

Rules of Conduct for the Responsible Persons
 (In accordance with the decision of the Board of Trustees of 08.02.2016)

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A General provisions

Article 1 Basis

Based on Art. 49a BVV2, the Board of Trustees shall take appropriate organisational measures in order to meet the statutory requirements placed on the responsible persons in terms of integrity and loyalty (Art. 48f - I BVV 2), and it shall define the requirements which must be met by the persons and institutions who invest and manage the Foundation's assets (Art. 49a (2) (c) and (3) BVV 2).

Article 2 Definitions

Internal responsible persons: All persons who perform a role with decision-making and/or supervisory powers in the Foundation or who work to provide the basis on which decisions are made in the Foundation or who have an advisory role in the decision-making process.

Persons subject to the regulations: All persons obliged to comply with some or all of these regulations, specifically the internal responsible persons and all persons involved in asset management as well as external contractors and third parties subject to the disclosure obligation.

Personal account transactions: Personal account transactions are all transactions with investment instruments which persons entrusted with investing and managing pension assets execute for their own account. Transactions which these persons carry out on behalf of third parties are deemed equivalent to personal account transactions.

Related persons: Persons related to the members of the Board of Trustees, enrolled employers or persons entrusted with management or asset management are defined as, specifically, their spouses, registered partners, partners, children and relatives up to the second degree of kinship (parents, siblings, grandparents) as well as legal entities in respect of which they have an economic entitlement.

Investment instruments: All securities held in the Foundation's assets such as bonds, loans, equities, units in funds and investment foundations, real estate and derivatives.

Article 3 Implementation

In selecting implementation measures, priority shall be given to ensuring the loyalty and integrity of the persons subject to the regulations. Implementation should be traceable (documented), completed in a proper manner and proportionate.

All of the Foundation's bodies shall ensure that all persons subject to the regulations are informed about these regulations and the measures taken to implement them.

Article 4 Delegation to third parties

If management or asset management tasks are delegated to external contractors and third parties who are subject to the disclosure obligation, it must be ensured that these external contractors and third parties also adhere to the principles embodied in the integrity and loyalty requirements.

Article 5 Quality assurance

The Board of Trustees shall ensure that the persons entrusted with management, administration and asset management have a good reputation and guarantee that business is done in an irreproachable manner. Persons entrusted with management responsibilities must also have fundamental practical and theoretical knowledge in the field of occupational pensions.

The Foundation's auditors must check in accordance with Article 52c (1) (c) BVG whether precautions have been taken to ensure loyalty in the asset management process and whether compliance with the duty of loyalty is adequately monitored by the Board of Trustees. Consequently, this topic must be placed on the agenda annually at a Board of Directors meeting and discussion of it shall be recorded in the minutes.

The Foundation shall periodically check that the regulations are being implemented appropriately. All relevant aspects are to be included in these checks such as:

- Compliance with the duty of loyalty and care
- The policy on the provision of information and regulations on personal account transactions
- The agreements with regard to the way in which the responsible persons are compensated
- The handling of legal business with related persons
- The disclosure of potential conflicts of interest
- Sanctions

Article 6 Infringements

Infringements of these regulations and the corresponding internal regulations can lead to sanctions under criminal law in accordance with Article 76 BVG¹.

B Obligations

Article 7 Duty of loyalty

Responsible persons shall act in the interests of the Foundation, the insured persons and the persons entitled to pensions in the performance of their duties. To this end, they shall ensure that no conflicts of interest arise from their private or business affairs and that they disclose any that do arise.

Article 8 Duty of care

The persons entrusted with management or administration of the pension fund or with asset management are subject to a fiduciary duty of care and must protect the interests of the pension fund's insured persons in their activities.

The duty of care involves, among other things, providing clear information that forms the basis for decision-making, carefully selecting, instructing and supervising contractors and, in the case of investment decisions, understanding the risks, expected returns and costs of the investments made.

Article 9 Information provision and reporting obligations

The Board of Trustees shall ensure that the insured persons and persons entitled to pensions as well as employers, pension commissions, supervisory authorities, auditors and occupational pension experts are informed about business activities within the statutory framework truthfully, as appropriate and regularly.

Changes of personnel on the Board of Trustees, or in management, administration or asset management must be reported to the responsible supervisory authorities immediately.

C Pecuniary benefits

Article 10 Compensation

Persons and institutions entrusted with management or administration of a pension fund or asset management for a pension fund must clearly set out the type and amount of the compensation in a written agreement.

Persons and institutions who receive additional pecuniary benefits in connection with their activities for the Foundation must deliver these to the Foundation. Exceptions to this are invitations to business meals, minor payments, common occasional gifts and discounts.

Minor payments and common occasional gifts (including invitations) are defined as one-off gifts worth up to CHF 100 and CHF 300 per year and business partner, but up to a maximum of CHF 500 per year. Minor payments and common occasional gifts are permitted and must be declared.

Invitations to events whose primary purpose is to benefit the Foundation, e.g. specialist seminars, are deemed equivalent to occasional gifts, provided that they are not held more than once a month. To be permitted, events must generally last no longer than one day. Invitations may not be extended to accompanying persons and it must be possible to reach the event by company car or public transport. Social events at lunchtime or in the evening following such an event are permitted.

If pecuniary benefits are retained wrongfully, the Foundation is obliged to demand immediate repayment of such benefits and is entitled to impose sanctions which in individual cases may go as far as terminating the employment relationship or the mandate and bringing criminal charges.

