

Rules of Procedure

Liberty BVG Collective Foundation

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Annex I: Occupational benefits for professional associations

Rules of Procedure

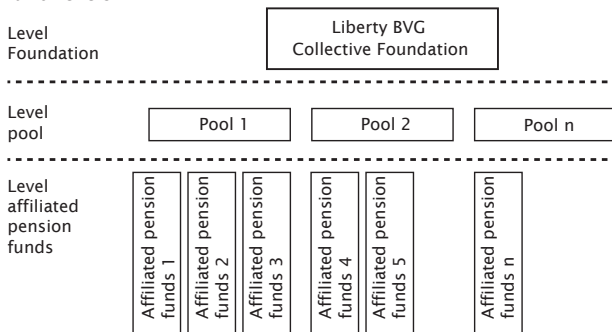
Relying on Article 9 of the Charter of Liberty BVG Collective Foundation (hereafter «Foundation»), the Board of Trustees adopts the following Rules of Procedure (hereafter «Rules»):

Art. 1 Purpose

- 1 These Rules of Procedure regulate how the Foundation and its affiliated pension funds are organised, and the duties and activities of the governing bodies.
- 2 **Interaction with other regulations**
The Rules of Procedure are the basic internal regulations of the Foundation; they shall take precedence over other regulations.

Art. 2 Structure

- 1 The Foundation is organised as a semi-autonomous collective foundation. Schematically, the structure of the pension fund can be divided into the Foundation, pool and affiliated pension fund levels:



- 2 The governing bodies of the Foundation are:
 - a) Board of Trustees
 - b) pension fund committees
- 3 **Accounting groups (pool)**
Each pool is considered a separate accounting group. An accounting group is separated from other accounting groups in respect of all flow and valuation. Accounting groups have their own investment strategy and their own coverage ratio.
- 4 **Risk-bearing unit (pool)**
The risks of death and disability are congruently reinsured. This means that the following risks and decisions remain with the Foundation and the pools:

Risk taker/ Decision maker	Risks				Investment decision
	Retirement/loss	Longevity	Death and disability	Recovery	
Insurance company			X		
Occupational benefits institution					X
Solidarity community	X	X		X	
Affiliated pension funds					

Art. 3 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 51 a 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, ensure its financial stability and monitors management.
- 3 **Composition**
The Board of Trustees consists of at least two employer representatives and two employee representatives. The representatives must be members of one of the affiliated businesses or, if they are not members (external persons), they must have a relationship with the affiliated business.
- 4 The Board of Trustees is responsible for its own organisation. The meetings are presided by an independent, non-voting (the right to vote in the event of a tie in accordance with paragraph 12(a) is reserved), Chair elected unanimously by the equal representation board members. Each board member and the Chair of the Board of Trustees shall be entitled to propose a candidate as Chair. If the equal representation members of the Board cannot agree on a Chair, the latter shall be designated by the President of the cantonal court of Canton Schwyz.
- 5 Each business or group of businesses and persons may appoint no more than one representative to the Board of Trustees.
- 6 The Manager shall attend the meetings of the Board of Trustees in an advisory capacity.
- 7 The investments manager of the management shall attend the meetings of the Board of Trustees in an advisory capacity.
- 8 All members of the Board of Trustees, the investment manager of the management and the manager are bound by the code of ethics in occupational benefits.
- 9 **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. If an employer or an employee representative leaves the Foundation following the

termination of an affiliation agreement or employment contract with an affiliated employer, his membership in the Board of Trustees shall cease simultaneously. In this case, a substitute elected at the last election of Board members shall replace the outgoing member for the remainder of the term of office. The election shall be recorded in minutes.

10 Remit

The Board of Trustees has the following competences in particular:

- preparation of Board of Trustees 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 of Procedure or the Investment Regulations;
- designating the authorised signatories. Signing powers are always joint (with another signatory);
- strategic responsibility for all investments;
- setting the pools' respective investment strategies and the investment organisation;
- establishing and closing the pools available to affiliated pension funds;
- monitoring of asset managers with regard to the implementation of investment strategies;
- ensuring that internal controls of the appropriate scope and complexity are implemented and functioning at Foundation, pool and affiliated pension fund level. To this end, it updates its risk analysis at least once a year and assesses the appropriateness of the internal controls. In doing so, it relies on the work and reports of the management, the asset managers, the risk managers and the auditors;
- designating the manager, investment managers of the management, asset and property managers;
- designating the Auditor for one year;
- designating the Accredited Pension Actuary for one year;
- outsourcing pension plan administration to third parties;
- adoption of all regulations;
- adoption of remuneration and compensation rules;
- decisions on subscribing, granting and securing loans, advances and mortgages;
- designating the reinsurer;
- approving the annual report;
- setting crediting interest rates for the pension assets in the respective pools, for employer contribution reserves and for special assets of the Foundation and affiliated pension funds;
- deciding the allocation of the Foundation's non-committed assets;
- defining the business strategy;
- determining the financing, performance targets and pension plans, whereby the Board of Trustees ensures that the pension plans are reviewed by the Accredited Pension Actuary;
- decisions on recovery measures and measures to eliminate underfunding of the Foundation and the respective pools;

