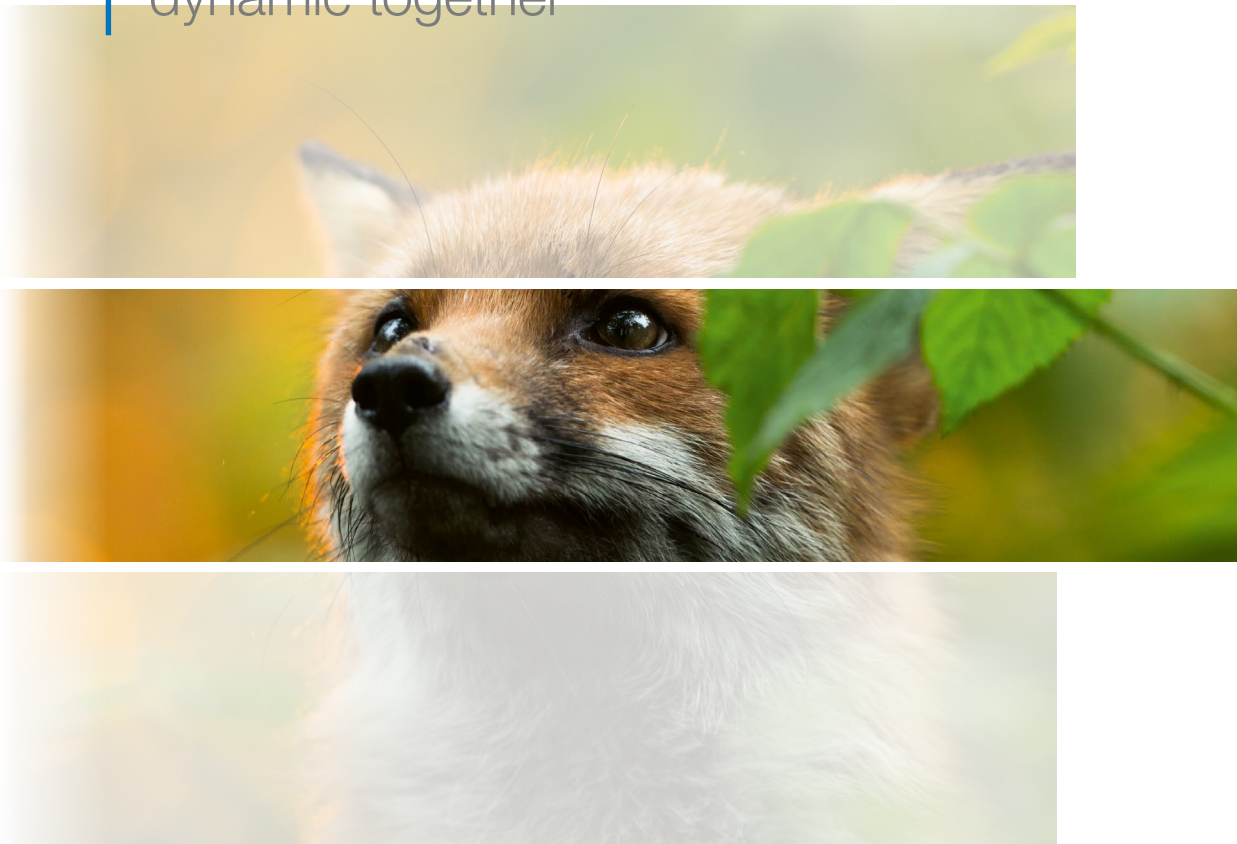


| dynamic together



Investment Regulations

of Compacta collective Foundation LPP

With effect from 1 October 2023

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Art. 1 General information

The Foundation Board issues Investment Regulations based on Art. 49(a) of the Swiss Occupational Pensions Ordinance (OPO) 2 and the deed of foundation. These Regulations comply with the statutory provisions and establish the principles, guidelines, duties and powers to be observed in the investment and management of the pension assets of the pension schemes affiliated to Compacta collective Foundation LPP.

Art. 2 Glossary of terms

1. The Foundation

Compacta collective Foundation LPP is a foundation as defined by Art. 80 et seqq. of the Swiss Civil Code, Art. 331 of the Swiss Code of Obligations and Art. 48 of the Swiss Occupational Pensions Act (LPP).

