



**tellco**

Pension solutions. Banking. Real estate.

## Foundation Deed

# Tellco Pension Solutions 1e

Tellco Pension Solutions 1e  
Bahnhofstrasse 4  
Postfach 713  
CH-6431 Schwyz  
t + 41 58 442 64 00  
vorsorge1e@tellco.ch  
tellco.ch

valid from 2 January 2018



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## Foundation Deed of Tellco Pension Solutions 1e

### 1 Name

Tellco Ltd (the founder), Schwyz, established using the name Tellco Pension Solutions 1e is a foundation within the meaning of Articles 80 et seqq. of the Swiss Civil Code (ZGB) and Article 331 of the Swiss Code of Obligations (OR) (hereinafter referred to as the «Foundation»).

### 2 Domicile

The Foundation is domiciled in Schwyz. The Board of Trustees can move the domicile to any other location in Switzerland with the consent of the supervisory authority.

### 3 Supervision

The Foundation is subject to supervision by the Swiss Occupational Pensions Act and foundation supervisory authority for Central Switzerland (Zentralschweizer BVG- und Stiftungsaufsicht, ZBSA).

### 4 Purpose

- 4.1 The purpose of the Foundation is to operate non-mandatory occupational pension schemes (1e pension plans only) for employees of affiliated employers and for their families and surviving dependants, as well as for self-employed individuals and their families and surviving dependants, against the financial consequences of age, death and disability.
- 4.2 Self-employed individuals may be insured on a voluntary basis together with their staff, provided such individuals are affiliated to the Foundation under an affiliation agreement.
- 4.3 Self-employed individuals who are members of a recognised trade association that has arranged a pension solution for professional associations may become affiliated to the Foundation.
- 4.4 The pensions are provided within the context of the Swiss Occupational Pensions Act (hereinafter the «OPA» – Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge, BVG) and its implementing provisions. The Foundation exclusively insures salary components in excess of one and a half times the upper threshold amount under Art. 8(1) OPA.
- 4.5 The Foundation will achieve its object by entering into affiliation agreements with employers and self-employed individuals seeking to join the Foundation as affiliated members.
- 4.6 The Foundation may enter into insurance contracts or become party to existing insurance contracts, provided that the Foundation is the policyholder and beneficiary under the contract.
- 4.7 A separate pension provider will be established within the Foundation for each affiliated company. Several pension providers can also be set up for self-employed individuals in accordance with the principles of collectivity. All terms governing the relationship with the Foundation will be laid down in the affiliation agreement.



## 5 Executive bodies

The executive bodies of the Foundation are:

- the Board of Trustees;
- the auditors;
- the pension fund commission of the individual pension provider.

## 6 Board of Trustees

6.1 The Board of Trustees consists of at least four members and is the highest-ranking executive body of the Foundation. It has an equal number of employee and employer representatives.

The Board of Trustees manages the business of the Foundation in accordance with statutory provisions, the provisions of the Foundation Deed, the regulations as well as the directives of the responsible authorities. The Board of Trustees is responsible for preparing the annual financial statements.

Details on the composition, election and working methods of the Board of Trustees are set out in separate regulations.

## 7 Pension fund commission

Each pension provider has a pension fund commission that is responsible for managing the pension provider. The pension fund commission has an equal number of employee and employer representatives. The details on the election procedure, rights and obligations of the pension fund commission are set out in the Organisational Regulations.

## 8 Pension providers

The existing pension providers are independent of each other and are managed as separate funds.

Each pension provider managed by the Foundation has a pension plan setting out provisions governing the nature and amount of the pension benefits and the amount of the contributions.

Within a pension plan, different investment strategies can be offered in accordance with the provisions set out in the Investment Regulations passed by the Board of Trustees.

