

GEMINI Collective Foundation

## REGULATION **CODE OF CONDUCT**

VERSION 2017

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The original German text is legally binding.

### INTRODUCTION

GEMINI sets great store by exemplary ethical conduct. This applies to each individual staff member and to the Foundation as a whole, irrespective of the Foundation's role as client or supplier. All of the Foundation's decisions comply with this Code of Conduct. The Code of Conduct prohibits any activities that lead to a pecuniary advantage in connection with the position held at GEMINI and describes how executive bodies (e.g. Foundation Board, members of the investment committee) and individuals specified by GEMINI in writing may avoid potential conflicts of interest between their person and the company in the context of the performance of their duties at GEMINI.

The Code of Conduct is based on the relevant laws and regulations, in particular Articles 48f-I BWV 2 and the ASIP Charter with which GEMINI complies.

#### **GEMINI Collective Foundation**

Zurich, 17 November 2017



Vital G. Stutz  
Chair of the Foundation Board



Anita Auf der Maur  
Deputy Chair of the Foundation Board

### 1. OBJECTIVES AND PURPOSE, SCOPE OF APPLICATION, CODE OF CONDUCT OFFICER

#### 1.1 Objectives and purpose

This Code of Conduct pursues a number of objectives. Its main aim is the establishment of top ethical and professional standards in the management and administration of the GEMINI Collective Foundation. In specific, the Code of Conduct is to ensure that pension assets are employed exclusively for their intended purpose and that any misuse of pension assets in the context of their investment and management, as well as other services, is avoided.

The Code of Conduct is based on the ASIP Charter. It focuses on the following objectives:

- consistent protection of pension assets against possible self-interests of persons entrusted with the investment of pension assets and the management of pension funds for the benefit of the beneficiaries
- establishment of rules for persons entrusted with the investment of pension assets and the administration of GEMINI
- disclosure of personal pecuniary advantages gained in connection with the performance of duties on behalf of GEMINI to avoid disadvantages for the beneficiaries, particularly in respect of their assets

#### 1.2 Scope of application

This Code of Conduct applies to all members of the Foundation Board, the investment committee and other individuals specified by GEMINI in writing, hereinafter referred to as “subordinates”. The staff members of Avadis Vorsorge AG, which is in charge of the Foundation’s management, are subject to the Code of Conduct of Avadis Vorsorge AG which is supervised by FINMA.

#### 1.3 Code of conduct officer

The Chair of the Foundation Board fulfils the function of code of conduct officer.

The Deputy Chair of the Foundation Board fulfils the function of code of conduct officer in respect of the Chair of the Foundation Board’s concerns.

## 2. STANDARDS FOR SETTLING CONFLICTS OF INTEREST

### 2.1 General points

This Code of Conduct prohibits all subordinates from pursuing any activities in the context of their position at GEMINI that lead to a pecuniary advantage. A conflict of interest arises when the interests of GEMINI are affected by the interests of a subordinate – even situations whereby the two spheres of interest merely appear to affect each other are deemed to be potential conflicts of interest. Please note: The Code of Conduct also applies to potential conflicts of interest. The following sections provide details of the standards for settling and handling typical conflicts of interest.

### 2.2 Own account trading

The performance of transactions for own account is generally permitted. The following activities are prohibited according to the applicable law, regulation and ASIP Charter:

- exploitation of a price-relevant information advantage with the intention of gaining a personal pecuniary advantage
- investments made in the knowledge of transactions planned or resolved by the -pension fund, i.e. front running as well as parallel and after running
- simultaneous trade in securities or investments that are also being traded by the -pension fund if this may lead to a disadvantage for the pension fund

### 2.3 Affecting decisions for personal gain

The position held within GEMINI may enable staff to wield influence on decisions or transactions that may be exploited for personal gain. In addition, GEMINI's position as a company may also be exploited for personal gain. This includes taking respective action to facilitate, consolidate or maintain business relationships (see paragraph 3.1).

### Acceptance of gifts and other pecuniary advantages

The acceptance of personal pecuniary advantages, such as gifts, by persons subject to the Code of Conduct (especially GEMINI executive bodies) shall be disclosed if the -following conditions apply:

- The gift would not have been granted if the respective staff member did not have a position at GEMINI or a GEMINI executive body.
- The gift is more than a minor gift. The following rules apply to minor gifts: the gift's value is below CHF 200, the value of all gifts received from the business partner during a 12-month period is below CHF 500.