2. The Foundation Board

The Foundation Board is the governing body. It is responsible for the administration and implementation of the Foundation's decisions unless the deed of foundation or the Regulations expressly state otherwise. The Foundation Board can delegate individual powers to third parties under its responsibility.

3. Investment Committee

The Investment Committee is appointed by the Foundation Board. Those entrusted with this duty must comply with the requirements according to Art. 48(f)–48(l) OPO 2. To avoid conflicts of interest, these individuals may not be involved in the management of the Foundation's pension assets or the pension funds. The Managing Director of the Foundation is a permanent member of the Investment Committee.

4. Companies

An affiliated company within the terms of these Regulations refers to every company contractually affiliated with the Foundation so that it can implement the employee benefits scheme.

5. Pension fund commission

A company affiliated with the Foundation will set up a pension fund commission as an institution of the pension scheme. This commission comprises both employee and employer representatives.

6. Investment managers

A Swiss bank, investment institution or asset manager that has a direct or indirect contractual relationship with the Foundation and has been commissioned to manage the Foundation's pension assets. Those responsible for the investments must satisfy the requirements of Art. 48(f)–48(l) OPO 2.

Art. 3 Basic principles

Compliance with all the statutory investment regulations, especially those of the LPP, the Swiss Ordinance of 18 April 1984 on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPO 2) and the instructions and recommendations of the Swiss Federal Social Insurance Office is required at all times.

The pooled assets are to be managed within the framework of legal and regulatory requirements and in such a way that the security, risk distribution and returns are taken into account. With regard to risk distribution, adequate diversification in terms of asset classes, regions, sectors and investment instruments (especially securities and real estate) must be ensured. Therefore the fiduciary duty of care also ultimately involves taking sustainability aspects into account. However, the generation of returns in line with the market is the condition for integrating ESG

aspects when making investment decisions. The focus is on the financial interests of the affiliated pension schemes and the insured persons.

The sustainability principles are laid out in Art. 12. The principles governing the investment guidelines are included in Annex 1.

Derivatives and similar instruments may be used in accordance with Art. 56(a) OPO 2. In addition, alternative investments that do not require additional funding may be used for diversification purposes and to reduce investment risk if they comply with Art. 53(1)(e) and (2) OPO 2.

The liquidity management established by the Foundation ensures the pension benefits are paid on time (Art. 52 OPO 2).

Art. 4 Allocation of duties

1. The Foundation Board

- The Foundation Board is responsible for approving these Investment Regulations and submitting them to the appropriate supervisory authority.
- It undertakes appropriate organisational measures so that the regulations on loyalty can be implemented (Art. 11 of the Investment Regulations). It also stipulates the voting guidelines on exercising shareholders' voting rights (Art. 10 of the Investment Regulations).
- At Foundation level, it works in consultation with the occupational pensions expert to determine the required/target return necessary to finance the retirement pensions and sets the target figure for the fluctuation reserves.
- In consultation with the Investment Committee, it decides on the long-term investment strategy of the Foundation, the investment guidelines and investment principles.
- It designates the members of the Investment Committee.

- It is responsible for the investment of assets, unless the Investment Committee has these powers.
- It decides on the purchase or the sale of directly held properties.
- It decides on securities lending and repurchase transactions.
- The focus and scope of the sustainability strategy are subject to periodic review
- It can issue additional guidelines.

2. Investment Committee

- In consultation with the occupational pensions expert, this Committee prepares the Investment Regulations and forwards them to the Foundation Board.
- It is responsible for achieving the long-term investment strategy set by the Foundation Board.
- It issues and monitors the liquidity and investment plan and, within the context of these guidelines, it decides on the individual investments and the allocation of the resources available to the asset managers.
- It is responsible for the long-term achievement of the required and target returns in terms of financing the retirement pensions according to the requirements of the Foundation Board and the occupational pensions expert.
- In consultation with the occupational pensions expert, it regularly checks the investment strategy and the corresponding required and target returns in the light of circumstances that have changed (risk capacity). When corrective measures are necessary, it notifies the Foundation Board.
- It provides the Foundation Board with quarterly reports about the investment activities and the investment success of the individual asset classes and total assets compared to the benchmark or the competition (reporting).
- It defines the requirements that investment managers must meet. It presents the Foundation Board with proposals involving the investment managers that the Foundation works with.

