


Organizational Regulations January 2015



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Note: The use of masculine pronouns and adjectives to refer to persons or functions in these regulations refers to both men and women.



Organization and Administration

I – Organization and Administration

These Organizational Regulations govern the duties and powers of the Board of Trustees and the administrative bodies of the Hardship Fund.



Board of Trustees

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II – Board of Trustees

2.1 General

As the governing body, the Board of Trustees manages the Hardship Fund pursuant to the provisions of the Deed of Foundation and to statutory, regulatory, and supervisory provisions. It represents the Hardship Fund in all matters that cannot be delegated. It defines the overall strategy and monitors its implementation. In particular, the Board of Trustees defines principles for the areas of occupational benefits, investment of assets, risk management, organization, communication, and training of Hardship Fund trustees.

Duties that may be delegated may be done so to a committee, the Management, or a third party.

2.2 Composition and Chairman

The Board of Trustees is composed of at least three members who are appointed by CREDIT SUISSE GROUP AG. At least one member should be appointed from the ranks of the beneficiaries.

CREDIT SUISSE GROUP AG appoints a Chairman from among the members.

2.3 Term of Office and Appointment of Replacements

Members of the Board of Trustees are elected for a term of four years and may be re-appointed. If a current member resigns from the Board of Trustees, leaves due to termination of employment, or is no longer able to exercise the mandate, a successor will be appointed. Successor trustees take over the remaining term of their predecessors.

2.4 Decision-Making

The meetings of the Board of Trustees are convened as needed. Invitations to the meetings are issued by or by order of the Chairman and are accompanied by an agenda.

The Board of Trustees is quorate if the majority of the trustees are present. The Board of Trustees passes its resolutions with a simple majority of the votes cast by those present. In case of a tie, the Chairman's vote is counted twice.

Resolutions may also be passed by way of circular letter; they require the affirmative vote (in writing, by email or fax) of all members of the Board of Trustees. All resolutions are recorded in the minutes.

2.5 Tasks and Powers

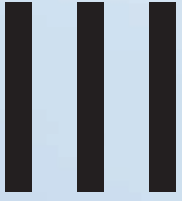
The Board of Trustees is responsible for the following tasks:

- a) Monitoring the financial equilibrium of the Hardship Fund
- b) Issuing Hardship Fund Regulations and standardized affiliation contracts
- c) Concluding and terminating affiliation contracts with employers
- d) Taking cognizance of the auditors' report
- e) Approving the annual financial statements and the annual report
- f) Defining and periodically reviewing the investment organization
- g) Defining and periodically reviewing the investment policy (investment strategy and strategic bandwidths)
- h) Issuing the Regulations on Investments and Provisions
- i) Periodically reviewing the overall investment activities including performance assessment and risk management
- j) Issuing and monitoring loyalty and integrity regulations
- k) Election of the independent auditors
- l) Appointing the Hardship Fund Management
- m) Designating the authorized signatories and the type of signature
- n) Adopting the administration and asset management budgets
- o) Submitting applications to the supervisory authorities on amendments to the Deed of Foundation

2.6 Remuneration of the Board of Trustees

Members of the Board of Trustees do not receive any remuneration for their participation in the Board of Trustees.

Effective costs are reimbursed against proof of expenditure.



Management

9 Manager

9 Tasks and Powers

III – Management

3.1 Manager

The Board of Trustees appoints the manager and, if necessary, a deputy manager.

The Hardship Fund Manager oversees operational activities in compliance with the guidelines laid down by the Board of Trustees, issues the necessary guidelines and policies for the internal organization, and represents the Hardship Fund externally. The Manager may also delegate responsibilities to subordinate employees or external agents.

The Manager attends meetings of the Board of Trustees in an advisory capacity.

3.2 Tasks and Powers

The Manager has the following responsibilities, tasks and powers:

- a) Overall responsibility for the technical and commercial management of the Hardship Fund
- b) Implementing decisions made by the Board of Trustees
- c) Periodically reporting on business activities to the Board of Trustees
- d) Making expenditure decisions within the administration budget
- e) Entering into and terminating affiliation contracts with employers with up to 100 insured
- f) Approval of welfare benefits of up to CHF 50,000 per individual case
- g) Approval of welfare benefits of between CHF 50,000 and CHF 100,000 per individual case with the agreement of one member of the Board of Trustees
- h) Approval of welfare benefits in excess of CHF 100,000 per individual case with the agreement of all members of the Board of Trustees

IV

Loyalty and Integrity Regulations

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IV – Loyalty and Integrity Regulations

4.1 General

The main goal is to safeguard the interests of the beneficiaries. The specific loyalty and integrity regulations can be found under Art. 53a of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and Art. 48f to 48l and 49a of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2). The Hardship Fund has voluntarily signed up to the ASIP Charter, which is a binding code of conduct. These measures and rules are intended to guarantee adherence to the loyalty and integrity regulations laid down by the BVG, and also to ensure that the principles of the ASIP Charter are implemented. The Hardship Fund periodically checks the suitability of the solutions selected for the implementation of the ASIP Charter.