- setting the actuarial discount rate, other actuarial bases and the conversion rate per pool;
- creation of investment fluctuation reserves and actuarial provisions;
- cost-of-living adjustments;
- 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 stating reasons;
- the Board of Trustees may, if necessary, appoint commissions to clarify specific issues.

11 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:
 - possible conflicts of interest are considered when a member of the Board of Trustees, the manager or asset managers are appointed or employed by the Foundation;
 - the disclosure of conflicts of interest is periodically included on the agenda;
 - third parties are informed about the regular disclosure of potential conflicts of interest;
- c) Conflicts of interest in individual cases must be disclosed unrequested to the Board of Trustees.

12 Meetings and resolutions

- a) The Board of Trustees shall be convened by its Chair or by any two 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 votes present; the Chair does not have a vote but presides over the meetings with an advisory vote. In the event of a tie, the Chair has a single vote by way of exception, and thus has the casting vote in the event of a tie. Resolutions may be adopted by circulation. Resolutions adopted by circulation shall be recorded in the minutes of the following meeting;
- b) Meetings of the Board of Trustees shall be convened by the Chair with at least 10 days' notice; the invitation to Board members shall include the agenda. If all Board members agree, the 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.

Art. 4 Election of Board of Trustee members

- 1 The Manager shall inform all pension fund committees about the timing and procedure of elections. In the case of professional associations, the Manager shall inform the respective executive boards and the latter shall forward the information about the timing and the procedure of elections.

- 2 The incumbent Board of Trustees may propose both employer and employee representatives as candidates for election to the Board: the employer representatives may propose candidates as employer representatives and the employee representatives may propose candidates as employee representatives. The proposals shall be submitted to the pension fund committees in writing.
- 3 Each business shall be entitled to propose employer candidates, and the employee representatives to the pension fund committees shall be entitled to propose employee candidates. For the purposes of this clause and with respect to the provision of occupational benefits for professional associations, Annex I shall apply.
- 4 The Board of Trustees examines whether the employee representatives have employee status within the meaning of the occupational pension scheme. The current Board of Trustees rejects candidates if the requirements for employee status are not met. The Board of Trustees also ensures that employee representatives on the pension fund committees fulfil the same requirements. If these requirements are not met in the pension fund committee, the Board of Trustees requests that a new pension fund committee will be appointed.
- 5 Candidates shall be made aware of their significant financial and personal liability. Sound knowledge of occupational benefits is indispensable to stand for election. The incumbent Board of Trustees may refuse candidates who do not satisfy the requirements.
- 6 Persons willing to stand for election to the Board of Trustees shall file their candidacy with the Manager within 60 days of the date the election announcement was sent.
- 7 Two lists shall be prepared, one presenting the employee candidates, the other the employer candidates. The employee and employer representatives on the pension fund committees shall each choose a candidate from their list. The votes of a pension fund committee shall be weighted by the number of active members in the corresponding affiliated pension funds on 1 January of the election year.
- 8 The employee and employer representatives of the voting pension fund committees shall vote by correspondence. The duly completed election lists must be returned to the Manager at the latest within 30 days.
- 9 The candidates with the greatest number of valid votes shall be elected as employee and employer representatives. Elections are decided by a relative majority of the votes cast.
- 10 No more than one representative of any affiliated employer may be elected to the Board of Trustees. If more than one is elected, the one with the greatest number of votes shall sit on the Board of Trustees. Tied votes shall be decided by the drawing of lots.

11 The pension fund committees shall be informed of the new composition of the Board of Trustees within 30 days of the submission deadline.

12 Substitute elections during a term of office

If a member of the Board of Trustees leaves the Board, the employee or employer representative, as the case may be, with the second highest number of votes in the last election shall step in as substitute for the remaining term of office of the outgoing member. If no substitute employee or employer representative is available, substitute elections shall be organised following the normal election procedure. If there is only one candidate standing or proposed to replace an outgoing Board member, the proposed candidate shall be deemed elected by silent voting at the end of the time limit for proposals, subject to the Board of Trustees's right of refusal in accordance with Article 4. If there are several proposals or candidates, the substitute shall be elected following the normal election procedure.