- It specifies the objectives, principles, implementation and supervision of the investment assets in a transparent manner so that the Foundation Board can fully perform its managerial tasks. It monitors investment managers' compliance with the legal requirements of Art. 48(f)–48(l) OPO 2.
- It uses clearly defined mandates and specific investment guidelines to govern the activities of the investment managers and supervises their activities and success.
- It presents the Foundation Board with proposals concerning the purchase and sale of real estate directly held by the Foundation.
- In the context of auditing, it is responsible for the collaboration with the auditors and the occupational pensions expert.
- It is responsible for supervising securities accounting, controlling and reporting. External solutions are permitted.

3. Investment managers

Investment managers manage the pooled pension assets according to the written contract concluded with the Foundation.

In compliance with the management mandates and precise investment guidelines that have been issued, the investment manager compiles a quarterly report (see also Art. 9 Reporting) and forwards this to the Investment Committee and the Foundation Board.

The Foundation Board may only entrust people and institutions with the investment and management of its pension assets if they are qualified to do so and organised in such a way that they can guarantee compliance with the legal requirements (Art. 48(f)–48(l) OPO 2).

Art. 5 Investment of assets

The choice of investments is subject to compliance with the investment guidelines of the Swiss Occupational Pension Ordinance (OPO 2).

A benchmark must be set for every investment strategy and asset class. The investment strategy benchmark must comprise the individual reference indices for the asset classes. These indices and the neutral weighting according to the strategic asset structure are used to calculate the benchmark. The Investment Committee monitors this benchmark.

The Foundation Board sets the rules on building up fluctuation reserves. These rules comply with the principles of consistency and the provisions of the Swiss GAAP FER 26 accounting recommendations (Art. 5 of the Investment Regulations).

Art. 6 Calculating fluctuation reserves

Fluctuation reserves are used to compensate for fluctuations in investments. The level of fluctuation reserves is expressed as a percentage of the obligations (required actuarial reserves).

According to Art. 49(a) OPO 2 and Swiss GAAP FER 26, fluctuation reserves must be built up in a transparent manner. The Value at Risk method is used to calculate the target figure for the fluctuation reserves. The target level is determined on the basis of the mostly negative market developments of 2008 so that there is a 98% certainty that there will not be a shortfall in cover during the year if the applicable investment strategy is followed and the payment of benefits (required return) is taken into account.

The parameters used to calculate the fluctuation reserves (level of certainty, one-year horizon, risk and return char-

acteristics of the investment strategy and required return) and the target figure for the fluctuation reserves are regularly reviewed as part of the annual calculations of the risk/return ratios and redefined by the Foundation Board when necessary.

Art. 7 Investment policies

Investments must comply with an investment policy that safeguards the purpose of the occupational pension provisions by carefully selecting and monitoring the investments. The security of the investments is of utmost priority. It includes an appropriate distribution of risk that corresponds to market conditions. The details on the individual asset classes are available in Annex 1.

Liquidity is to be structured so that pension and termination benefits can be paid within a reasonable period of time. In addition, the level of liquidity held will depend on assessments of the money and capital markets.

If investment options are expanded, there must be conclusive evidence of compliance with due diligence, security and the distribution of risk according to Art. 50(1) – (3) OPO 2.

Art. 8 Valuation of investments

The valuation of capital investments complies with the provisions of the Swiss GAAP FER 26 accounting recommendations. The investments will be valued according to the listed price or market value on the balance sheet date. The reference date in each case will be 31 December of the calendar year. If no market value is available, standard valuations will be used. This particularly applies to shares in funds and investment foundations that are not traded on the stock market: Valuation using Net Asset Value (NAV).

Art. 9 Controlling and reporting

The investments and asset management are to be monitored regularly. The reports are to be composed and designed in such a way that the responsible bodies have meaningful information at their disposal. The reporting methods must ensure that those holding responsibilities are informed so that they can perform their assigned controlling duties.

Investment managers compile a quarterly report on behalf of the Foundation Board or the Investment Committee. The reports must always include information about the investment activities and results (overall performance and for each category) compared to the benchmark as well as about compliance with the investment guidelines, tactical fluctuation margins and investment regulations.

Reports must also justify the use of derivatives, alternative financial instruments and securities lending as well as performance that deviates from the benchmarks or requirements. If the opportunity to expand the investment options has been taken according to Art. 50(4) OPO 2, the investment manager must comment on this in an annual report issued on 31.12. The report must also provide information on the asset allocation and the specific cases where the expansion has been used. The outcome of the report and compliance with requirements are recorded in the notes to the Foundation's annual financial statements. If securities lending is used, an explanation on compliance with the provisions of the FINMA Collective Investment Schemes Ordinance (Annex 1(10) of the Investment Regulations) must be submitted.

