



J. Safra Sarasin

# J. Safra Sarasin Vested Benefits Foundation

Regulations

September 2023



# Regulations

Pursuant to Art. 2 of the Articles of Association of J. Safra Sarasin Vested Benefits Foundation (hereafter the “Foundation”), Basel, the following regulations are issued:

In this text, the term “spouse/partner” includes married persons as well as registered partners and partners within the meaning of the Partnership Act (PartG).

## A – General provisions

### Art. 1 – Object

The purpose of the Foundation is the maintenance of obligatory and non-obligatory pension entitlements under occupational pension schemes. To this end, it accepts exit benefits or vested benefits in favour of clients

- who leave their job before becoming entitled to pension benefits and who are not joining a new pension scheme (i.e. their exit benefits or vested benefits cannot be transferred to a new pension scheme) or
- who possess surplus vested benefits on joining a new pension scheme after buying into the full regulatory benefits or
- who arrange transfers to the Foundation from other institutions dedicated to the maintenance of pension entitlements.

### Art. 2 – Content of the Regulations

These Regulations govern the organisation and administration of the Foundation and the rights and obligations of clients in relation to the Foundation.

### Art. 3 – The Clients

The client may choose between account-linked and/or securities-linked investments.

## B – Organisation of the Foundation

### Art. 4 – Board of Trustees

Under the Deed of the Foundation, the management of the Foundation rests with the Board of Trustees. It consists of at least five expert members. The members are appointed by the Founder. At least one member of the Board of Trustees shall not belong to the Founder, nor be active in the business management or asset management of the Founder, nor be a beneficial owner of the Founder or of companies entrusted with the business management or asset management of the Founder. These independent members are chosen directly by the Board of Trustees.

The Board of Trustees elects the chairman and the vice-chairman from among its members. Otherwise, the Board of Trustees is self-constituting.

The Board of Trustees meets whenever necessary at the invitation of the chairman. Any member may demand in writing that the chairman call a meeting of the Board of Trustees. The Board of Trustees meets at least once per year.

The term of office of the Board of Trustees is three years, with the possibility of re-election according to Art. 4 of the Articles of Association.

The Board of Trustees is authorised to pass resolutions provided a majority of its members are present at the meeting. Resolutions are adopted by a majority vote of the members present. The chairman also votes. In the event of a tied vote, the chairman's vote counts twice. Circular resolutions are permitted, provided no member demands that the proceedings be held in person. All resolutions are to be recorded in minutes, to be signed by the chairman and by the minutes secretary.

The Board of Trustees looks after all the business of the Foundation, particularly its asset management, and makes the final decision on all issues of concern to the Foundation with due observance of legal requirements, save as otherwise stipulated in these Regulations. In justified individual cases, whilst respecting the rights of beneficiaries and ob-

serving legal requirements, it may reach decisions that diverge from the Regulations.

The Board of Trustees may appoint a Management Board, a Board of Administration and special committees. It may delegate certain tasks to these bodies, particularly an Investment Committee, provided they are not reserved by law or these regulations for the Board of Trustees.

If the Board of Trustees delegates tasks to an Investment Committee, it shall issue Rules of Procedure governing its organisation, tasks and competencies.

It shall define investment guidelines for the management of the Foundation assets and client assets.

The Board of Trustees shall ensure compliance with the provisions of the Data Protection Act and the Data Protection Ordinance, in particular by issuing processing regulations and a processing directory which regulates the technical and organisational measures, the appointment of a data protection advisor, the training of the employees and the assignment and monitoring of the appointed order processors in accordance with the law.

#### Art. 5 – Management Board

The Board of Trustees transfers the management of day-to-day business to the Management Board. It describes its tasks and competencies in special Organisational Regulations.

Day-to-day business is handled by the Management Board and the Board of Administration under the supervision of the chairman of the Board of Trustees.

The Managing Director is responsible, in particular, for the implementation of the resolutions of the Board of Trustees in cooperation with the Board of Administration. The Managing Director presides over the Board of Administration and monitors its activities.

The Board of Trustees mandates and appoints the persons who are entitled to represent the Foundation, and decides on the nature of their signing powers.

#### Art. 6 – Auditor

The Board of Trustees appoints an Auditor for the annual audit of the management, accounting and investment activ-

ities. The audit mandate shall be granted for periods of one financial year.

The Auditor shall present a written report on its audit to the Board of Trustees.

#### Art. 7 – Cost coverage

The administrative costs of the Foundation are covered:

- a) by contributions from the founder company;
- b) by a cost contribution from the clients of the pension scheme;
- c) by drawing on the available assets of the Foundation.

The Board of Trustees shall issue a fee schedule for fees and expenses.

