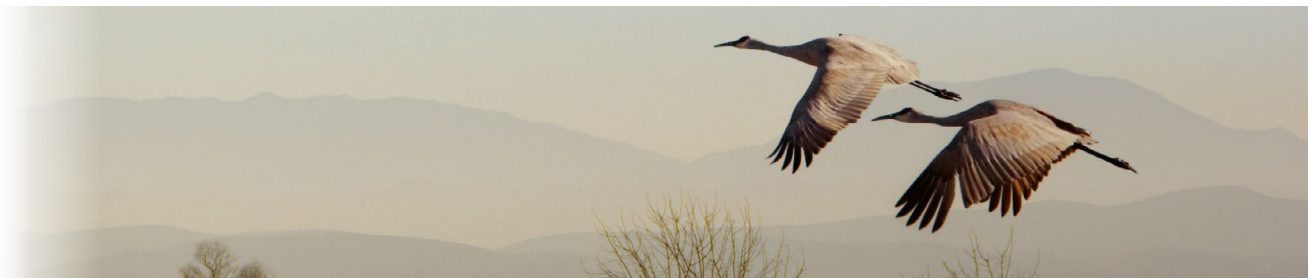


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Regulations on Internal Controls

for Valitas Sammelstiftung BVG

Valid from 1 January 2025

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1. Section: General information

Art. 1 Content of the Regulations

These Regulations outline the internal control measures that the Foundation has put in place to address various aspects. The internal controls are designed to put suitable measures in place to prevent damage to the Foundation by bodies, contractual partners or third parties.

Art. 2 Terminology

The terminology used in these Regulations is based on the definitions laid out in the Foundation's Pension Fund Regulations. In addition, terms are also defined within these Regulations.

Art. 3 Organisation

The manner in which the Foundation is organised, more specifically the division of the powers and obligations of the Foundation's bodies, is regulated in the Pension Fund Regulations, Section 4, Organisational provisions. Provisions on the organisation of investments, including regulations on the bodies' powers and obligations within the investment process specifically can be found separately in the Foundation's Investment Regulations.

2. Section: Risk bearers and decision-makers

Art. 4 Risk bearers

Risk bearers include legal entities and groups of people to whom specific risks associated with occupational pension provision such as retirement losses, longevity, death, disability or restructuring, are allocated. The Foundation's risk bearers are its pensioner pools, the biometric risk pool and individual pension funds or the units to which these persons have been allocated. Life insurance companies that provide reinsurance for individual risks of the Foundation or its pools or pension funds are classed as external risk bearers.

Art. 5 Decision-makers

Decision-makers are people who are authorised to make decisions that affect (i.e. change the rights or obligations of) certain legal entities or groups of people. More specifically, the Foundation's decision-makers are people tasked with the Foundation's administration (in particular the Foundation Board and Administrative Commission), management or asset management and are thereby authorised to make decisions that affect the Foundation or its pools or a pension fund.

3. Section: Financial management of the Foundation

Art. 6 Principles of financial management

The Foundation manages its assets at all levels to ensure that the investments are secure and generate sufficient returns, risks are distributed appropriately and any anticipated need for liquidity is covered. The contributions must be defined so that the Foundation can provide its statutory and regulatory benefits when these become due and so that all obligations arising from pension assets are covered. The principles of investment are laid out in Article 3 of the Investment Regulations; the investment guidelines can be found in the annex to the Investment Regulations.

Art. 7 Responsibility

The Foundation Board is responsible for the financial management of the Foundation. It has issued regulations on the implementation and monitoring of investment in the Investment Regulations. To the extent that the Foundation Board has delegated aspects of financial management to other bodies (more specifically, to the Administrative Commissions of the pension funds), the way in which the Foundation Board shall fulfil its obligation to provide oversight and control is set out below.

4. Section: Implementation of financial management

Art. 8 Information for decision-makers in general

Each decision-maker is first and foremost responsible for obtaining the information on which their decisions are based. Decision-makers are authorised to obtain the information required from the management. If necessary, they may contact the Foundation Board. Documents on which a formal decision is based contain subject-specific information and convey the risks and implications of the decision. All decisions must be documented in writing and the management must be informed promptly.