The Investment Committee must immediately notify the Foundation Board about any noteworthy events involving investment management. The Foundation Board has the authority to decide on the measures to be taken and can involve the occupational pensions expert, if need be.

Art. 10 Exercising shareholder rights

Voting rights are exercised at general meetings when direct investments are involved. In the case of directly held shares, voting is compulsory, if the occupational pension scheme is granted a voting right or if the fund is controlled by the occupational pension scheme. Swiss companies limited by shares which are not listed in Switzerland are also included. A physical presence is not normally required at general meetings. If there are no special circumstances, the independent proxy will be instructed to exercise the voting rights. As a rule, the motions proposed by the Board of Directors are voted on with “Yes, adopt” or “No, reject”. “Abstain” is rarely used. Instructions can be issued in writing or electronically.

In the event of special circumstances (especially acquisitions, mergers, significant personnel changes to the Board of Directors, changes in the capital structure or changes to the structure of the voting rights), the Foundation Board may issue voting instructions. The interests of the Insured Persons are deemed to have been safeguarded if the voting behaviour ensures the permanent prosperity of the Foundation.

The annual report on the use of compulsory voting is published on the Foundation’s homepage (www.valitas.ch) in compliance with Art. 71(b) LPP.

Art. 11 Integrity and loyalty of those in positions of responsibility

The people and institutions entrusted with the management, administration or asset management must have a good reputation and guarantee proper business conduct. They are subject to the fiduciary duty of care and must safeguard the interests of the Foundation’s insured persons when conducting their activities.

The people and institutions entrusted with the asset management must have the competency and the ability to guarantee that they will comply with Art.s 51(b) paragraph 1 OR (Swiss Code of Obligations) and 48(g)–48(l) OPO 2.

The appropriate supervisory authority is to be immediately notified about any personnel changes involving the asset management as well as the conclusion of fitness and propriety assessments with regard to the loyalty and integrity of those newly entrusted with these responsibilities. With regard to external individuals, notification is only required when there are changes to contractual partners (financial institutions). There is no need to report changes to natural persons (employees of the financial institutions).

External individuals involved in the asset management or the economic beneficiaries of companies assigned with such tasks may not be represented on the Foundation Board.

It must be possible to terminate asset management contracts within five years of conclusion without any negative impact for the Foundation.

Quotes from competitors must be requested when significant legal transactions are involved (especially the conclusion of global custody agreements, contracts involving asset or property management, investment advice, or the purchase or sale of directly held real estate). There must be complete transparency when these contracts are awarded.

1. Proprietary trading

The people and institutions entrusted with the asset management must act in the interests of the Foundation. In particular, they may not:

- exploit knowledge about the Foundation’s orders for the prior, parallel or closely ensuing execution of concurrent proprietary transactions (front, parallel or after running);

- trade in a security or in an investment for as long as the Foundation is trading in this security or investment and to the extent that this may be disadvantageous to the Foundation. Other forms of participation in such transactions are equivalent to trading;
- reallocate the Foundation's deposits without an economic reason that is in the interests of the Foundation.

2. Disclosure of financial gains

The people and institutions entrusted with the management of the Foundation's assets must set out the nature and amount of their remuneration in a transparent manner in a written agreement. They must surrender to the Foundation any financial gains they receive that are in addition to this agreement and connected with the performance of their activities for the Foundation.

The guidelines on small gifts are included in Annex 5.

3. Disclosure

- The people and institutions entrusted with the management or asset management must disclose their interests to the Foundation Board annually. In particular, these also include economic beneficiaries at companies that have a business relationship with the Foundation. In the case of the Foundation Board, this disclosure is made to the auditors.
- The people and institutions entrusted with the management and asset management must annually submit to the Foundation Board a written declaration stating that they have surrendered all the financial gains in accordance with Art. 48(k) OPO 2.
- Financial intermediaries that operate outside of Switzerland and are subject to equivalent supervision by a recognised foreign supervisory authority.

Art. 12 Sustainability

Compacta collective Foundation takes environmental, social and governance (ESG) criteria into account in the course of fiduciary asset management as part of opportunity and risk management. The generation of returns in line with the market is the condition for integrating ESG aspects when making investment decisions.

