



telco

Investment Foundation

Articles of foundation of Telco Investment Foundation

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Table of contents

Art. 1	Name	3
Art. 2	Domicile	3
Art. 3	Supervision	3
Art. 4	Purpose	3
Art. 5	Foundation assets	3
Art. 6	Investors	4
Art. 7	Governing and executive bodies	4
Art. 8	General meeting of investors	4
Art. 9	Board of Trustees	5
Art. 10	Auditor	6
Art. 11	Regulations and guidelines	6
Art. 12	Amendment of the articles of foundation	6
Art. 13	Dissolution/liquidation	7



Art. 1 Name

On 9 December 2005, IG Pensionskasse AG set up a foundation as defined in Art. 80 et seq. of the Swiss Civil Code called Investment Foundation Rigi.

The present name of the Foundation is

Tellico Anlagestiftung
Tellico Fondation de placement
Tellico Fondazione d'investimento
Tellico Investment Foundation

(hereinafter referred to as the «Investment Foundation»).

Tellico Ltd is the successor company to the founder.

Art. 2 Domicile

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

Art. 3 Supervision

The Investment Foundation is subject to supervision by the Federal government.

Art. 4 Purpose

The purpose of the Investment Foundation is the joint investment and management of the pension assets entrusted to it by pension schemes pursuant to Art. 6 of the articles of foundation (hereinafter referred to as the «investors»). The Investment Foundation provides the investors with professional asset management support and enables them to build up a diversified portfolio of investments.

Art. 5 Foundation assets

- a) The foundation assets comprise the capital assets and the original assets donated by the founder.
- b) The original assets comprise the assets that were donated by the founder and any additional donations as well as the investment income earned with these assets. The founder donated original assets of CHF 100,000 when the Investment Foundation was set up. These assets are independently managed by the Board of Trustees. The income earned on the original assets is used to cover part of the operating costs.
- c) The capital assets comprise the funds contributed by the investors for the purpose of joint investment and are made up of different independent investment groups. The Foundation's regulations govern the rights to the capital assets and the income earned on these assets.
- d) The capital assets are invested in compliance with the statutory provisions on employee benefits insurance and the practice of the supervisory authority.
- e) Pursuant to Art. 4 of the articles of foundation, the foundation assets are dedicated exclusively to the purpose of providing employee benefits insurance and may not be used for any other purpose.



Art. 6 Investors

The following institutions can invest funds with the Investment Foundation:

- All Pillar 2 and Pillar 3a pension schemes domiciled in Switzerland that are exempt from Federal and cantonal taxes and are dedicated to providing retirement, disability and death benefits in accordance with the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans and its implementing ordinances.

Art. 7 Governing and executive bodies

The governing and executive bodies of the Investment Foundation are:

- the general meeting of investors
- the Board of Trustees
- the auditor

Art. 8 General meeting of investors

- a) The general meeting of investors is the highest governing body.
- b) The general meeting of investors is attended by the investors. The investors have the right to grant power of attorney to another investor or an independent proxy appointed by the Investment Foundation to represent them at the meeting.
- c) The general meeting of investors is held once a year in accordance with the provisions of the regulations.
- d) An extraordinary meeting of investors can be called if requested in writing by at least 5% of the investors who hold at least 10% of the net assets, provided that they specify the reason for the meeting. The Board of Trustees (by a simple majority decision) or the auditor can also call an extraordinary meeting. The chairman of the Board of Trustees must convene the extraordinary meeting of investors within ten days of receipt of the request.
- e) The general meeting of investors has the following duties and powers:
 - Adopting and amending the regulations
 - Electing the members of the Board of Trustees subject to Art. 9, par. b of the articles of foundation
 - Electing the auditor
 - Approving the annual financial statements (asset statement, income statement and notes) and granting discharge to the Board of Trustees
 - Approving the annual reports of the Board of Trustees and the auditor
 - Passing resolutions on proposals to amend the articles of foundation without changing the Foundation's purpose
 - Passing resolutions on applications to the supervisory authority to dissolve, merge or liquidate the Foundation
- f) The investors' voting rights are determined by the number of units held by them. One unit equals one vote.
- g) The general meeting of investors passes its resolutions with the simple majority of the votes represented. Art. 12 and 13 of the articles of foundation and the imperative provisions of the law are reserved.