Art. 9 Information for the Administrative Commissions in particular

The Foundation Board has delegated the asset management of the pension funds and other decisions which specifically impact the individual pension funds on a regulatory basis to the Administrative Commissions. The Investment Committee's participation in the investment activity of the pension funds, as stipulated in the Investment Regulations, ensures that the Administrative Commissions are sufficiently informed about the risks of their decisions and the potential consequences of a negative pattern of risk. In the case of other tasks, the participation of the management in the Administrative Commissions' decision-making ensures that the Commissions are sufficiently informed about the risks of their decision and its potential consequences.

Art. 10 Overview of the pension funds

The Investment Committee ensures that the principles of financial management are complied with in the pension funds; more specifically, it ensures that the investment strategy chosen by the Administrative Commission for the pension fund complies with the Foundation's investment guidelines and the pension fund's capacity for risk. The management ensures that the investments made are compatible with the chosen investment strategy. If the management cannot promptly mitigate any deviations in the investment of assets from the statutory or regulatory requirements, it shall inform the Foundation Board. The Foundation Board shall immediately take measures to restore compliance with statutory and regulatory provisions. The Foundation Board may issue binding instructions to the Administrative Commissions, overturn decisions or issue alternative decisions that affect a pension fund. See also Art. 75 (3) of the Pension Fund Regulations. The aforementioned regulations, which are designed to ensure compliance with the law, apply similarly to the other tasks of the Administrative Commissions. The management is responsible for verifying compliance with the law.

5. Section: Transparency, integrity and loyalty

Art. 11 Addressees

The provisions in this section are addressed to all decision-makers of the Foundation and its subunits.

Art. 12 Avoiding conflicts of interest

Decision-makers must solely uphold the interests of the Foundation in the context of the decisions that they make or participate in. They must avoid situations where they are subject to other interests that may influence their authority to make decisions or participate in such a way that they may not solely uphold the interests of the Foundation (conflicts of interest).

If such a conflict of interest cannot be avoided in a particular case, the person in question must:

- a. declare the conflict of interests to all other members of the decision-making body and the management immediately;
- b. refuse to make decisions that could be impaired by the conflict of interest; and
- c. withdraw in the case of decisions in which they are authorised to participate but where their participation could be impaired by a conflict of interest.

Art. 13 How to proceed with legal transactions involving related parties

To enable the Foundation to meet its obligations in respect of legal transactions with related parties, members of decision-making bodies shall immediately declare to all other members of decision-making bodies and to the management any circumstances that may lead to the conclusion of a legal transaction with a related party. Circumstances that must be declared include, in particular, the connection of the person subject to the obligation of disclosure to the related party (in the case of legal entities, this includes participating interests) as well as the legal transaction concerned. Natural persons and legal entities are deemed related if their relationship to a person who participates in a decision for the Foundation or one of its subunits (hereinafter referred to as the “the participating person”) is such that the relationship may influence the participating person in their decision on the legal transaction for personal or commercial reasons. All persons in accordance with Art. 48i (2) of Swiss Occupational Pension Ordinance (OPO) 2 are automatically deemed to be related parties. All decision-makers submit declarations of their loyalty and integrity to the management at the end of each year. In other regulations of the Foundation, in particular the Investment Regulations, additional obligations may be stipulated for decision-makers. These apply in addition to the obligations pursuant to the regulations laid out in this article.