#### Art. 8 – Financial year

The financial year of the Foundation is the calendar year. The accounts are prepared as at 31 December each year and are presented to the appropriate supervisory authority following approval by the Board of Trustees and auditing by the Auditor.

## C – Account management

### Art. 9 – Segregation of assets / Information

For each client, the Foundation operates an individual vested benefits account whose purpose is to maintain benefit coverage. The received exit benefits or vested benefits are credited to this vested benefits account. The obligatory pension assets under the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (OPA) are kept separate from this account. In the case of transfers from pension schemes, up to three accounts may be held with the Foundation for the same client based on the following vesting cases:

- a) Vested Benefits Ordinance (VBO) Art.12 (where exit benefits are transferred from two independent pension funds, maximum of one account per pension fund),
- b) Vested Benefits Act (VBA) Art. 13 (unused exit benefit) and
- c) VBA Art. 22 et seq. (pension settlement on divorce).

Under VBO Art. 12 (1), at the client's request the Foundation may divide the vested benefits between two accounts with the Foundation, if the transferring pension fund is unwilling or unable to split the assets and, at the same time, it is ensured that the whole of the vested benefits will be transferred to the Foundation. All transferrals after closure of individual accounts are designated by the Foundation as "partial transferrals".

The client receives confirmation from the Foundation after opening the vested benefits account.

Upon opening a vested benefits account, the client or the previous pension funds must send the Foundation a statement of the exit benefit or vested benefit under the previous pension scheme, together with all the key figures required by law.

The following and other amounts are credited to the vested benefits account:

- exit benefits contributed by pension funds;
- vested benefit credits contributed by other vested benefits funds;
- contributed divorce settlements;
- redemptions pursuant to Art. 30d OPA;
- interest;
- sale proceeds of securities investments.

The following are charged to the vested benefits account:

- Transfers to pension funds and vested benefits foundations;
- withdrawals by the account holder as permitted by law;
- divorce settlements;
- purchase amounts for securities investments;
- clients' cost contributions pursuant to Art. 7.

For each client as at 31 December, a statement is prepared showing the vested benefits credit balance (client account and custody account). In addition, the following account details are kept:

- position of retirement pension assets under the OPA;
- position of the vested benefits at age 50;
- position of the vested benefits upon divorce;
- contributions paid into the pension fund in the last three years;
- all key figures required by law.

Upon request, the Foundation shall inform the client of the amount available for use under the scheme to promote home ownership. The Foundation shall provide clients with further information on request, in accordance with the supervisory regulations. Any client may demand that the Foundation provide them with all data administered by the Foundation relating to them personally.

If a specialist agency for collection assistance files a report relating to individuals who are failing to meet their maintenance obligations, as of a specified amount the foundation will immediately inform the specialist agency of any payments due. The pension assets will not be paid to the beneficiary while the corresponding clarifications are being made.

### Art. 10 – Interest

The Board of Trustees determines, in accordance with the law, the rate at which the vested benefits accounts bear interest in line with the market.

Deposits bear interest as of the value date. Interest is credited to the client's account at 31 December each year, whereupon it is added to the pension assets and continues to bear interest together with the latter. If the client leaves the Foundation during the year, interest rate for the current year is calculated pro rata up to the withdrawal date. The applicable rate of interest will be published on the website.

#### Art. 11 – Freedom of choice

Under the law and the agreements between the client and the Foundation, the client may transfer the pension assets to a pension fund or other vested benefits foundation at any time.

The client must inform the Foundation immediately if they join a new pension fund. In this case the Foundation must transfer the vested benefits to the new pension fund. If, based on the client's agreement with the new pension fund, part of the vested benefits still remain after the client has bought into the full regulatory benefits, they may continue to keep these assets with the Foundation.

#### Art. 12 – Investment of Foundation assets / individual assets

The assets of the Foundation are invested by the Board of Trustees in accordance with the relevant legal requirements. The Foundation invests the client's deposits at interest. The client can acquire units (whole units or fractions) in a collective securities portfolio, or invest the vested benefits under an individual mandate. The Board of Trustees issues corresponding guidelines which are named Annexes 1, 2 and 3 and form an integral part of the Regulations.

#### Art. 13 – Purchase and redemption of units in collective investments

The client can acquire and redeem such units on dates fixed by the Board of Trustees (except during the first and last weeks of the accounting year). Whole units or fractions are traded. A fee may be charged and debited to the vested benefits account upon the acquisition of units of collective investments.

The costs of managing an individual mandate shall be regulated in a special agreement with the client. For the duration of the agreement, the investment returns shall in all cases be credited to the client's individual vested benefits account.

#### Art. 14 – Closing the client account and custody account

Closing of the client account in the case of a cash disbursement pursuant to VBA Art. 5 and VBO Art. 16 (2) automatically results in the closure of the custody account.

