

Leaflets „Joining Profond – what you need to know“

Executive bodies

Companies and foundations affiliated to the Profond Pension Fund (hereinafter referred to as „Profond“) are at the same time, by virtue of their affiliation, also members of the Profond Association. The General Meeting of the Association elects members to the executive bodies and committees of the pension fund and makes recommendations on the design and implementation of occupational pension provision.

The Board of Trustees elected by the Profond Association issues the framework regulations and authorizes the pension plans of the affiliated companies. It approves the annual accounts and regulates the investment of assets and the management of the Foundation. The Board of Trustees may delegate individual tasks.

The administrative commissions represent the interests of the affiliated companies and their insured members. They decide on the design of the relevant pension plans and serve as communicators of information between the insured members, the company and the foundation. See also rules of procedure of the administrative commission.

Control bodies

The audit is conducted by Progressia Wirtschaftsprüfung AG in Wädenswil. The auditors examine the business and asset management of Profond on an annual basis.

The independent pension insurance expert, Mr Alfred Sutter, of Zurich, reviews Profond's risk capacity and security at least once a year and issues an actuarial report.

Profond is subject to supervision by the occupational pensions office (Amt für berufliche Vorsorge) of Canton Zurich.

New affiliations / transfer of assets

In the event of a new affiliation, the assets of the insured members will be transferred to Profond. For marketable assets, transfers of securities are in principle possible, but Profond reserves the right to reject specific investments. The valuation date is the agreed affiliation date. Employers' loans are not taken over because Profond has a strict policy of not granting loans to employers.

The retirement capital brought into the scheme is credited to the insured members' personal accounts. In principle, in the case of new contracts, Profond does not require any risk review if the same risk benefits (disability pension, spouse's pension, ...) were insured by the previous pension institution. Existing health-related provisos will be taken over by Profond and included in calculations.

Additional voluntary contributions can be paid into the scheme up to the legally permitted maximum. The amount of such contributions is determined according to recognized underwriting principles and the technical principles of the Federal Insurance Fund based on an interest rate of 4% and a presumed wage trend of 2%.

Costs

In addition to savings credits and risk and administration costs, which will depend on the pension plan in question, Profond charges an annual management fee (currently CHF 500) and the subscription for membership of the Profond Association (currently CHF 120).

Implementation of staff pension provision

Services to companies, bookkeeping and commercial and actuarial administration will be transferred to B+B Vorsorge AG, Thalwil. B+B Vorsorge AG services the affiliated companies and provides them with its know-how in the event of questions.

Profond

Asset management

The Board of Trustees is responsible for the investment policy and gears the investment strategy to the possibilities open to the Foundation and the needs of the insured members. Strategy and tactical measures are implemented by the Investment Committee of the Board of Trustees in close cooperation with the responsible portfolio managers on the basis of market developments.

Credit Suisse currently assures the safekeeping and administration of the securities portfolio. It ensures that transactions are processed and holds the individual securities in safekeeping.

Reinsurance

Profond has currently insured the risks of death and disability with PKRück AG, of Vaduz and Zurich.

Administration

Profond issues an invoice for the settlement of ordinary contributions at the end of each quarter. The payment period is 30 days from the invoice date.

After changes (new entries, salary adjustments, receipt of vested benefits, purchases of additional benefits etc.), the company will be provided with new insurance certificates, to be forwarded to the insured members, and a new list of positions for the company's files.

Surplus income

In principle, after the formation of reserves necessary to cover risks and technical reserves, surplus income will be used for additional credits to the retirement capital and for pension increases. The law prescribes a minimum interest rate for the retirement capital (2011: 2.0%).

Each year, once the financial statements have been completed, the Board of Trustees decides on any additional credit and pension increase.

Investment performance and distribution

(figures in %)	1995	1996	1997	1998	1999	2000	2001	2002
Performance	10,4	10,9	17,9	8,5	5,2	3,6	-3,1	-8,3
Interest on retirement capital	5,0	7,0	9,0	7,0	5,0	4,0	4,0	0,0
Pension increase	1,0	3,0	5,0	3,0	3,0	0,0	0,0	0,0
	2003	2004	2005	2006	2007	2008	2009	2010
Performance	10,1	4,7	17,1	10,8	3,8	-27,7	18,4	4,4
Interest on retirement capital	4,0	4,0	6,0	5,0	4,0	2,0	2,0	2,0
Pension increase	0,0	0,0	0,0	1,0	0,0	0,0	0,0	0,0

This information sheet gives you only an overview. For the assessment of each individual case, only the legal and regulatory provisions are decisive. Should legal differences arise between the original and the translated version, the German version will prevail.