

Swiss Life
Occupational Pension Foundation, Zurich
(foundation)

Foundation Charter

Effective date: 1 January 2005

Art. 1 Name

The Union Bank of Switzerland (hereinafter founder) set up a foundation under the name *UBS Collective BVG Foundation*, which was renamed as follows on 1 November 1998:

Swiss Life Collective Occupational Pension Foundation

The Swiss Life Collective Occupational Pension Foundation (hereinafter foundation) is a foundation within the meaning of Art. 80 et. seq. of the Swiss Civil Code (ZGB), Art. 331 of the Swiss Code of Obligations (OR) and Art. 48 of the Occupational Pensions Act (BVG).

Art. 2 Supervision

The foundation is domiciled in Zurich.

Art. 3 Objective

The foundation is subject to federal supervision.

Art. 4 Assets

The purpose of the foundation is to administer mandatory occupational benefits for the employees and their dependants of the employers affiliated to it domiciled in Switzerland (hereinafter "companies"), and for self-employed persons, against the financial consequences of the risks of old age, disability and death. In addition to the mandatory benefits, the foundation may grant coverage or pay discretionary benefits within the scope of the insured risks.

The foundation may also grant supplementary insurance cover. In this case, the foundation makes sure that insurance for insured persons, who are only covered for supplementary benefits, fulfils the minimum requirements of the BVG.

Art. 5 Implementation

Companies employing staff and paying salaries are eligible to join the foundation.

A pension fund is set up within the foundation for each of these affiliated companies.

Each pension fund is administered by its Administrative Board.

The pension funds are independent of each other. The assets of one pension fund can only be used for the purpose of meeting its own responsibilities.

A savings fund is maintained for each pension fund. The foundation concludes framework contracts with Swiss life insurance companies to cover the risks of death and disability in respect of every pension fund. The foundation is the policyholder and beneficiary in each case.

Art. 6 Agreements, regulations

The foundation draws up a contract of affiliation with each of its affiliated companies and issues the necessary regulations. The legal position of the company and the entitled insured persons and all other terms and conditions of occupational benefits are based on this contract of affiliation.

In the event of changes to the contract of affiliation or the regulations, the legal rights of the entitled insured persons acquired up to this date are not affected.

The individual benefits and financing are set out in the pension plan for each affiliated company separately.

The Board of Trustees issues regulations concerning administrative costs.

Art. 7 Foundation assets

The foundation assets comprise

- the shared assets
- the assets of the individual pension funds
- any special assets for adjusting long-term pensions to the cost of living.

The foundation assets may not be used for any benefits which the affiliated companies are legally obliged to provide or which they normally provide in addition to the salary as recompense for services rendered (cost of living and family allowances, bonuses, length of service awards, etc.).

The foundation assets are to be invested in compliance with the federal investment and withdrawal regulations (Art. 49ff. BVV 2) in accordance with recognised principles.

The company's contributions may be provided from pension fund resources if contribution reserves have already been accumulated for that purpose, which are reported in the annual accounts as a separate item.

Art. 8 Shared assets

The shared assets consist of

- a) the initial capital of CHF 50 000 provided when the foundation was set up
- b) the income of the foundation which is not credited to the assets of the individual pension funds or to the special assets for adjusting long-term pensions, voluntary contributions from the founder or third parties, the administrative cost contributions of the pension funds and earnings
- c) the administrative cost contributions are passed on to the managing company as compensation.

Art. 9 Assets of the individual pension funds

The assets of the individual pension funds are accumulated through employer and employee contributions according to the regulations (excluding administrative cost contributions), voluntary contributions from companies and third parties, and through any bonuses from insurance contracts and income and termination gains.

Art. 10 Special assets for the adjustment of long-term pensions to the cost of living

The special assets for the adjustment of long-term pensions to the cost of living are accumulated through special contributions by employers and companies and through earnings.

Art. 11 Board of Trustees

The Board of Trustees is the governing body. It is responsible for the administration and implementation of the foundation's decisions, unless the charter or regulations expressly provide otherwise. The Board of Trustees may delegate specific duties to third parties under its own authority; in particular it can commission a suitable company to take over operational management.

The Board of Trustees consists of eight members. It comprises four employer and four employee representatives.

The employer and employee representatives are elected by the Administrative Board members of individual companies affiliated to the foundation. The Board of Trustees issues voting regulations governing eligibility of candidates and other modalities of the election.

A member steps down at the end of the employment relationship with an affiliated company.

The Board of Trustees is otherwise self-constituting. It represents the foundation to third parties and designates those persons with legal signing authority on its behalf, as well as the nature of that authority.

The Board of Trustees has a quorum when a majority of its members are present. Decisions are taken by a majority of the trustees present. In the event of a tied vote, the chairman casts the deciding vote. Resolutions can also be passed by correspondence. All discussions must be minuted.

The Board of Trustees submits the annual accounts with the auditor's report and the annual report to the responsible supervisory authority.

Art. 12 Administrative Board

Every company affiliated to the foundation shall set up an Administrative Board, consisting of an equal number of employer and employee representatives. The company organises the election process within the framework of the regulations.

The Administrative Board represents the companies and the insured persons to the foundation. The responsibilities of the Administrative Board are set out in the regulations.

Art. 13 Auditors

The Board of Trustees appoints a recognised trust company as auditor for a one-year term. Re-election after this term is permitted. The auditors check all the accounts every year and issue a written report to the Board of Trustees.

The Board of Trustees has a recognised pension actuary check compliance with the legal requirements on a regular basis, but at least every three years.

Art. 14 Accounting

Accounts are drawn up on 31 December each year. After approval by the Board of Trustees the accounts are submitted to the responsible supervisory authority, together with the auditors' report.

Art. 15 Internal liability

The special fund of the relevant pension fund is exclusively liable for liabilities from occupational pensions and from the actions of the Administrative Board. Liability for occupational pension claims is restricted to the obligations under the regulations.

Art. 16 Amendments

The Board of Trustees may apply to the responsible supervisory authority to amend this charter, provided a majority of Board of Trustee members approve the resolution.

Art. 17 Dissolution

In the event of a dissolution or merger of the foundation or transfer to another foundation, the Board of Trustees, in agreement with the supervisory authority, will propose the measures to be taken in accordance with the foundation's objective. Priority is given to ensuring the foundation can meet its obligations.

Art. 18 Effective date

This foundation charter enters into force on 1 January 2005 and replaces the one of 1 February 2002.

**Swiss Life Occupational
Pension Foundation:**

Zurich, 27 January 2005

Place and date

Antimo Perretta
Chairman of the Board of Trustees

Daniela Bruggmann
Managing Director