notes, and the preparation of the annual financial report.
- 19.3 In addition, the tasks assigned to the Executive Board include the following:
- Preparing and implementing the resolutions of the Board of Trustees;
 - Attending meetings of the Board of Trustees in an advisory capacity;
 - Dealing with the authorities as part of day-to-day management;
 - Handling any correspondence that arises;
 - Providing information to the insured;
 - Handling any other problems related to the objects and purpose of the Foundation;
 - Informing the Supervisory Board of any employers that have not transferred their regulatory contributions within three months of the agreed due date.
- 19.4 Those persons who perform the tasks of the Foundation's Executive Board must demonstrate that they have extensive knowledge of both the practical and theoretic aspects of pension insurance.
- 19.5 The Executive Board is subject to the instructions and oversight of the Board of Trustees.

C Pension fund commission

20 Pension fund commission

- 20.1 The Foundation sets up a dedicated pension fund for each affiliate of the Foundation. All pension funds are independent from one another organisationally and economically.

Composition and elections

- 20.2 The pension fund commission for each pension fund is composed of equal numbers of employer and employee representatives as follows:
- Employer representatives appointed by the employer;
 - An equal number of employee representatives who have been elected from among the insured with consideration given to the categories of employees.

20.3 All employees insured by the pension fund whose employment contract is untermiated are eligible for election and are eligible to vote. External employee representatives are not eligible for election.

Employees appoint their representatives from their respective midst.

Employer representatives are appointed by the employers. External employer representatives are not eligible for election in the INDIVIDUA compartment.

20.4 Representatives are elected by a simple majority of the votes cast (relative majority). The candidates who received the most votes are elected. Lots will be drawn in the event of a tie.

20.5 The same rules apply to elections to fill a vacancy.

20.6 The Foundation must be informed of the election results in writing through submission of a copy of the election minutes.

20.7 Employees will cease to be members of the pension fund commission if their employment terminates. A replacement will be elected for the remainder of the term of office.

20.8 Where the members of the pension fund commissions change, the Foundation must be notified in writing without delay.

Term of office

20.9 Unless stipulated otherwise by the pension fund commission, the term of office on the pension fund commission is set at five years. Members will cease to be a member of the pension fund commission in the event that their employment contract with the employer is terminated, in the event of dismissal (by the employee representatives for the pension fund) or at the determination of the employer (for the employer representatives). In such cases a new member should be appointed to the vacancy in line with clause 21.3.

Constitution

20.10 Each pension fund commission constitutes itself and elects a chairman from among its members. The chairman's term of office is five years. Re-election is possible.

Duties and powers

20.11 The pension fund commission represents the interests of the pension fund in relation to the Board of Trustees and manages the employer's pension fund in accordance with the Foundation Deed and applicable regulations; specifically, this means:

- a) administering the individual pension funds;
- b) implementing pension plans;
- c) providing information to the policyholders;
- d) checking to ensure that the employer supplies the documents and reports provided for in the affiliation agreement;
- e) assisting in obtaining the documents required to substantiate a claim in the case of an insured event;
- f) passing resolutions on the appropriation of the pension fund's non-committed funds in accordance with the Foundation's purpose and the principle of equal treatment; and
- g) obtaining consent to dissolve affiliation agreements for all policyholders where an absolute majority is required.

Additional duties and authorities for customised investment strategies (INDIVIDUA compartment)

The following additional authorities apply with regard to pension funds with their own investment strategy:

- h) Investment strategy and the ranges for this submitted to the Board of Trustees and the institute entrusted with asset management for approval in accordance with the investment provisions;
- i) Application regarding the formation of provisions and reserves for the pension fund submitted to the Board of Trustees for approval;
- j) Application regarding necessary restructuring measures and the undertaking of statutory information duties in the event of an underfunding of the pension fund submitted to the Board of Trustees for approval;
- k) Decision-making as to retirement savings interest rate;
- l) Application regarding the conversion rate applicable to the pension fund submitted to the Board of Trustees for approval in line with the provisions of the pension fund regulations.