If closure takes place by reason of age according to VBO Art. 16 (1), the securities holdings, if deliverable, may be transferred from the client's vested benefits custody account to their private assets.

#### Art. 15 – Access to individual pension assets

On reaching the statutory age limit or, at the earliest, five years prior to that date), the client is entitled to have access to the assets. Later disbursement is permitted up to five years after reaching the age limit. They may also use the assets to purchase and build residential property for their own use, to acquire interests in residential property for their own use or to repay a mortgage on a residential property for their own use. This benefit can only be claimed once every five years, and the written consent of the spouse/partner is required in every case.

Early termination is possible only in the following cases:

- a) where the client uses the pension assets to buy into a tax-exempt occupational pension scheme or requests their transfer to another vested benefits foundation;
- b) where the client draws a full disability pension under the Swiss disability insurance scheme and the disability risk is not additionally insured;
- c) where the client is leaving Switzerland for good;
- d) where the client becomes self-employed and is no longer obliged to belong to an occupational pension scheme;
- e) where the pension assets are less than the client's annual pension contribution.

The client or beneficiary shall make all disclosures and present all documents to the Foundation that are necessary to assert a claim for disbursement of the pension assets. The Foundation reserves the right to obtain further clarifications. Married clients and registered partners must obtain the written consent of the spouse/partner for disbursement pursuant to Article 15 (b) to (e). In the case of Article 15 (c) to (e), the signature of the spouse/partner must be officially certified (by a notary or local authority).

If contributions were paid into the former pension fund, the resulting benefits may not be withdrawn as a lump sum within the next three years.

Disbursement of pension benefits is subject to taxation according to the regulations applicable at the time of disbursement (federal withholding tax, income tax, other withholding tax, etc.). Upon disbursement of the assets, the Foundation shall discharge its tax obligations by reporting the taxable benefit to the tax authority and, where applicable, making a withholding tax deduction.

#### Art. 16 – Pension benefit / beneficiary rules

Pension benefit is payable:

- upon reaching the age limit, out of the pension assets;
- in case of disability (pursuant to Art. 15 (2) of the Regulations), out of the pension assets and – if term insurance is held – also out of the entitlement to relevant insurance benefit;
- in the event of death, out of the pension assets and – if term insurance is held – also out of the entitlement to relevant insurance benefit.

Beneficiaries entitled to receive pension are:

- a) in the event of survival, the actual account holder;
- b) after their death, the following persons in the order of priority as listed (numbers 1 to 4):
  1. survivors as defined in Articles 19, 19a and 20 OPA;
  2. natural persons for whose maintenance the client was primarily responsible; or a person who was cohabiting with the client for an unbroken period of at least five years prior to their death or who has to provide for the maintenance of one or more joint children;
  3. children of the deceased who do not satisfy the condition laid down in Article 20 OPA, their parents and siblings;
  4. other legal heirs on the basis of legal succession, excluding public bodies.

The client can define the beneficiaries' claims in more detail and extend the group of persons mentioned in letter b, number 1 to include those in number 2.

Where the client does not specify the entitlements of beneficiaries in the same group (numbers 1 to 4), the Foundation will divide the pension assets equally among the persons concerned.

Details of the beneficiaries must be lodged with the Foundation in writing using the appropriate form by the client.

The (civil) partnership must be registered in writing with the vested benefits foundation in the form of an officially certified partnership agreement. A specimen agreement drafted by the Foundation should be used for this purpose, which must be signed by both partners and forwarded to the Foundation while both partners are still alive.

The Foundation must be notified immediately in writing if there is any amendment or nullification of the partnership. If the amendment or nullification of a partnership is notified too late, or not at all, to the Foundation, the Foundation shall not be held liable for benefits already paid out.

In the event of marriage or if the partnership is nullified there is no longer any entitlement to a lump sum payment pursuant to Art. 16 para 2, letter b, point 2 of the Regulations.

If a further risk benefit (death/disability) is insured, this benefit shall be regulated by separate beneficiary rules.

The pension assets no longer bear interest at latest five years after the client reaches the statutory age limit or from the time of death.

The beneficiary is not entitled to claim benefit if they deliberately caused the client's death. In such a case, the beneficiary will be passed over.

## **D – Relations between clients and the Foundation**

### Art. 17 – Assignment, offsetting and pledging

The pension assets cannot be assigned, offset against other claims or pledged before maturity, subject however to the exceptions permitted under the Swiss Federal Act on the Promotion of Home Ownership Using Funds in Occupational Pension Schemes. The written consent of the spouse/partner is likewise obligatory in such cases.