The Board of Trustees has to make the required annual declarations pursuant to Article 48I (2) BVV2 to the auditors, and the persons and institutions entrusted with management or administration of a pension fund or asset management for a pension fund have to make them to the Board of Trustees.

¹ Article 76 Transgressions

... Persons who conduct prohibited personal account transactions, breach the disclosure obligation by providing untrue or incomplete information or act in some other way that runs grossly counter to the pension fund's interests or who retain or fail to disclose pecuniary benefits or retrocessions connected to the management of the pension assets which are not explicitly stated as compensation in the asset management contract shall, unless they have been charged with a transgression or offence under the Swiss Criminal Code⁴ that may attract a more severe punishment, be punished with a prison sentence of up to six months or a fine of up to CHF 30,000.

The delivery and reporting obligation of the aforementioned persons also applies to pecuniary benefits accepted by persons related to them.

Article 11 Trading by persons involved in asset management

Persons and institutions who are entrusted with asset management responsibilities must act in the Foundation's interests. Everyone who makes decisions on the purchase or sale of investment instruments (e.g. equities or bonds, derivatives, units in investment foundations or funds) for the Foundation or is informed of such decisions before settlement of the corresponding transaction/publication of a prescribed notification shall be deemed to be involved in asset management (hereinafter "the involved persons").

The involved persons must not use their position to gain pecuniary benefits for themselves. Consequently, the following activities are prohibited: front running (trading on the basis of knowledge about future transactions by the Foundation), parallel running (simultaneous trading) and after running (appending a personal transaction to a trade), generally trading in the same securities as the Foundation if this could be disadvantageous to it and restructuring Foundation custody accounts unless it is in its economic interest to do so.

The Foundation may issue suitable directives for personal account transactions by involved persons aimed at preventing:

- a. Damage to the Foundation as a result of personal account transactions by involved persons
- b. Conflicts of interest between the involved persons and the Foundation
- c. Exploitation by the involved persons of their position in the Foundation to gain personal pecuniary benefits, such as by misuse of insider information (Article 161 of the Swiss Criminal Code, StGB), front, parallel and after running, assignments of issues, involvement in IPOs, etc.

The directives shall stipulate holding and waiting periods as well as volume and transaction restrictions with a view to reducing the Foundation's exposure to risks. The applicable waiting periods shall be valid not only for transactions in the affected investment instrument but also for transactions in investments whose price is significantly dependent on that of the investment instrument, such as derivatives, other asset classes (registered/bearer) or investment companies with a significant position in the investment instrument.

If transactions are executed via third parties in order to circumvent the above provisions, these shall be treated like personal account transactions.

Article 12 Legal business with related persons

If significant legal business is to be done with related persons, competing offers must be obtained. There must be complete transparency when contracts are awarded.

D Avoidance of conflicts of interest

Article 13 Basis

Persons on the Board of Directors or with responsibility for management or asset management must not enter into any lasting conflicts of interest as a result of their personal and business relationships. Interests that could compromise – or appear from the outside to compromise – independence must be disclosed. Third parties are also subject to the same disclosure obligation if they are involved in the decision-making processes of the Foundation.

Article 14 Potential conflicts of interest

Potential conflicts of interest occur through

- people fulfilling more than one role in connection with activities for the Foundation
- membership of supervisory or decision-making bodies
- significant financial involvement
- close private business relationships
- close personal relationships and/or family ties to contact persons, decision-makers or owners

if the companies or institutions concerned are business associates of the Foundation.

Vested interests can result in conflicts of interest. This must be borne in mind, in particular, in the case of the following business processes and transactions:

- The award of mandates (asset management, IT, consulting, construction, etc.)
- Securities trading
- The purchase, sale or renovation of properties

Article 15 Group of persons with a disclosure obligation

The members of the Board of Trustees and all persons and institutions entrusted with management or asset management are obliged to disclose their potential conflicts of interest.

Disclosures are made to the Board of Trustees. In the case of the Board of Trustees, disclosures are made to the auditors.

Third parties are obliged to disclose their potential conflicts of interest if they have an influence on the above-mentioned decisions of the Foundation as part of an advisory mandate or on the process of drawing up the basis for decision-making. Disclosures are made to the Board of Trustees.

Article 16 Handling conflicts of interest

On potential conflicts of interest becoming known, the Board of Trustees shall take effective measures. The focus is on the following precautions, in particular:

- The person with a potential conflict of interest must either withdraw or delegate decisions to another competent person or body when decisions are taken, when work is done to prepare for a decision to be taken or when supervisory tasks are performed.
- The exclusion of an involved business partner from an ongoing or pending bidding process or termination of an existing business relationship.
- The termination of vested interests deemed to be in breach of contract, including, if need be, the resignation of the relevant person or the decision to relieve the person of his or her duties.

External persons entrusted with management or asset management or beneficial owners of the companies entrusted with these duties may not be represented on the Board of Trustees. It must be possible to annul asset management, insurance and administration contracts no later than five years after they are concluded without any associated disadvantages for the Foundation.

E Final provisions

Article 17 Scope

These regulations were adopted by the Board of Trustees on 08.02.2016 and shall take effect on 01.04.2016.

The Board of Trustees may amend these regulations at any time in accordance with the provisions of the law and the Foundation Deed. Amendments must be reported to the supervisory authority.