20.12 The pension fund commission may inspect any documents that the Foundation has in its possession which it needs to carry out its tasks.

Meetings and resolutions

20.13 Each pension fund commission holds meetings as often as the business of the pension fund requires it, but at least once a year in the case of collective investments and four times a year for custom investments.

20.14 The pension fund commission is convened by the chairman or, on their behalf, by the vice-chairman, at least 10 days in advance by written notice, stating the items on the agenda. If all members of the pension fund commission have given their consent thereto, the 10-day period may be waived. The pension fund commission may also be convened at the request of one of its members.

20.15 Meetings are presided over by the chairman or, in their absence, by the vice-chairman.

20.16 The pension fund commission passes resolutions by simple majority. In the event of a tie vote, the chairman has the casting vote. Pension fund commissions that consist of only two members can only adopt resolutions unanimously.

20.17 Where the above provision applies, the pension fund commission will set proceedings itself. It may form committees for special tasks and enlist experts in an advisory capacity.

Recording of the minutes

20.18 Minutes must be kept of the resolutions and signed by both an employer and an employee representative. Copies of the minutes must be submitted to the Foundation.

20.19 Where appropriate, resolutions must be notified to the insured persons; however, in such cases, the Board of Trustees' consent must first be obtained.

20.20 Every member of the pension fund commission may request that his or her vote be recorded in the minutes. The minutes and the related files must be available to the members of the pension fund commission for inspection at all times.

20.21 Copies of the minutes must be submitted to the Board of Trustees within 14 days from the date of the meeting or the decision and without prior request.

Signature arrangements

20.22 Unless the pension fund commission has decided otherwise, correspondence with the Foundation must be signed jointly by both an employer and an employee representative.

D Investment commission

If a pension fund is free to set its own investment strategy (INDIVIDUA compartment), the investment commission of the pension fund assumes the asset management in accordance with the provisions in Ziff. 24 – Ziff. 27 of the investment commission. The provisions for the composition, term of office and constitution of the Board of Trustees' investment commission (Ziff. 21 to Ziff. 23) therefore apply correspondingly to the pension fund commission's investment commission. There is no requirement to appoint an external member. The Board of Trustees will form an investment commission to undertake asset management for all other pension funds (PRO, PULSE and FLEX compartments).

21 Composition of the Board of Trustees' investment commission

21.1 Members of the investment commission are appointed by the Board of Trustees.

21.2 The investment commission is made up of at least two members of the Board of Trustees and at least one external member. External members must not be involved in asset management or part of the Executive Board. The investment commission will be chaired by an external member. Asset managers may chair the commission, but do not have voting rights.

22 Term of office of the Board of Trustees' investment commission

The members of the investment commission are appointed for a five-year term of office. They may be re-elected following the expiry of the term of office.

23 Constitution of the Board of Trustees' investment commission

The investment commission constitutes itself and elects a chairman from among its members.

24 Duties and powers

24.1 The investment commission

- a) applies to the Board of Trustees to approve investment strategies, the ranges for these and the corresponding fluctuation reserves (target and / or minimal fluctuation reserve) for both the customised investment strategies of the pension funds / compartments (FLEX and INDIVIDUA compartments) and the investment pools (PRO and PULSE compartments);
- b) appoints asset managers at the instruction of the Board of Trustees;
- c) defines the tactical allocation of the investment pools (PRO, PULSE and FLEX compartments);
- d) exercises any voting rights associated with the investment of assets;
- e) oversees investment activity and compliance with the investment regulations and informs the Board of Trustees immediately of any deviations from the investment regulations, the investment strategies or any other investment objectives defined by the Board of Trustees; and
- f) ensures investment activities are reported to the Board of Trustees.