Art. 14 Responsibilities and procedure

The Foundation Board delegates to the management the monitoring of compliance with the provisions under this section and the associated statutory requirements. The management is responsible for executing the tasks in accordance with the following provisions in this section. If the management or one of its members are themselves affected by a conflict of interests or a legal transaction involving related parties, the Foundation Board shall execute the tasks in accordance with the following provisions. In cases of a conflict of interest, the management monitors compliance with the requirements pursuant to Art. 12. If a conflict of interest affects a member of the Foundation Board, the management shall inform the other members of the Foundation Board and in all other cases, the management shall inform the Foundation Board if this seems appropriate based on the circumstances. In all cases where it is informed of a conflict of interest by the management, the Foundation Board decides on the measures to be taken in addition to Art. 12 (e.g. setting up Chinese walls). In the case of legal transactions involving related parties as per Art. 13 above, the management takes all measures necessary for the Foundation to meet its obligations arising from Art. 51c of the Swiss Occupational Pensions Act (OPA) and clarifying ordinances, in particular those pursuant to Art. 48i (Obtaining competing offers in the case of significant legal transactions). It monitors compliance with the requirements arising from the relevant legislation and informs the Foundation Board. The management is responsible for verifying the market conformity of legal transactions involving related parties, as long as the legal transaction is at the level of the Administrative Commissions. In all other cases, the Foundation Board is responsible, if necessary to the exclusion of the person(s) subject to the obligation to disclose information within the meaning of Art. 13.

The management monitors whether declarations of loyalty and integrity are submitted on time by all decision-makers. All activities of the management and the Foundation Board within the scope of this article must be documented in writing.

Art. 15 Involvement of external decision-makers

If decision-makers are not already subject to these Regulations on the basis of their relationship to the Foundation as a member of a body, the Foundation Board shall ensure that they are subject to the provisions of these Regulations by way of a contract. This specifically applies to external service providers who perform essential services such as management, asset management, financial accounting or technical accounting for the Foundation. If the external decision-maker is a legal entity, the provisions of these Regulations apply to the natural persons acting on its behalf.

6. Section: Eligible pension plans

Art. 16 Reviews of suitability

The management ensures that the Foundation exclusively offers pension plans that the occupational pension expert has confirmed comply with the principles of Art. 1 OPA. It uses a calculation tool that has been reviewed by the occupational pension expert. This ensures that the pension plans and combinations of plans comply with the principles of occupational pension provision. If solutions are offered and their suitability cannot be evaluated using the calculation tool, the management shall inform the occupational pension expert. The expert will review the specified plans one by one and issue a separate confirmation. In cases where this is required, the management shall obtain confirmation from the occupational pension expert before the affiliation agreement enters into force.

Art. 17 Suitability in the event of multiple pension plans

Employers and self-employed people with purely non-mandatory (surplus) pension plans are asked by the management on an annual basis whether there is double insurance for the same salary components. Where these employers or self-employed people insure components of their income which are also insured in another pension institution, the management shall request from the employer or self-employed person confirmation by an occupational pension expert stating whether this is suitable within the meaning of Art. 1a OPO 2.

7. Section: Eligible investment strategies

Art. 18 Investment strategy at Foundation level

The Foundation Board devises the investment strategy, based on which assets are invested at Foundation level, within the limits of the law and in compliance with the provisions of the Investment Regulations.

Art. 19 Investment strategy at pension fund level

The Foundation has defined investment guidelines and model strategies in the provisions of its Investment Regulations governing the investment of assets and in the annex to the Investment Regulations. Within the limits of the law and regulations, the Administrative Commissions devise the investment strategy for their pension fund and apply to the Foundation Board for approval. The pension schemes also go through this procedure when changing investment strategy. After consultation with the Investment Committee, the Foundation Board decides whether to approve or reject the investment strategy. If the investment strategy cannot be approved, it will be referred back to the pension fund's Administrative Commission to be amended. If the Administrative Commission does not submit an investment strategy that is suitable for approval within a reasonable time frame, the Foundation Board will do this on its behalf.

Art. 20 Screening of investments

The screening of investments for compliance with statutory and regulatory requirements and the investment strategy is regulated in the Investment Regulations.

8. Section: Final provisions

Art. 21 Entry into force

These Regulations were issued by the Foundation Board on 24 February 2025 and come into force with retroactive effect on 1 January 2025. The German version is the definitive text for interpretation.

Zürich, 24. February 2025



Valitas collective Foundation LPP

May 2025