4.2 Scope

The following regulations apply – supplementing existing written agreements, in particular employment contracts and policies – for internal persons subject to the Regulations, i.e.

- employees of the Hardship Fund
- members of the Board of Trustees

and for external persons subject to the Regulations, i.e. people authorized for the duties of administration or asset management who do not have a working relationship with the Hardship Fund. In particular, the following are to be regarded as external persons subject to the Regulations:

- Asset managers
- Global custodians
- Investment consultants
- Investment controllers

4.3 Basic Principles

The main goal of the external persons subject to the Regulations is to safeguard the interests of the beneficiaries. In particular this includes:

- a) Duty of loyalty: Persons subject to the Regulations act independently in exercising their role and in the interest of the beneficiaries.
- b) Duty of due diligence: The key principle with regard to the entrusted funds is the duty of fiduciary due diligence. This includes, *inter alia*, developing a sound basis on which to make decisions, as well as the careful selection, instruction, and supervision of agents; and also, when making investment decisions, an understanding of the investment and the associated risks.
- c) Duty to inform: The Management ensures that the beneficiaries as well as other stakeholders are regularly informed in a truthful, appropriate manner about its business activities.

4.4 Material Advantages

Persons subject to the Regulations do not gain any benefits from their activity that go beyond the normal compensation. The manner of compensation is clearly determinable in the context of the written regulations.

All compensation which the persons subject to the Regulations receive in their function as a representative of the Hardship Fund in external bodies is to be handed over to the Hardship Fund.

All pecuniary benefits which the person subject to the Regulations receives in connection with the activities for the Hardship Fund in excess of the normal compensation agreed in writing are to be handed over to the Hardship Fund. An exception is made for occasional gifts, i.e. gifts and invitations with a value not exceeding CHF 200 per instance, CHF 1,000 per business partner and calendar year and CHF 3,000 in total per calendar year.

Invitations to events that primarily benefit the Hardship Fund are permitted, if they occur no more than once per month. Permissible invitations are usually limited to one day and do not apply for an accompanying person. In the event of doubt, the Manager or the Chairman of the Board of Trustees decides.

The acceptance of cash gifts or gifts with cash value (e.g. cash, vouchers, reimbursements, precious metals) – even if the limit of CHF 200 is not exceeded – is prohibited.

The acceptance of gifts and invitations which do not comply with the above provisions is only permissible with the prior authorization of the Manager or the Chairman of the Board of Trustees.

If the personal pecuniary benefits are received by an associated person, business partner or acquaintance of the person subject to the Regulations, these are treated as if they were directly received by the person subject to the Regulations.

4.5 Ancillary Activities

Ancillary activities by internal persons subject to the Regulations require approval from the Manager or the Chairman of the Board of Trustees and must be disclosed to the Hardship Fund.

4.6 Personal Account Trading

All persons subject to the Regulations who make decisions for the Hardship Fund on the purchase or sale of investment instruments or are informed about such decisions before the settlement of the corresponding transactions or the publication of such a report are deemed to be involved in asset management. Persons subject to the Regulations must act in the interests of the Hardship Fund and avoid conflicts of interest resulting from personal investments. They may not use their position to obtain personal pecuniary benefits or to carry out personal account trading under art. 48j BVV 2. The processing of transactions by a third party is deemed to be personal account trading.

Front running, parallel running and after running are prohibited in particular; this applies to transactions in the same or derivative investment instrument (other fund categories, derivatives, other share categories [named/bearer], holding companies with substantial positions in the investment instrument, etc.). Trading with the same securities as the Hardship Fund is generally prohibited insofar as it could prove disadvantageous for the Hardship Fund; participation in such transactions in another form is treated in the same way as trading. Asset switches in safekeeping accounts of the Hardship Fund that are not in its economic interests are also prohibited.

The Internal Audit unit of Credit Suisse AG carries out an annual spot-check of personal account trading for the Board of Trustees and informs the latter of the outcome.

4.7 Conflicts of Interest

Persons subject to the Regulations may not have a lasting conflict of interest. Vested interests that may compromise independence, even in appearance only (external image), must be disclosed to the appropriate decision-making body.

Vested interests that may compromise independence – insofar as the affected persons, companies or institutions are (potential) business partners or beneficiaries of the Hardship Fund – arise in particular through:

- Exercising dual functions in connection with Hardship Fund activities
- Membership of supervisory and decision-making bodies
- Substantial financial participations
- Close private or business relationships
- Close personal relationships and/or family ties to contact persons, beneficiaries, decision-makers, or owners
- Long contractual terms

Vested interests may result in conflicts of interest. Particular care must be taken with the following business cases and transactions:

- Awarding of mandates (e.g. asset management, IT)
- Procuring of materials and services (e.g. IT, broker activities in connection with insurance products)
- Trading of securities
- Purchase, sale, or renovation of real estate
- Granting of benefits from the Hardship Fund

Asset management, insurance, and administration agreements between the Hardship Fund and a third party must be dissolvable no later than five years after entry into force, and such dissolution must not be detrimental to the Hardship Fund.