24.2 The investment commission will complete the duties assigned to it independently and in accordance with mandate issued. The Investment Regulations adopted by the Board of Trustees and investment strategies approved by the Board of Trustees form the basis for this. The Board of Trustees may stipulate that the investment commission obtain its consent under certain circumstances or for certain actions.

24.3 The investment commission may enlist specialist individuals or institutions to perform its duties.

24.4 The investment commission will submit a comprehensive report in relation to investment activity to the Board of Trustees annually to coincide with the approval of the annual financial statements. Exceptional events should be reported to the Board of Trustees on a running basis.

25 Convening meetings

25.1 The investment commission will be convened by the chairman as often as business requires it – but at least once a quarter – with simultaneous notice of the items on the agenda.

25.2 The investment commission may also be convened at the request of one of its members.

26 Adoption of resolutions

26.1 Meetings are presided over by the chairman or, in their absence, by the vice-chairman.

26.2 The investment commission may adopt resolutions if at least two members are present. Resolutions may also be adopted by way of a circular resolution. Circular resolutions must be unanimously adopted.

26.3 Resolutions will be passed with the majority of votes of members present. The chairman votes as well. In the event of a tie vote, the vote of the chairman is counted twice.

26.4 If, under exceptional circumstances, the investment commission cannot be convened and one of the commission members views an immediate decision as to the value of an investment as urgent, the chairman or vice-chairman of the Board of Trustees should be consulted immediately.

27 Recording of the minutes

Minutes should be taken of resolutions including justifications and detailing the negotiations of the investment commission and signed by the chairman and the secretary. Every member may request that his or her vote be recorded in the minutes. The minutes and the associated documents should be supplied to the Board of Trustees and made available to the Board of Trustees and the investment commission for inspection at all times.

II Common provisions

28 Conflicting provisions

In the event of a conflict between the provisions of these Organisational Regulations and the Foundation Deed or the Pension Fund Regulations, the provisions of these Organisational Regulations will prevail.

29 Confidentiality

The members of the Board of Trustees and the pension fund commission, as well as any other persons working for the pension fund are obliged to keep secret any information to which they become privy in the course of their work. This obligation will also continue to apply after their membership or administrative tasks terminate.

30 Integrity and loyalty of the responsible parties

Articles 48f et seqq. of the Ordinance of 18 April 1984 on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPO 2; Verordnung vom 18. April 1984 über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge – BVV 2) and the attached Code of Conduct govern the integrity and loyalty of the responsible parties.

31 Responsibility

31.1 The members of the Board of Trustees and the pension fund commission, as well as any other persons involved in pension provision are liable for any loss or damage that they cause the Foundation, regardless of whether the loss or damage was caused deliberately or through negligence (Article 52 OPA).

31.2 Article 755 of the Swiss Code of Obligations (CO; Obligationenrecht – OR) applies mutatis mutandis to the liability of the auditors.

III Final provisions

32 Amendments

The Board of Trustees may amend or supplement these Organisational Regulations at any time provided it gives due consideration to the Foundation Deed. The amended regulations must be submitted to the supervisory authority for information purposes.

33 Entry into effect

These Organisational Regulations were approved by the Board of Trustees at its meeting on 21 September 2021 and will enter into force on 1 October 2021. These replace all previous provisions.

Schwyz, 21 September 2021

Tellco pk
Board of Trustees



Peter Hofmann
Chairman



Pierre Christen
Vice-chairman

In case of differing interpretations, the German text is authoritative.