Art. 5 Pension fund committee

1 Constitution and composition

- a) On joining the Foundation, each business shall establish a pension fund committee responsible for the administration of pension benefits, implementation of the regulations and for informing members. A pension fund committee shall be established (as for separate pension funds) for the groups of self-employed members of the professional associations. For the latter, the provisions of the annex on occupational benefits for professional associations (Annex I) shall apply for the purposes of this Article;
- b) The pension fund committee is responsible for its own organisation, whereby the office of chair shall rotate between an employer and an employee representative. The committee shall send the minutes of the election detailing its composition to the Board of Trustees and shall automatically inform the Board about any changes;
- c) The pension fund committee shall consist of at least two members, and an equal number of employee and employer representatives must be appointed. The employer representatives shall be designated by the employer. Are eligible for election as employer representatives members whose employment contract with the employer has not been terminated and non-members (external persons) who have a relationship with the affiliated business. The employee representatives shall be elected from the members of the pension fund with due regard where applicable to the different categories of employee. Eligible for election as employee representatives members are employees whose employment contract with the employer has not been terminated and non-members (external persons) who have a relationship with the affiliated business. All members whose employment contract has not been terminated and who actually have employee status within the meaning of the occupational benefit scheme shall be entitled to vote as employees.

2 Term of office

Members of the pension fund committee are elected for a three-year term of office. On expiry of their term of office, they may be re-elected. If an employer or employee representative leaves the affiliated pension fund following the termination of their employment contract, their membership of the pension fund committee shall terminate simultaneously. The new election shall be recorded and notified to the Foundation.

3 Powers

The pension fund committee has the following powers in particular:

- representing the interests of the pension fund committee vis à vis the Foundation;
- selection of the benefits schemes and their implementation;
- selection of the pool and thus the investment strategy within the framework of the Foundation's specifications, whereby a change of pool is possible at the end of each year and in accordance with the provisions of the partial and total liquidation regulations;
- checking record-keeping (changes in salaries, exits, disability, changes in marital status, deaths, etc.);
- reconciling contribution payments with the reports of the employer or his representatives;
- advising members;
- information to members and organisation of the appropriate information events;
- preparing and submitting proposals to the Board of Trustees (e.g. for amendments to regulations, etc.);
- responding to enquiries and applications from the Foundation, members and pensioners;
- approving amendments to the affiliation agreement or its termination by the business;
- Involvement in examining and determining the requirements for a partial liquidation in the event of a reduction in the workforce or a reorganisation of the company in accordance with the partial and full liquidation regulations;
- decisions concerning the allocation of the pension fund's non-committed assets in accordance with pension objectives and subject to the principle of equal treatment.

4 Meetings and resolutions

- a) The pension fund committee shall meet whenever necessary but at least once a year. Meetings shall be convened by the Chair of the committee or by a majority of its members. Unless disallowed by any data protection requirements, the pension fund committee may delegate business (administrative processing without decision-making powers) to one or more persons appointed by the employer who may attend meetings in an advisory capacity;
- b) the pension fund committee shall be 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;
- c) minutes shall be kept of all decisions of the pension fund committee; the Board of Trustees may view the minutes. The minutes shall be signed by the Chair and the secretary of the meeting. Decisions shall be communicated to the Foundation and the members of the business.

Art. 6 Management

- 1 The Management shall be outsourced to a specialised company that fulfils the legal requirements regarding integrity and loyalty and can competently implement the mandate specified by the Foundation.

2 Powers

- a) The Management has the following powers in particular:
 - structure and organisation of distribution;
 - relations with employers, members, financial intermediaries, asset managers, consultants and brokers;
 - technical administration of the insured persons, including debt collection, processing of entries and exits as well as salary and degree of employment changes, clarification and processing of benefit and pension cases;
 - finance and securities accounting;
 - preparation of annual financial statements;
 - monitoring and securing operational liquidity;
 - managing and implementing of risk management and internal controls according to the specifications of the Board of Trustees especially for monitoring asset investment and the investment strategy of the pools;
 - acting as the contact for all governing bodies, employers, members, pensioners and partners (banks, asset managers, etc.);
- b) the separate management agreement shall be the reference basis for the duties entrusted to the Manager.

Art. 7 Asset managers

The duties and competences of the asset managers and the investment organisation are set out in the investment regulations.

Art. 8 Auditor

- 1 The Board of Trustees shall designate the auditor. The Auditor shall verify 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. 9 Accredited pension actuary

The Board of Trustees shall appoint an accredited pension actuary who shall periodically prepare an actuarial appraisal showing the financial situation of the Foundation (Article 52e(1) BVG).