In doing so, Compacta collective Foundation LPP adopts its stances based on the following principles:

- It exerts its influence as an active shareholder by making use of its voting rights and by engaging in active dialogue with the companies.
- In implementing the sustainability strategy, we follow nationally and internationally accepted norms and standards.
- Controversial companies and countries are excluded from the investment universe. We follow the recommendations of the Swiss Association for Responsible Investments (www.svjk-asir.ch/en). However, we reserve the right to exclude additional companies at our own discretion.
- We are aiming to promote the transition to a sustainable and prosperous economy through active memberships.
- For the purpose of comparable and consistent ESG reporting, we report on both qualitative aspects and quantitative figures. We periodically release the specific figures in line with the ASIP ESG reporting recommendation.

Art. 13 Entry into force

These regulations were issued by the Foundation Board on 7 November 2023 and came into effect on 1 October 2023. The Foundation Board can change the Investment Regulations at any time. The amended regulations must be submitted to the supervisory authority. The German version is the definitive text for interpretation.

Annex 1

Investment principles

1. Cash and cash equivalents

Cash and cash equivalents include credit balances in bank accounts or pension fund accounts, fixed-term deposits and fiduciary investments with a maximum term of 12 months and money market instruments from issuers worldwide that are denominated in a freely convertible currency. Money market instruments are short-term receivables with a term or residual term that does not exceed 12 months and money market debt register claims. However, these money market instruments must be liquid and eligible for valuation; they must be traded on a stock exchange or another regulated market that is open to the public.

2. Mortgages and loans

In addition to collective investments such as mortgage funds or investment foundations, loans with real estate as collateral may be granted at market conditions to public corporations and private or semi-private companies with first-class credit ratings. The documents of title on residential buildings may be mortgaged up to a maximum of 70% of the market value and 60% for commercial buildings. Swiss mortgage bonds are treated as documents of title. The prior consent of the Foundation Board is required when issuing loans.

3. Bonds and convertible bonds

Cash bonds, bonds, notes, documents of title, mortgage bonds, options and convertible bonds denominated in Swiss francs and from the Swiss Confederation, the cantons and municipalities, other Swiss public corporations and private issuers with a minimum S&P rating of “BBB” may be purchased. Internal bank ratings will apply if no official ratings are available.

Foreign currency bonds must be denominated in a freely convertible currency and have a minimum rating of “BBB-”. If a management mandate includes better minimum ratings, these must be specified in writing in each case. The average rating for a bond portfolio or collective investment scheme must be investment grade. High yield bonds are only acceptable if such a quota is explicitly provided for in the investment strategy. The provisions according to number 9 apply to investments in emerging markets.

If the ratings fall below the minimum ratings according to the Investment Regulations, the investment manager must carry out the relevant risk assessment and submit this to the Investment Committee of Compacta collective Foundation LPP.

Investments in securities issued by the same debtor (with the exception of claims according to Art. 54(2) OPO 2) may not exceed 10% of the total assets. Pre-emptive rights and subscription rights remain reserved.

The following products may also be purchased, if the underlying assets are from the above list:

- Index certificates and index baskets where the value is derived from the price of the underlying assets
- Other derivative financial instruments
- Structured financial products or investment certificates with or without capital guarantees
- Shares and investments from closed-ended funds or collective investment schemes with a similar function, including exchange traded funds and investment companies of issuers worldwide
- Shares and investments from open-ended funds worldwide

Direct investments are permitted as well as collective investments according to Art. 56 OPO 2. However, these must be securities that are traded on a stock exchange or another regulated market that is open to the public.

4. Shares

In principle, investments are made in equity securities and uncertificated securities (shares, profit sharing certificates and participation certificates, etc.) from companies worldwide. No more than 5% of the share capital of a company (domiciled in or outside Switzerland) may be acquired. The provisions according to number 9 apply to investments in emerging markets.

The following products may also be purchased, if the underlying assets are from the above list:

- Index certificates and index baskets deriving their value from the price of the underlying assets
- Other derivative financial instruments
- Structured financial products or investment certificates with or without capital guarantees
- Shares and investments from closed-ended funds or collective investment schemes with a similar function, including exchange traded funds and investment companies of issuers worldwide
- Shares and investments from open-ended funds worldwide

Direct investments are permitted as well as collective investments according to Art. 56 OPO 2. However, these must be securities that are traded on a stock market or another regulated market that is open to the public (for example, crossing networks).