If matrimonial assets are liquidated owing to divorce or other circumstances, the assets may be wholly or partially assigned or awarded to the spouse/partner by the court. In this case, the court officially informs the Foundation of the amount to be transferred, with all necessary details concerning the maintenance of pension entitlement. The Foundation allows the client to replenish their pension capital up to the amount transferred. Where the client does not replenish their pension capital, transfer results in a reduction of benefits proportionate to the amount transferred upon drawing of pension. At the time of transfer, the Foundation will inform the client of the new, reduced benefits. Any further shortfalls in cover may also be insured outside the Foundation.

### Art. 18 – 2nd Pillar Central Office

When the vested benefits mature, if the Foundation has not received clear instructions from the client concerning their disbursement or if it not clear who the beneficiaries are, these assets will be reported to the 2nd Pillar Central Office, but the Foundation will continue to hold the assets until further notice.

After the expiration of ten years from the legal retirement age, assets in vested benefits accounts are transferred to the OPA Security Fund. If the client's exact date of birth cannot be determined, those vested benefits for which the Foundation has received no communications from the client or their heirs for ten years shall likewise be transferred to the OPA Security Fund.

Once a year before the end of January, the Foundation reports all persons for whom pension assets were held in December of the previous year to the 2nd Pillar Central Office.

### Art. 19 – Insurance

The Foundation offers no cover of its own against the risks of disability and death. Upon request, it will find an insurer specialising in this area.

### Art. 20 – Clients' personal details

Clients shall notify the Foundation of any changes relevant to their relationship with the Foundation or changes of postal address.

The Foundation declines all liability for the consequences of inadequate, late or inaccurate notification. All correspondence to the Foundation must be addressed to its place of domicile. The Foundation sends communications and documents for clients to their last known address and as such are considered to be delivered with legal effect. The date of sending shall be deemed to be the date of the copies or mailing lists in the Bank's possession.

Complaints about instructions given to the Foundation and communications from the Foundation to the client or beneficiary must be made by the applicant or addressee immediately upon receipt of the notification, and at latest within 14 days, otherwise the Foundation will assume it has acted correctly.

### Art. 21 – Data Privacy

The Board of Trustees and all persons entrusted with the administration, management and control of the Foundation are bound to secrecy. Data processing, file inspection, the duty of confidentiality and data disclosure are governed by the Occupational Pension Act (OPA) and the relevant implementing Ordinance (BPO 2). The provisions of the Federal Act of Data Protection (FADP) also apply.

The Foundation obtains the necessary personal data about the clients and, where appropriate, about connected individuals (e.g. family clients, partners) from the client, the employer and other bodies (e.g. other social insurance schemes, courts) for the purpose of implementing the pension plan and in accordance with the legal grounds set out in FADP. By joining the Foundation, the client agrees that this data may be processed for the purpose of implementing the pension plan and that this data may be transferred to the service providers used by the Foundation, the auditor, the supervisory authority, the data protection advisor as well as to other social insurance schemes and authorised recipients.



Personal data collected by the Foundation may include various types of personal data, such as but not limited to (a) information that the client provides to the Foundation (e.g. names, address, birthdate, gender, contact details, place of birth, nationality, bank account details, signature), (b) information that the Foundation collects or generates about the clients or connected individuals (e.g. payment transactions), (c) information about the client or connected individual from other sources (e.g. IP address). Further information on the types of personal data the Foundation may collect and process in its activities can be found on the Federal Data Protection and Information Commissioner's website in Datareg at <https://datareg.edoeb.admin.ch/data-collection/2064>.

If the client provides the Foundation with personal data of other persons such as connected individuals (e.g. family clients, partners) or beneficiaries, the client shall ensure that the respective persons are aware of the collection and processing by the Foundation and that the client only provides the Bank with their data if he/she is allowed to do so and such personal data is correct.

When transferring data, the Foundation shall observe the relevant legal provisions. The data may also be disclosed abroad if the legal provisions for such disclosure are complied with.

Insofar as the law requires the express consent of the client for the transfer of data, the Foundation shall only transfer the data after the consent has been given. The Foundation will provide further information on data protection on request.

The controller of the data processing is J. Safra Sarasin Vested Benefits Foundation (with registered address at 62 Elisabethenstrasse, 4051 Basel, Switzerland, CHE-109.618.856). Pursuant to Art. 25 FADP, the client may request information from the Foundation about the processing of his or her personal data by sending a letter to the attention of the Data Protection Officer at the above mentioned registered address. Clients and relevant connected individuals have the right to have access to their personal data and have incorrect personal data corrected (Art. 32 FADP). Other rights such as the right to erasure and data portability (Art. 28 FADP) are also available.

Personal data shall be retained for as long as is necessary for the respective purpose of processing or as long as the

Foundation has a legitimate interest in retaining it. The statutory retention obligations are also complied with.