Those entrusted with management or asset management duties or beneficial owners from corporations entrusted with these responsibilities may not sit on the Board of Trustees of the Hardship Fund.

If a conflict of interests becomes known, the decision-making authority takes effective measures. This may, in particular, lead to the abstention of the person affected from the related transaction, to the exclusion of a business partner from the current bid procedure or the resignation or release of the person affected from his function.

4.8 Legal Transactions with Related Parties

Related parties are defined as a person's spouse, partner, registered partner, and relatives of the first or second degree (parents, siblings and half siblings, grandparents, and grandchildren) of the person subject to the Regulations as well as legal entities where beneficial ownership exists.

The legal transactions executed by the Hardship Fund must correspond to market conditions. Market conformity must be demonstrable.

For significant transactions with related parties, competing offers must be sought. Full transparency must be prevalent in the awarding process. Any legal transaction in asset management is regarded as significant when

- the fees exceed CHF 100,000 million; or
- the rental income exceeds CHF 100,000 million; or
- the transaction size for real estate exceeds CHF 2.5 million.

Any legal transaction in administration is regarded as significant when the service contract exceeds CHF 50,000.

Written documentation is mandatory for all legal transactions with related parties.

The Board of Trustees assesses the market conformity of legal transactions with related parties on an annual basis.

4.9 Obligation to Inform

The Hardship Fund informs persons subject to the provisions of these Regulations. These confirm acknowledgement of the Regulations and the ASIP Charter.

The internal persons subject to the Regulations are informed about these Regulations upon assumption of the office or position and periodically thereafter.

The Manager is responsible for providing the information.

4.10 Confirmation of Compliance

Persons subject to the Regulations provide the Hardship Fund with an annual written statement, in which they confirm their compliance with the Regulations.

The confirmations of compliance are presented to the Board of Trustees annually, while those of the members of the Board of Trustees will also be presented to the auditors.

4.11 Reporting Violations

The internal persons subject to the Regulations undertake to report to the Manager any incurred or impending infringements against laws, obligations and principles of the Hardship Fund or disruptions, damages, irregularities and maladministration of any type to the Hardship Fund.

They must report, in particular, prosecutable acts or omissions, of which they obtain knowledge in the practice of their professional activity, if they have in good faith reasonable grounds for suspecting that the prosecutable acts have occurred or will occur in the future.

If they have justified reason to suspect that they will be discriminated against for reporting to the Manager, who is involved in the prosecutable action or knows about it, they can report directly to the Chairman of the Board of Trustees.

Confidentiality is safeguarded.

4.12 Sanctions

Sanctions are imposed for any infringements of the provisions under section 4.

The Manager or the Chairman of the Board of Trustees judges the severity of the infringement. In doing so, he also considers in particular whether the infringement occurred intentionally and to what extent the reputation of the Hardship Fund could be affected.

Gross infringements and infringements committed by members of the Board of Trustees will be brought to the attention of the Board of Trustees. The Manager or the Chairman of the Board of Trustees decides on the sanctions for any other infringements.

Possible sanctions include the following in particular: warnings, fines, transfers, loss of employment, suspension from the committee, or termination of the contractual relationship. The opening of civil and criminal proceedings, in particular also based on the penal provisions of the BVG, is also possible.

The Chairman of the Board of Trustees must be informed immediately in the event of any loss of employment, suspension, termination of contractual relationships or civil and criminal proceedings.

Improper pecuniary benefits must be immediately demanded by the Hardship Fund.

It is the responsibility of the Manager to take further measures to avoid repeat cases.

4.13 Monitoring

The auditors examine in accordance with BVG art. 52c(1)(c) whether precautions for safeguarding loyalty in asset management have been taken and whether compliance with the loyalty obligations is sufficiently monitored by the Board of Trustees.

V

Final Provisions

16 Amendment Proviso

16 Entry into Force

V – Final Provisions

5.1 Amendment Proviso

The Board of Trustees is entitled to amend these Organizational Regulations at any time.

5.2 Entry into Force

Following the resolution of the Board of Trustees, these Regulations enter into effect on September 1, 2015, and replace the Regulations of February 17, 2000.

HARDSHIP FUND OF CREDIT SUISSE GROUP (SWITZERLAND)

Philip Hess
Chairman of the Board of Trustees

Thomas Isenschmid
Member of the Board of Trustees

Christian Machate
Member of the Board of Trustees

Claude Täschler
Member of the Board of Trustees



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