The disclosure must be made to the code of conduct officer. The disclosure list shall include the following information:

- name/function of the persons involved (provider and recipient of the gift)
- date of granting of the pecuniary advantage/gift
- brief description of the pecuniary advantage/gift
- reason for the granting of the pecuniary advantage/gift
- estimated value of the pecuniary advantage/gift
- further use of the gift (decision by code of conduct officer)

Customary invitations to business dinners are not deemed to be gifts.

### Granting of pecuniary advantages and other benefits

The granting of personal pecuniary advantages, such as gifts, by subordinates (in particular GEMINI executive bodies) must be submitted to the code of conduct officer for approval, in due time and in writing, provided the following conditions apply:

- The gift is more than a minor gift. The following rules apply to minor gifts: the gift's value is below CHF 200, the value of all gifts granted to a business partner during a 12-month period is below CHF 500.

The application to the code of conduct officer shall include the following information:

- name/function of the persons involved (provider and recipient of the gift)
- date of granting of the pecuniary advantage/gift
- brief description of the pecuniary advantage/gift
- reason for the granting of the pecuniary advantage/gift
- value/price of the pecuniary advantage/gift

Customary invitations to business dinners are not deemed to be gifts.

### 2.4 Interest affiliations

#### General points

In application of Art. 48I BVV 2, all individuals/institutions entrusted with business management or asset management shall disclose their interest affiliations or potential conflicts of interest to the supreme executive body. The supreme executive body shall disclose its interest affiliations to the auditor.

#### Representation on committees/institutions/teaching activities

The above disclosure requirements also comprise representation on committees and institutions as well as teaching activities performed at education institutions.

In connection with their position at GEMINI, members of the executive bodies may be active in associations, political parties/organisations, interest groups and public education, or other, institutions. Principally, such activities may not be in competition with the services offered by GEMINI. Should any decisions be pending in such bodies which may cause an actual, or even an apparent, conflict of interest with their position at GEMINI, such members shall recuse themselves from the respective decisions/votes.

The GEMINI Foundation Board shall take the decisions regarding attendance of executive bodies or institutions in the name of GEMINI and the use of any compensation that may be paid.

- The payment shall be due to GEMINI if the representation on the board is in the name of GEMINI.
- In all other cases, the payment shall be due to the respective person.

### 3. BUSINESS RELATIONSHIPS WITH SUPPLIERS/CUSTOMERS

#### 3.1 General points

Central supplier/service provider contracts shall be advertised on the market on a -regular basis (every three to five years). This includes, in particular, the pension fund expert, the management, the auditor and any consulting mandates.

The Foundation Board shall determine how contracts shall be awarded to suppliers.

It sets great store by professional, long-term business relationships with competent, -successful partners who are well established on the market. Countertrades principally do not form a basis for co-operation.

Private business relationships with suppliers and customers shall be avoided as a matter of principle. Such relationships shall be disclosed to the code of conduct officer in all cases. GEMINI provides a list of suppliers/customers.

#### 3.2 Attendance of GEMINI expert committees

As regards the nomination/appointment of members to expert committees (e.g. investment committee), individuals that count among GEMINI's customers and suppliers should not be selected as a matter of principle.

### 4. IMPLEMENTATION

#### 4.1 Basic principles of implementation

This Code of Conduct shall be implemented on the basis of the following elements:

- **Commitment:** By signing a respective document, the subordinates personally undertake to comply with the defined standards.
- **Training:** Suitable training measures shall guarantee the correct application of the Code of Conduct.
- **Escalation:** Potential and actual infringements are collected and processed in a central place.
- **Updating:** The Code of Conduct shall be reviewed in regular intervals and kept up to date.
- **Sanctions:** Where infringements have been detected, the code of conduct officer and a member of the Foundation Board shall decide on respective sanctions.

#### 4.2 Control

The duty to disclose activities pursuant to paragraph 2 of this Code of Conduct represents the central control mechanism that ensures compliance with the Code of Conduct. The list of disclosures shall be maintained by the code of conduct officer. The officer shall report to the Foundation Board at least once a year.