The Foundation is entitled, but not obliged, to make the information available via a portal accessible on the Internet. The legitimisation to access the information is carried out by entering authorisation features which are assigned to the client by the Foundation. The person who can enter the authorisation features on the portal is recognised as the person authorised to access the information. The protection of the authorisation features is the responsibility of each client. If there is reason to fear that unauthorised third parties have obtained knowledge of the authorisation features, the client must change them immediately, request new authorisation features from the Foundation or have access blocked by notifying the Foundation. The client shall bear all risks arising from the use - including misuse - of his/her authorisation features, unless the Foundation is grossly at fault. When accessing the portal from abroad, the client expressly consents to the disclosure of personal data abroad.

#### Art. 22 – Reporting duties of the Foundation

The Foundation adheres to Swiss duties of documentation and disclosure. Any further obligations concern only the client in question.

#### Art. 23 – Liability

Where a client fails to fulfil their legal, contractual and regulatory obligations, the Foundation is not liable for the consequences.

#### Art. 24 – Changes

The Board of Trustees can modify these regulations, whilst preserving the acquired rights of clients.

The Foundation will inform clients of substantial changes to the regulations and the legal framework in an appropriate form.

#### Art. 25 – Omissions in the regulations

Where these Regulations fail to include provisions for particular situations, the Board of Trustees shall adopt a provision in line with the aims of the Foundation.

#### Art. 26 – Disputes, jurisdiction

The Regulations are governed by Swiss law. In the event of disputes between the client and the Foundation, the courts of Basel-Stadt have jurisdiction.

In case of disputes as to entitlements, the Foundation is authorised to deposit the assets in accordance with Articles 96 and 472 et seq. of the Swiss Code of Obligations.

Art. 27 – Entry into force

These Regulations come into force on 1 September 2023 and replaces the Regulations of 1 April 2020 and all previous versions.

# Annex 1: Corporate governance / minor gifts

**The following provisions apply, where applicable, to all forms of investment (Annexes 2 and 3).**

## Art. 1 – Corporate Governance – integrity of asset management for the Board of Trustees, Management Board and Investment Committee

### 1.1 Exercise of shareholder rights

In the exercise of voting rights, beneficiaries' long-term interests are the primary consideration. Care is taken to ensure that the enterprise value of the company concerned is maximised for the long term. Voting rights are exercised for directly held shares of Swiss companies quoted on domestic or foreign stock exchanges. Exercise of voting rights is normally delegated to the Management Board. In special situations, the Board of Trustees may issue voting instructions.

These may be based on a circular resolution. In this case, the Foundation will vote according to the wishes of the majority of members of the Board of Trustees taking part in the circular resolution.

Exercise of voting rights is waived in the case of foreign companies.

In the annex to the Annual Report, the vested benefits foundation states that it has informed clients of how it voted.

### 1.2 Integrity of responsible persons

Persons entrusted with asset management must have a good reputation and guarantee good business practice. They have a fiduciary duty of care and in their work must safeguard the interests of the Foundation's policyholders.

Individuals and institutions entrusted with asset management must be competent to guarantee compliance with Art. 51b (1) OPA and Art. 48g to 48l OPO2; external individuals and institutions must also comply with Art. 48f (3) OPO2. It must be possible to terminate asset manage-

ment agreements no later than five years after they were concluded at no disadvantage to the Foundation.

External individuals entrusted with asset management or beneficial owners of companies entrusted with such tasks may not be represented on the Board of Trustees.

All legal transactions performed by the Foundation must conform to usual market conditions. In the case of substantial transactions (global custody agreements, contracts for investment advice, administration and services, purchase/sale of real estate and property management contracts, etc.) with related parties, competitive bids must be obtained and the award must be entirely open.

Own-account transactions: Individuals and institutions entrusted with asset management must act in the Foundation's interest. In particular, they must not:

- exploit knowledge of orders placed by the Foundation concerning the previous, parallel or immediately subsequent performance of concurrent own-account transactions (front / parallel / after running);
- deal in a security or investment as long as the Foundation deals in such security or investment and where this may place the Foundation at a disadvantage; participation in such transactions in another form is tantamount to dealing;
- engage in churning, i.e. reallocating the Foundation's portfolios without any economic reason in the Foundation's interest.

Personnel changes in the Board of Trustees, the Management Board, the Board of Administration or asset management must be notified to the competent supervisory authority immediately.

Surrender of pecuniary benefits: Individuals and institutions entrusted with the management of the Foundation's assets must clearly define the type, manner and amount of compensation in a written agreement. They must surrender to the Foundation any further pecuniary benefits

that they receive in connection with the exercise of their work for the Foundation.

The guidelines relating to minor gifts are defined in Article 2 below.

### 1.3 Disclosure

Individuals and institutions entrusted with asset management must disclose their vested interests to the Foundation each year. These include, in particular, beneficial ownership of companies having a business relationship with the Foundation. In the case of the Board of Trustees, this disclosure is made to the Auditor.