Art. 10 Related-party transactions

- 1 Related parties are persons pursuant to Art. 48i paragraph 2 BVV 2. Legal transactions with related parties shall be admissible provided they serve the financial interests of all recipients.
- 2 All activities relating to asset and real estate management as well as to management count as significant legal transactions.

- 3 In the case of significant legal transactions with related parties, the Board of Trustees shall request at least two competing offers and shall ensure that the offers are appraised objectively and transparently. The decision-making process shall be documented so as to allow full and proper verification by the Auditor during the annual audit. The decision shall be made in the interest of all recipients.
- 4 The Investment Regulations shall stipulate the rules and responsibilities for related-party transactions relating to asset management.

Art. 11 Disclosure and written confirmation of pecuniary benefits

- 1 The amount and nature of the compensation of persons and institutions 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 1000 per year per partner, subject to a maximum limit of CHF 2500 per year.
- 2 The Manager shall require all persons and institutions 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 obligation to disclose, the Foundation may apply sanctions including, in individual cases, the termination of a mandate or dismissal, and the filing of a criminal complaint.

Art. 12 Other provisions

- 1 **Confidentiality**
All persons responsible for the provision of occupational benefits shall be bound to strict confidentiality with regard to any information acquired in the scope of their duties, in particular with regard to the personal and financial situation of members, pensioners, their families and the employers. The confidentiality obligation shall survive the termination of their assignment.
- 2 **Obligation to provide information**
The annual report and financial statements will contain, in addition to the statutory indications, a listing of all the Foundation's investments.
- 3 **Liability**
The members of the Foundation's governing bodies and all persons and institutions entrusted with benefits administration, management and auditing shall be liable for any damages caused, intentionally or negligently, to the Foundation or a pension fund (Article 52 BVG).

4 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.

5 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. 13 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.

Art. 14 Amendments

The Board of Trustees may decide to amend these Rules at any time. The latest valid version is available at www.liberty.ch or may be obtained from the Foundation.

Art. 15 Annexes

All annexes constitute integral parts of these Rules.

Art. 16 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. 17 Jurisdiction and governing law

All Regulations are governed by Swiss law. Disputes between members, other entitled parties and the Foundation shall be subject to the jurisdiction of the courts in accordance with Article 73 BVG. For the rest, the place of jurisdiction for all types of proceedings shall be Schwyz, as shall the place of performance and debt collection for members and contractual partners not resident or domiciled in Switzerland.

Art. 18 Validity

These Rules shall come into force on 1 January 2025; they cancel and supersede the prior Rules of 2 December 2022.

Schwyz, 6 December 2024

Board of Trustees, Liberty BVG Collective Foundation

Annex I

to the Rules of Procedure of Liberty BVG Collective Foundation

Occupational benefits for professional associations

In amendment to the Rules of Procedure, the following provisions shall additionally apply to occupational benefits for professional associations.

Art. 4 Election of Board of Trustee members

- 3 Each professional association shall be entitled to propose employer candidates, who must be members of the professional association and have concluded an affiliation agreement with the Foundation.

Art. 5 Pension fund committee

1 Constitution and composition

For the groups of self-employed members of the professional associations, a pension fund committee shall be established for each association's pension fund (as for separate pension funds). The pension fund committee of an association's pension fund shall be designated by the affiliated self-employed from among their circle.

2 Term of office

Not applicable in the case of professional associations.

3 Powers

The pension fund committee of an association's pension fund shall have the following powers in particular:

- represent the interests of the professional association and its members vis à vis the Foundation;
- setting up and managing occupational benefit solutions;
 - decision-making on benefits schemes and their implementation; applications to the Foundation for changes in benefits scheme or the establishment of new benefits schemes;
 - in the event that an own BVG pool is maintained within the framework of an association's occupational benefits solution, decisions concerning the investment strategy and its implementation, and applications to the Foundation for changes in investment strategies;
 - periodical review of contractual and regulatory bases;
- information to members and organisation of the appropriate information sessions;
- preparing and submitting proposals to the Board of Trustees (e.g. for amendments to regulations, etc.);

- responding to enquiries and applications from the Foundation and members;
- decisions concerning the allocation of the pension fund's non-committed assets in accordance with pension objectives and subject to the principle of equal treatment.

The duties of the pension fund committee may be delegated to the executive board of the professional association. In particular, the executive board shall be responsible for the administration of the association's pension fund/occupational benefits solution, proper maintenance of the contractual bases and informing members. The executive board may delegate administrative functions to third parties.

4 Meetings and resolutions

Minutes shall be kept of the decisions of the pension fund committee of an association's pension fund; the Board of Trustees may view the minutes. The minutes shall be signed by the Chair and the secretary of the meeting. Decisions shall be communicated to the Foundation and the members of the association's pension fund.