5. Derivative financial instruments

Investments in derivative products are only permitted for the purpose of hedging existing positions or foreign

exchange transactions, or in the form of covered options in compliance with Art. 56(a) OPO 2.

Overall, the use of derivative financial instruments may not have a leverage effect on the assets or correspond to a short sale. Investments that require additional funding are not permitted.

When derivative financial instruments are included, the restrictions according to Art. 54, 54(a), 54(b) and 55 OPO 2 must be observed. All the current derivatives are presented in the notes to the Foundation's annual financial statements.

6. Real estate

Real estate can be held either directly or indirectly (real estate funds, real estate companies or investment foundations).

The Foundation Board will decide on the purchase or sale of directly held real estate. Buildings that are eligible for purchase may include residential or commercial properties that are in sole ownership or jointly owned. Apartment complexes, individual commonhold flats, single family dwellings and holiday homes are excluded.

Purchasing land for building purposes, where this land is classified in an appropriate building zone and has been purchased to carry out building projects, is only permitted in exceptional cases when a building project already exists.

Directly held real estate is limited to Switzerland. In this regard, the aim is to achieve an appropriate geographical spread. Direct investments outside of Switzerland are not permitted. However, collective investments according to Art. 56 OPO 2 are permitted. Investments in individual real estate properties may not exceed 5% of the total assets.

While taking into account the risk capacity, the real estate quota can be raised to a maximum of 40% by applying the extension provisions under Art. 50(4) OPO 2. There must always be a sound justification for using the extension provisions.

7. Infrastructure

According to Art. 53(1)(d^{bis}) OPO 2, investments in energy infrastructure, mobility and utility infrastructure as well as health infrastructure are classified as infrastructure investments. These form a separate asset class with an upper limit of 10% of the total assets.

Investments in Switzerland and abroad are permitted.

It is also possible to directly invest in infrastructure (Art. 53(2) OPO 2), if these investments have been appropriately diversified. Appropriate diversification means that the counterparty may not exceed 1% of the pension assets. Otherwise, these investments must be allocated to alternative investments.

Infrastructure investments with a leverage effect will continue to be classified as alternative investments. This also means that the use of debt financing in connection with an infrastructure company does not count as leverage in the same way as with shares according to Art. 53(1)(d) OPO 2. These types of investments (for example, holdings in these companies or projects) are therefore infrastructure investments according to Art. 53(1)(d^{bis}) – OPO 2. However, if the participations in this company or project are leveraged to fund or fund of funds level, then this is considered leveraged. Nevertheless, short-term, conditional borrowing is permitted.

Leverage is still permitted as long as it cannot trigger a requirement for additional funds, although a financial vehicle

leveraged in this way qualifies as an alternative investment according to Art. 53(5) OPO 2 (which is also the case with other traditional investments).

Listed, liquid shares in infrastructure companies will continue to be allocated to the equities asset class. Listed, liquid bonds of infrastructure companies will continue to be allocated to the bonds (fixed income) asset class.

8. Swiss private debt/private equity

According to Art. 53(1)(d^{ter}) – OPO 2, investments in unlisted claims against debtors (private debt) or in holdings in unlisted companies (private equity) are considered to be private debt/private equity CH. These investments must be domiciled in Switzerland and actively operate in Switzerland.

They form a separate asset class with an upper limit of 5% of the total assets.

Collective investments, direct investments or derivative financial instruments can be used for investment. If an investment involves a collective investment scheme, more than half of the capital in this collective investment must be invested in Switzerland. It is also possible to make direct investments, if these investments have been appropriately diversified. Appropriate diversification means that the counterparty may not exceed 1% of the pension assets. Otherwise, these investments must be allocated to alternative investments.

As with infrastructure investments, a private equity company can borrow capital or take out credit like any other company. This does not count as leverage. However, a systematic leverage (to increase performance) at investment vehicle level is not permitted with respect to this new investment class. Otherwise, these investments

must be included in the alternative investments category. This means it is not permitted to use borrowed funds to increase the returns on an investment vehicle. This applies at both vehicle and fund level as well as at fund of funds level. However, short-term, conditional borrowing is permitted. Finance secured by capital commitments is not classified as leveraged. Nevertheless, no long-term debt positions may be set up.

Appropriately secured bridge financing should not exceed a term of 0–6 months. In justified, exceptional cases, bridge financing can extend to 12 months.