Art. 9 Board of Trustees

- a) The Board of Trustees consists of at least five members.
- b) The founder has the right to appoint two members.
- c) The trustees' term of office is three years. Re-election is possible.
- d) The Board of Trustees is quorate when the majority of the trustees are present. The Board of Trustees passes its resolutions with a simple majority of the votes cast. In the event of a tie, the chairman's vote counts double. Minutes must be kept of all meetings of the Board of Trustees. Resolutions can also be adopted by circular letter.
- e) The Board of Trustees is the highest executive governing body of the Foundation. It is responsible for ensuring that the Foundation's purpose is fulfilled. To this end it has all the powers it requires except for the powers that are reserved for the general meeting of investors under the law or the articles of foundation. The Board of Trustees manages the business of the Foundation in accordance with the provisions of the law, the deed of foundation and the regulations as well as the directives of the competent authorities. The Board of Trustees is responsible for the preparation of the annual accounts.
- f) The Board of Trustees represents the Foundation vis-à-vis third parties and appoints the persons who can legally represent the Foundation. It also appoints the authorised signatories and determines their signatory power, with the proviso that only joint signature with a minimum of two signatures is allowed.
- g) The Board of Trustees may delegate certain duties and powers. The management, special commissions and third parties to whom duties and powers are delegated must report to the Board of Trustees. It ensures that all operations are monitored sufficiently. The following duties cannot be delegated:
 - Appointing the manager, determining his/her powers and drafting his/her employment or mandate contract
 - Appointing the persons who are authorised to sign on behalf of the Foundation
 - Deciding on the granting of important mandates, in particular asset management mandates
 - Establishing commissions and committees (appointing members and defining the mandate, rights and obligations of such commissions and committees)
 - Appointing depositaries
 - Deciding on the establishment of new and the liquidation of existing investment groups, closing existing investment groups to new subscribers and merging or splitting units
 - Determining the investment strategies and bandwidths
 - Issuing and amending the special regulations prescribed by law and otherwise required, namely the investment guidelines and by-laws
 - Issuing prospectuses
 - Implementing sufficient control and supervision measures
 - Determining the price model and regulations on fees and charges
 - Determining the issuing and redemption dates and minimum subscription amounts
 - Presenting the annual financial statements and the annual report



- h) Meetings of the Board of Trustees are convened by the chairman at least ten days in advance by sending a written invitation to the trustees that must contain the agenda. If all members of the Board of Trustees agree, the ten-day period does not have to be observed. A meeting of the Board of Trustees is also called if requested by one-third of the members but at least two trustees.
- i) The Board of Trustees appoints an independent property valuer.

Art. 10 Auditor

The general meeting of investors elects an auditor to audit the management practices, accounting and asset management activities for legality and compliance with the articles of foundation, regulations, investment guidelines and the requirements of the supervisory authority. The term of office is one year and the auditor can be re-elected. The auditor is independent of the Investment Foundation, founder, members of the Board of Trustees and the management as regards its organisational structure, staff and business operations. Fiduciary and audit companies that are members of the Swiss Institute of Certified Accountants and Tax Consultants and have experience in auditing collective investment schemes as well as in-depth knowledge of the banking and finance business may be elected as auditors.

Art. 11 Regulations and guidelines

The Board of Trustees issues investment guidelines as well as one or more special regulations (by-laws, etc.) designed to ensure the Foundation's purpose in compliance with the deed of foundation and the regulations. The special regulations and investment guidelines can be amended or revoked at any time, provided that the Foundation's purpose and the obligatory claims are protected, in particular if changes are required due to new or revised provisions of the BVG or its ordinances, changes to the supervisory practice or decisions by the Supreme Court.

Art. 12 Amendment of the articles of foundation

The Board of Trustees on behalf of the general meeting of investors requests approval for amendments to the articles of foundation from the competent authority. The Investment Foundation may not be used for any purpose other than its original purpose. Amendments enter into force when they have been approved by the supervisory authority. This proposal to the Board of Trustees must be approved by three-quarters of the investors represented at the general meeting of investors.



Art. 13 Dissolution/liquidation

- a) If the Foundation's purpose no longer applies or can no longer be achieved with a reasonable amount of effort, the general meeting of investors can determine that this is the case and instruct the Board of Trustees to submit an application for the dissolution of the Investment Foundation to the supervisory authority. This proposal to the Board of Trustees must be approved by three-quarters of the represented votes.
- b) If the Investment Foundation is liquidated, the capital assets are distributed to the investors according to their units. The general meeting of investors decides about the division of the original assets. The decision must be approved by the supervisory authority.

These articles of foundation were adopted by the general meeting of investors on 9 December 2010. The articles enter into force when the approval of the supervisory authority is received and replace the version of the articles of 9 August 2007.

Schwyz, 11 March 2011

Tellico Investment Foundation

Board of Trustees

Luc Meier
Chairman

Dr Dominique Becht
Member