Appendix

Code of Conduct for preserving integrity and loyalty

I Principles

1. The Code of Conduct applies to all of the Foundation's responsible parties (specifically members of the Board of Trustees, members of the pension fund and investment commissions, the Executive Board, and asset management).
2. The Foundation's responsible parties shall carefully safeguard the interests of the Foundation, the policyholders and pension beneficiaries.
3. Individuals entrusted with the management or administration of the Foundation or asset management must have a good reputation and guarantee the proper conduct of operations. They are subject to a fiduciary duty of care and must safeguard the interests of the Foundation's policyholders in their role. To this end, they will ensure that their personal and business relationships do not give rise to any conflicts of interest.
4. Individuals who manage the Foundation must demonstrate that they have a thorough knowledge of both the practical and theoretic aspects of occupational pensions.
5. Individuals and institutions entrusted with asset management must be qualified for this and grant specific assurance that they meet the requirements as defined under Article 51b (1) OPA and comply with Articles 48g to 48i OPO 2.
6. Changes of personnel on the Board of Trustees, the Executive Board, the Board of Directors or in asset management must be reported to the relevant supervisory authority immediately if the change is to be entered in the commercial register too or if the individual was listed in the last annual report.
7. Asset management, insurance and management contracts concluded by the body for the purposes of providing occupational pensions must be terminable no later than five years after the conclusion thereof without any disadvantages for the Foundation.

II Own-account transactions

Individuals and institutions entrusted with asset management must act in the interests of the Foundation. The following actions in particular are considered improper, regardless of whether financial advantages result therefrom:

- a) Exploiting price-related insider information to obtain a financial advantage;
- b) Trading in a security or an investment where the Foundation is trading in such security or investment and where this may result in a disadvantage for the Foundation; participation in such transactions in another form is considered equivalent to trading;
- c) Excessive trading in the Foundation's accounts without any reason as to why this is in the interests of the Foundation;
- d) Making investments based on prior knowledge of planned or decided transactions of the Foundation (e.g. front running, parallel running or after running); a time frame of 48 hours applies to front running and after running.

III Disclosing interests

Individuals and institutions entrusted with the management or asset management of the Foundation must disclose their interests to the Board of Trustees annually. That includes, in particular, being an economic beneficiary of companies which have a business relationship with the Foundation. Members of the Board of Trustees shall disclose their interests to the auditors.

IV Avoiding conflicts of interest

1. External individuals entrusted with management or asset management or economic beneficiaries of companies entrusted with these tasks may not be represented on the Board of Trustees.
2. Legal transactions concluded by the Foundation must meet the standard market conditions and take into account the provisions of Article 48i OPO 2.

V Legal transactions with associates

1. Legal transactions with associates are permitted if they serve the interests of all beneficiaries.
2. The Board of Trustees will determine which legal transactions with associates are considered significant transactions.
3. Where significant transactions are to be entered into with associates, the Board of Trustees will request at least two competing offers and is responsible for ensuring an objective and transparent evaluation. The decision-making process must be documented to enable the auditors to perform a proper annual audit of the financial statements. Decisions should be taken in the interests of policyholders.

VI Personal financial advantages

1. Persons and institutions entrusted with the management, administration or asset management of the Foundation must set out the form and the amount of the compensation in a written agreement to ensure that it can be clearly determined.
2. Personal financial advantages for responsible parties that extend beyond the ordinary compensation agreed in writing, and which would not be granted to these without their role within the Foundation, are not permitted.
3. Corresponding benefits in kind, especially in the form of cash payments, kickbacks, retrocessions and similar payments should be rejected or returned. In cases of obvious misuse, the affected individual will alert the Board of Trustees.
4. Standard business invitations and occasional gifts are exempt from this rule, provided the limits below are not exceeded:
 - CHF 100.00 per case
 - CHF 1,000.00 per business partner
 - CHF 2,000.00 overall annual limitThese standard business invitations and occasional gifts should however be disclosed to the Board of Trustees.
5. The Board of Trustees will take the organisational measures necessary to implement these provisions:
 - a) Persons and institutions entrusted with the investment and management of pension assets must submit an annual written declaration stating that they have not gained any personal financial benefit in connection with the performance of their work for the Foundation.
 - b) Provisions must be made in asset management contracts that any retrocessions be credited solely to the Foundation.

VII Disciplinary action

In the event of any breach of the provisions governing integrity and loyalty, the Foundation will decide on appropriate sanctions. The penalty clause of Article 76 OPA should also be noted.

Schwyz, 21 September 2021