9. Alternative investments

Investments in hedge funds, structured products, insurance linked securities, asset-backed securities, contingent convertible bonds (CoCos), commodities, infrastructure investments, (cf. 7), perpetuums, private equities, senior secured loans, and established digital assets qualify as alternative investments according to Art. 53(1)(e), (3) and (4). These are characterised by the fact that they tend to have a low correlation to traditional investments (bonds and equities). Investments that require additional funding, especially if they involve private equities, are not permitted. With respect to a private equity fund, the requirement to hold a predetermined amount of capital, or commitment, which can be called in tranches is not an obligation to provide additional funding.

Investments in digital assets must be made indirectly and traded either on a stock exchange or another regulated market.

Investments in established digital assets that have not been diversified may not exceed 1% of the pension assets.

While taking into account the risk capacity, the alternative investments quota can be raised to a maximum of

30% by applying the extension provisions under Art. 50(4) OPO 2. There must always be a sound justification for using the extension provisions.

10. Special provisions

Emerging markets

The percentage weighting of investments in emerging markets must take into account the increased risk of this asset class.

Currency management

An overlay strategy can be employed to mitigate currency risk for the entire foreign currency exposure. Only banks or brokers with an S&P rating of “A” or above will be considered as counterparties. The US dollar, the euro, the British pound and the YEN are the only four currencies that will be used as a currency hedge against the Swiss franc. Only products that are regularly traded or where the counterparty regularly provides a market price will be used for hedging transactions.

Securities lending

Securities lending is permitted within the usual banking framework. The bank assigned with the securities lending must be instructed to ensure that the borrower always provides sufficient collateral of the appropriate quality. In addition, securities lending must not make it impossible to exercise voting rights at a general meeting. The regulations of the Swiss federal law on collective investment schemes apply analogously (Art. 55(1) (b) of the Swiss Collective Investment Schemes Act (CISA), SR 951.31; Art. 76 of the Swiss Collective Investment Schemes Ordinance (CISO), SR 951.311; Art. 1 et seqq. CISO-FINMA, SR 951.312). Compliance with the provisions on securities lending according to Art. 1 et seqq. of the Swiss Financial Market Supervisory Authority Ordinance on Collective Investment

Schemes is to be confirmed in the notes to the annual financial statements during the reporting year.

Repurchase transactions (repos)

Repurchase transactions are permitted within the usual banking framework but the Foundation may only act as the transferee (reverse repos). The regulations of the Swiss federal law on collective investment schemes apply analogously (Art. 55(1)(b) CISA SR 951.31; Art. 76 CISO SR 951.311; Art. 11 et seqq. CISO-FINMA SR 951.312). Compliance with the provisions on repos according to Art. 11 et seqq. of the Ordinance of the Swiss Financial Market Supervisory Authority on Collective Investment Schemes is to be confirmed in the notes to the annual financial statements during the reporting year.

Annex 2

Chart showing the distribution of roles

Last updated: 1 October 2023

Key:

Roles:

D	Decision
P	Planning/initiative
I	Implementation
C	Controlling
S	Support

Offices:

FB	Foundation Board
M	Management
AM	Asset manager
IC	Investment controlling
EX	Expert for occupational pensions

Item	Role	FB	M	AM	IC	EX
1	Setting the investment guidelines					
1.1	<ul style="list-style-type: none"> Decide on the Foundation's long-term investment strategy, guidelines and principles, and the regular monitoring of the investment strategy 	D	P/S	S/I	C	
1.2	<ul style="list-style-type: none"> Preparation of and amendments to the Investment Regulations, the rules on powers and authorities, the chart showing the distribution of roles, and other guidelines 	D	P/I	S		S
1.3	<ul style="list-style-type: none"> The focus and scope of the sustainability strategy are subject to periodic review 	D	P/I			
2	Implementation of the investment strategy					
2.1	<ul style="list-style-type: none"> Shape and determine the investment organisation (e.g. asset management and outsourcing of individual duties) 	D	P/I			
2.2	<ul style="list-style-type: none"> Determine the risk profile and set the required fluctuation reserves, realise the long-term investment strategy 	C/D	P	I	S/C	S
2.3	<ul style="list-style-type: none"> Prepare and monitor the liquidity and investment plan 	C	D/I	S	C	