Each year, individuals and institutions entrusted with the management of the Foundation's assets must make a written declaration to the Board of Trustees stating that they have surrendered to the Foundation any pecuniary benefits not agreed in writing with the Foundation (Article 48k OPO2 – see also Article 2 below).

### Art. 2 – Minor gifts

Minor gifts and usual occasional gifts need not be disclosed, the following rules being applicable:

Minor gifts and usual occasional gifts (including invitations) are one-off gifts worth no more than CHF 200 per instance and CHF 1,000 per business partner per year. Minor gifts and usual occasional gifts are permitted and not subject to disclosure.

Invitations to events which are mainly for the Foundation's benefit, such as professional seminars, are considered equivalent to occasional gifts, provided they do not take place more than once per month. Acceptable events are usually limited to one day, do not allow for an accompanying person and are reachable by car or public transport. They may be followed by a social event in the middle of the day or in the evening.

Gifts and invitations exceeding the limits per instance or per year referred to in paragraphs 2 and 3 may be allowed if approved by the Board of Trustees. They must be declared.

Pecuniary advantages in the form of cash benefits (vouchers, allowances) exceeding an amount of CHF 100 per year, as well as kick-backs, retrocessions and similar

payments that are not based on a written agreement with the Board of Trustees, and private invitations for no apparent business purpose (e.g. to concerts, exhibitions, etc.), must be surrendered to the Foundation. The Foundation is entitled to call in such cash benefits and apply corresponding sanctions where appropriate.

### Art. 3 – Changes

The Board of Trustees of the J. Safra Sarasin Vested Benefits Foundation can make amendments or additions to this guideline at any time.

### Art. 4 – Entry into force

This guideline comes into force on 1 July 2017 and replaces all previous rules in this regard.

## Annex 2: Collective asset management guideline

**Pursuant to Art. 2 of the Articles of Association and Art. 12 of the Regulations of J. Safra Sarasin Vested Benefits Foundation (hereafter the “Foundation”), the following provisions apply:**

### Art. 1 – Definition of assets

The assets comprise the available Foundation assets and the client assets. These guidelines apply both to the available Foundation assets and to the client assets.

### Art. 2 – Investment requirements

The assets are to be managed in accordance with recognised principles, above all in compliance with the statutory investment rules imposed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (OPA) and corresponding ordinances, in particular OPO2, whereby not only the security of the investment but also an adequate rate of return and the liquidity requirements of the Foundation must be taken into consideration.

### Art. 3 – Permitted investments

Investments are mainly chosen from subfunds of the J. Safra Sarasin investment foundations. The relevant investment guidelines and supplementary rules of the corresponding subfunds of the J. Safra Sarasin investment foundations are applicable and form an integral part of these guidelines.

With the consent of the Board of Trustees, subfunds of other investment foundations belonging to KGAST (Conference of Managers of Investment Foundations) and subject to its quality standards may also be included in the investment universe. Investments subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA) or licensed for sale in Switzerland may also be approved.

It is permitted to invest in sustainable investments. Alternative investments are possible provided they are recognised as an asset class under OPO2. Other investments are only permitted with the express approval of the Board of Trustees.

If, in addition to the account solution, the pension fund client decides to invest in a collective investment scheme offered by the foundation in accordance with Article 12 of the regulations, a risk profile for the pension fund client must be created at the time of the initial investment, setting out his or her risk capacity and risk tolerance.

The risk profile will be created and established using a form provided by the foundation. The foundation will define, and monitor compliance with, the corresponding necessary processes. Once created, the risk profile determines the risk level and limit for the investment strategies offered and cannot be breached by the pension fund client.

If the investment horizon established during the risk set-up process is less than two years, the foundation is required to recommend the account solution to the pension fund client.

The pension fund client is free to review and redefine his or her risk profile at any time. A periodic review is not performed by the foundation.

For the vested benefits invested, there is no entitlement to interest payments or capital preservation. The foundation assumes no liability in this regard.

The foundation will inform the pension fund client of the investment risks and costs of the investments/investment strategies on offer in the corresponding documents (reports, factsheets etc.) before the initial investment.

Furthermore, with regard to investments in securities within the foundation, the corresponding statutory and regulatory requirements apply, in addition to the directives and communications of the Occupational Pension Supervisory Commission (OPSC) and the relevant supervisory authority.

#### Art. 4 – Units

The Foundation acquires units in collective investments in its own name and for the account of the client, in accordance with the client's instructions. The units are managed in a custody account assigned to the client's client account.

The units have no fixed nominal value and are not documented in the form of securities.

For the part of the pension assets invested in units, the client is guaranteed neither a minimum rate of interest nor preservation of the capital value. The investment risk is borne by the client.