## 9 Regulations

9.1 The Board of Trustees will pass one or several sets of regulations on the implementation of the purpose of the Foundation, in particular on the nature and scope of pension benefits, the financing of the pension providers and the relationship between employers, policyholders and claimants (Pension Fund Regulations, Organisational Regulations, Investment Regulations, Fees and Charges Policy, etc.).

9.2 The regulations can be amended or rescinded at any time in accordance with the Foundation's purpose, in particular if amendments are required due to new or revised provisions of the OPA, its ordinances or supreme court decisions.

The regulations and their amendments are to be submitted to the supervisory authority.



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## 10 Foundation assets

- 10.1 The founder equipped the Foundation with initial assets of CHF 50,000 (value at the time of establishment). Other donations can be made at any time.
- 10.2 The assets are built up by regulatory employer and employee contributions, vested contributions, voluntary purchases and contributions, voluntary donations made by the employers and third parties, as well as any surpluses from insurance contracts and the positive return on the income earned on the assets.
- 10.3 The assets must not be used, other than for pension purposes, to provide any benefits that the affiliated employers are under a legal obligation to provide or that they usually provide as a fee for work performed (e.g. additional allowances for inflation, family and child allowances, bonuses, etc.).
- 10.4 The assets will be managed in line with the investment provisions set out in Swiss federal law and based on recognised principles.
- 10.5 The Foundation is only liable for claims against a pension provider in the amount of the assets of the pension fund in question.

## 11 Annual accounts

The annual accounts must be prepared for the financial year to 31 December every year.

## 12 Auditing

The Board of Trustees will commission a recognised auditor to perform the annual audit of the management, accounting and investment (Art. 89a(6)(7) 7 ZGB in conjunction with Art. 52a-c OPA).

The auditor will prepare a written report on the audits for the Foundation and the supervisory authority.

If the Board of Trustees grants permanent benefit entitlements by way of a resolution passed by the Board of Trustees, then the Board of Trustees will commission a recognised pension actuary to perform an actuarial review of the pension scheme at periodic intervals (Art. 89a(6)(7) ZGB in conjunction with Art. 52d-e OPA).

## 13 Changes

The Board of Trustees is authorised, with the consent of the founder, to submit requests to change the organisation and purpose of the Foundation to the responsible supervisory authority. The Foundation may not be used for any purpose other than employee benefits insurance.



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## 14 Legal succession, dissolution and liquidation

- 14.1 If a pension provider is dissolved or liquidated, then compensation will first of all be paid to the beneficiaries belonging to it. Any remaining balance will either be transferred to a new pension institution of the employer in question or a legal successor, or allocated to the remaining beneficiaries of the liquidated pension provider as a liquidation share in the form permitted by law. Details are set out in separate regulations.
- 14.2 In the event of the dissolution or liquidation of a pension provider, the employer in question or a legal successor may not be allocated any funds.
- 14.3 If the founder is transferred to a legal successor or in the event of a merger with another legal entity, the Foundation will follow the founder in the absence of any resolution to the contrary passed by the Board of Trustees. The rights and obligations of the founder vis-à-vis the Foundation will be transferred to the legal successor.
- 14.4 In the event that the founder or its legal successor is dissolved, the Foundation will be continued.
- 14.5 In the event that the Foundation is abolished, the Foundation assets will be used primarily to secure the statutory and regulatory claims of the employees. Any remaining amount will be used in line with the purpose of the Foundation.
- The liquidation will be managed by the last Board of Trustees, which will remain in office until the liquidation process is complete. The foregoing is without prejudice to any instructions to the contrary set out in the abolition order passed by the supervisory authority.
- 14.6 The return of Foundation funds to the founder, affiliated companies or their legal successors, or use for any purpose other than occupational pensions, is excluded.
- 14.7 The supervisory authority reserves the right to consent to the abolition and liquidation of the Foundation.

This deed replaces the version adopted at the time of establishment.

Schwyz, 19 January 2018

Tellico Pension Solutions 1e  
Board of Trustees

Peter Hofmann  
Chairman

Pierre Christen  
Member

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