Item	Role	FB	M	AM	IC	EX
3	Reporting/Controlling					
3.1	<ul style="list-style-type: none"> Monitor and review asset investments (required/target returns), risk capacity and compliance with legal requirements, introduction of corrective measures 	D/C	I		S	
3.2	<ul style="list-style-type: none"> Quarterly reporting to the Foundation Board about the investment activities and success of the individual asset classes and the total assets compared to the benchmark or the competition 	D	C	I		C
3.3	<ul style="list-style-type: none"> Notify the Foundation Board about noteworthy events involving investment management 	D/C	I	S		S
3.4	<ul style="list-style-type: none"> Regular discussions with the asset manager 					
3.5	<ul style="list-style-type: none"> Monitor the securities accounting and the limits set by the Swiss Financial Market Infrastructure Act, work with the control authority and experts 		P/C	I	C	S
3.6	<ul style="list-style-type: none"> Support the management consultants in the acquisition and support of affiliations 		I			
3.7	<ul style="list-style-type: none"> Exercise voting rights according to Art. 71(a) LPP 	C			I	

Annex 3

Investment strategies

With effect from 1 October 2023 and according to the Foundation Board resolution of 7 November 2023

Investment strategy of Compacta	Strategy	Lower range	Upper range
Liquidity	1.0%	0.0%	10.0%
Bonds CHF	11.0%	6.0%	16.0%
Bonds foreign currencies hedged CHF	8.0%	3.0%	13.0%
Bonds Emma hedged CHF	0.0%	0.0%	2.0%
Shares, Switzerland	18.0%	12.0%	24.0%
Shares, abroad	18.0%	12.0%	24.0%
Shares, Emma hedged CHF	0.0%	0.0%	5.0%
Real estate, Switzerland	38.0%	30.0%	40.0%
Real estate, abroad	0.0%	0.0%	3.0%
Alternative investments	6.0%	2.0%	10.0%
Total	100%		

The target figure for the value fluctuation reserves according to Art. 6(1) is 13.8% of the pension capital (98% level of certainty).

Annex 4

Benchmark

A transparent market index is to be set up as a benchmark for each asset class. A specific benchmark is calculated for a given fund with the help of these indices and the neutral weighting according to the strategic structure of the assets. The compiled benchmark can be used to calculate and assess the added value of the “active” investment policy compared to a purely “passive” index-linked investment.

Calculation basis

Investment class	Index
Liquidity	FTSE 3M CHF TR
Bonds CHF	Swiss Bond Index AAA-BBB TR
Bonds foreign currencies hedged CHF	Bloomberg Global Aggregate TR (CHF hedged)
Emma bonds hedged CHF	Bloomberg EM Intl Issue TR (CHF hedged)
Shares, Switzerland	Swiss Performance Index (SPI) TR
Shares, abroad	MSCI World NR in CHF
Real estate, Switzerland, direct/AST	KGAST Real estate TR
Real estate, foreign, indirect hedged CHF	Cust. real est. for. BM hedged CHF
Alternative investments	Cust. Alternative Vola 8% hedged CHF

Annex 5

Small gifts

Small or customary, occasional gifts do not have to be disclosed although the following rule applies:

- Small or customary, occasional gifts (including invitations) refer to one-off gifts with a maximum value of CHF 200 for each occasion or CHF 1,000 per year and business partner, but amounting to no more than CHF 2,500 per year. Small or customary, occasional gifts are permitted and do not have to be declared.
- Invitations to events, such as specialised seminars that primarily benefit the Foundation, are treated as occasional gifts if they do not take place more than once a month. The permitted events are usually limited to one day. They are not valid for an accompanying person and must be accessible by private car or public transport. They may be followed by a social event at lunchtime or in the evening.
- Gifts and invitations that exceed the limits for each occasion or per year according to points 1 and 2 may be permitted if the Foundation Board has approved them. These must be declared.
- Financial gains in the form of cash benefits (vouchers or remuneration), kickbacks, retrocessions and similar payments that are not based on a written agreement concluded with the Foundation Board as well as private invitations with no apparent business purpose (for example, to concerts or exhibitions etc.) must be handed over to the Foundation.

If there has been a wrongful failure to surrender financial gains, the Foundation is required to immediately recover the monetary value and is entitled to impose penalties that may, on a case-by-case basis, extend to the termination of an employment relationship or a contract and initiating proceedings for the misappropriation of assets.

Compacta collective Foundation LPP

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