#### Art. 5 – Additional provisions

The provisions of the guideline in Annex 1, particularly those relating to corporate governance and minor gifts, are furthermore applicable.

#### Art. 6 – Changes

The Board of Trustees of the J. Safra Sarasin Vested Benefits Foundation can make amendments or additions to this guideline at any time.

#### Art. 7 – Entry into force

This guideline comes into force on 1 September 2023 and replaces all previous rules in this regard.

# Annex 3: Individual asset management guideline

Pursuant to Art. 2 of the Articles of Association and Art. 12 of the Regulations of J. Safra Sarasin Vested Benefits Foundation (hereafter the “Foundation”), the following investment guidelines apply to the individual investment of vested benefit assets of the Foundation in connection with a discretionary investment management authority issued to Bank J. Safra Sarasin Ltd by the holder of the vested benefits account / custody account with the Foundation (hereafter the “Client”) (hereafter “BJSS”).

Clients with vested benefits in excess of CHF 1 million may invest their pension assets under an individual mandate. Smaller amounts must be approved by the Management Board.

The rules set out under “General provisions” apply in addition to the special provisions.

## General provisions

### Art. 1

The strategic asset allocation (benchmark) and bandwidths relating to asset classes, countries and/or sectors for tactical asset allocation are defined and documented by the BJSS advisor jointly with the client. Active implementation of the investment strategy within these bandwidths is the responsibility of portfolio managers appointed by BJSS. Changes to the strategic asset allocation and the applicable bandwidths must be referred to the Foundation for approval.

### Art. 2

Performance is calculated on the basis of the Swiss franc.

### Art. 3

Fixed-income investments have at least an investment-grade credit rating from Standard & Poor’s or a comparable rating from another reputable rating agency. If no rating is available from these agencies, a comparable bank rating or an implied rating may be used.

### Art. 4

The use of derivative instruments is permitted, subject to adherence to the Ordinance on the Oversight and Registration of Occupational Pension (OP02).

All obligations that arise from derivatives (futures and swaps) or could arise therefrom (options) must be entirely covered. This cover requirement implies that the cash required to meet the underwriting obligations is available for transactions that increase the level of exposure (purchase of futures, purchase of call options, sale of put options).

The corresponding underlying investments must be available to meet the delivery obligation for transactions that reduce the level of exposure (sale of futures, sale of call options, conclusion of interest rate and currency swaps). The use of derivative instruments is only permitted provided an equivalent investment using underlying investments does not require borrowing. ‘Equivalent’ means that the financial exposure is the same, in that the value of the physical investment and the derivative investment evolve in the same way.

No implicit breaches of the investment guidelines may arise during transactions that either increase or reduce the level of exposure.

### Art. 5

Investments may be made in direct and/or collective investments.

### Art. 6

Cash may be invested with investment-grade issuers for a maximum of 1 year. Cash is invested in Swiss francs (CHF) and in those currencies in which investments are made.

### Art. 7

It is permitted to invest in sustainable investments.

### Art. 8

Securities lending is not allowed.

#### Art. 9

Corporate governance: The voting rights of “Swiss equities” are exercised by the Foundation’s Management Board. They may be delegated to third parties. In the exercise of voting rights, investors’ long-term interests are the primary consideration. Care is taken to ensure that the enterprise value of the company concerned is maximised for the long term. The Foundation may deviate from these rules in special situations (acquisitions, mergers, elections, grant of discharge, remuneration, changes to the articles of association, etc.).

For practical reasons, shareholder voting rights are not exercised in the case of “international equities”.

#### **Special provisions**

#### Art. 10 – Permitted investments

The assets are to be managed in accordance with recognised principles, above all in compliance with the statutory investment rules imposed by the Occupational Pensions Act (OPA) and corresponding regulations, in particular OPO2, whereby not only the security of the investment but also an adequate rate of return and the liquidity requirements must be taken into consideration.

The following investments are permitted:

- a) Cash;
- b) Exposures in a fixed amount, particularly credit balances on postal cheque accounts and bank deposits, bonds including those with conversion or option rights, mortgages, covered bonds and other debt instruments, whether or not secured by a lien or securitised;
- c) real estate properties in sole or co-ownership, also buildings constructed in accordance with planning regulations and building land;  
real estate investments may only be made through diversified collective investments (funds subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA) or licensed by it for sale in Switzerland) and/or subfunds of investment foundations belonging to the Conference of Managers of Investment Foundations (KGAST) or through listed investment companies with net asset value (NAV);

- d) shares, participation certificates, dividend right certificates and similar securities and participating interests, and cooperative shares; holdings in companies are permitted if they are listed on a stock exchange or other regulated market open to the public;
- e) Derivatives: forward contracts, futures, options, exchange transactions (swaps), swap options;
- f) alternative investments without margin-call or collateral obligation, such as hedge funds, commodities, private equity, insurance-linked securities or similar investments;

Alternative investments may only be made through diversified collective investments, diversified certificates and diversified structured products or via exchange-listed investment companies with NAV.

If, in addition to the account solution, the pension fund client decides to invest in a collective investment scheme offered by the foundation in accordance with Article 12 of the regulations, a risk profile for the pension fund client must be created at the time of the initial investment, setting out his or her risk capacity and risk tolerance.

The risk profile will be created and established using a form provided by the foundation. The foundation will define, and monitor compliance with, the corresponding necessary processes. Once created, the risk profile determines the risk level and limit for the investment strategies offered and cannot be breached by the pension fund client.

If the investment horizon established during the risk set-up process is less than two years, the foundation is required to recommend the account solution to the pension fund client.

The pension fund client is free to review and redefine his or her risk profile at any time. A periodic review is not performed by the foundation.

For the vested benefits invested, there is no entitlement to interest payments or capital preservation. The foundation assumes no liability in this regard.

The foundation will inform the pension fund client of the investment risks and costs of the investments/investment



strategies on offer in the corresponding documents (reports, factsheets etc.) before the initial investment.

Furthermore, with regard to investments in securities within the foundation, the corresponding statutory and regulatory requirements apply, in addition to the directives and communications of the Occupational Pension Supervisory Commission (OPSC) and the relevant supervisory authority.

#### Art. 11 – Compliance with OPO2 restrictions

All of the restrictions defined below must be observed for the listed investments. Bandwidths may be defined individually. Individual restrictions defined by the client may not exceed, but may be less than, the maximum permitted percentage under OPO2:

- a) Cash up to 100%, bank deposits and credit balances on postal cheque accounts, fixed-term deposits at Swiss banks with a maximum term of 12 months and up to 10% per issuer;
- b) Bonds up to 100%; 10% per issuer, other than the Swiss Confederation, mortgage-lending institutions and medium-term notes at Swiss banks, up to 15% in convertible bonds and option bonds;
- c) Foreign currency up to 50%; up to 30% without currency hedging, up to 30% per currency;
- d) Receivables up to 50% in mortgage bonds and mortgage notes, maximum of 10% per issuer, other than the Swiss Confederation and mortgage-lending institutions;
- e) Equities up to 50%; maximum of 5% per participation;
- f) Real estate up to 30%, of which a up to 1/3 foreign; maximum loan-to-value 30%;
- g) Alternative investments up to 15%; only in collective investments and without margin-call or collateral obligation;
- h) Issuer rating for fixed-income investments up to 20%

##### *Direct investments*

- Minimum rating for purchase A- / A3
- With downgrade at least BBB-
- <AA- maximum 5% per issuer

##### *Collective investments*

- The average rating of the collective investment applies
- Minimum average rating of the collective investment B + / B1

- A maximum of 20% with an average rating <BBB- / Baa3

#### Art. 12 – Extension of investment opportunities

Extended investment opportunities may be utilised within the scope of the individual investment. Category limits and individual issuer limits may essentially be extended as follows:

- a) Foreign currency up to 70%; up to 50% without currency hedging, up to 30% per currency;
- b) Real estate up to 50%; of which up to 1/3 foreign; maximum loan-to-value 50%;
- c) Equities up to 100%; maximum of 5% per participation;
- d) Alternative investments up to 25%; only in collective investments and without margin-call or collateral obligation;
- e) Issuer rating for fixed-income investments up to 15% non-investment grade issuers; maximum of 1% per issuer.

If the client opts to extend the investment guidelines, stricter requirements apply with regard to individual risk capacity, risk tolerance and overall financial situation.

#### Art. 13 – Collective investments

Collective investments are jointly invested assets of different investors.

Participation in collective investments is possible, provided these schemes invest in accordance with Art. 11 and 12 and provided the collective investments are organised, with regard to the definition of investment guidelines, allocation of competencies, unit calculation and purchase and redemption of units, in such a way that the interests of the investors concerned are safeguarded in a transparent manner.

Direct investments contained within collective investments are to be included when determining compliance with individual and overall limits pursuant to Art. 11 and Art.12. Issuer- and company-related limits are deemed to be observed if the direct investments of the collective investment are appropriately diversified or the individual participation in a collective investment is less than 5% of the total assets.

#### Art. 14 – Additional provisions

The provisions of the guideline in Annex 1, particularly those relating to corporate governance and minor gifts, are also applicable.

#### Art. 15 – Changes

The Board of Trustees of the J. Safra Sarasin Vested Benefits Foundation can make amendments or additions to this guideline at any time.

#### Art. 16 – Entry into force

This guideline come into force on 1 September 2023 and replaces the guideline of 1 July 2021 and all previous versions.



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