

Bern, July 2020

Dear Sir/Madam

The time has come: Vorsorge RUAG has been called the **Livica Collective foundation** since 1 July 2020. Together with the name change, a number of organisational modifications are being made which will transform the current Group pension fund into a collective institution. This transformation is our response to the unbundling of RUAG in the field of occupational pensions.

This is not new information for you, as we have – since we became aware of the unbundling of RUAG – kept you informed about the plans and objectives. This is the case in the 2018 and 2019 annual reports, on the RUAG intranet, on the RUAG noticeboards and, of course, on our website www.vorsorgeruag.ch.

As the plans are now being implemented, we want to provide you with comprehensive information once again.

First of all, here are the most important details in a nutshell:

- As an insured person, you do not have to do anything: the insurance cover will continue unchanged.
- The pension scheme (contribution rates, conversion rates, benefits) will remain the same.
- Current pensions will remain unchanged.
- The office contact persons will remain the same.
- The companies form affiliated pension funds, which are independent of each other.
- The pension committees manage the affiliated pension funds.
- As of 30 June 2020, interim financial statements will be drawn up and the assets will be allocated to the affiliated pension funds.
- The current Foundation Board will remain the supreme governing body of the Livica Collective foundation.

Yesterday a Group pension fund – today a collective institution

The transformation into a collective institution has the advantage that the different companies of the unbundled RUAG can fulfil their occupational pension obligations under a joint pension umbrella and do not have to set up their own pension funds.

A collective institution comprises various affiliated pension funds, in which the restructured RUAG with MRO Switzerland and RUAG International can be portrayed in the best possible way. The insured persons are assigned to the companies according to the individual pension plans (see the table below). In spite of the restructuring, the pension plan will remain unchanged. In other words, the contribution rates, conversion rates, retirement, survivors' and disability benefits will not change. For the insured persons, there is no change in occupational pensions. Benefits will not be affected.

In future, the collective institution will also be open to other companies outside of RUAG.

Therefore, after twenty years of being called Vorsorge RUAG, it is changing its name to **Livica Collective foundation**.

The supreme body of the collective foundation will still be the current Foundation Board. In order to ensure a smooth transition, the term of office was extended on a one-off basis in agreement with the supervisory authority for a period of six months until 30 June 2021.

The Livica Collective Foundation and its affiliated pension funds

With effect from 1 July 2020, the collective foundation comprises the following organisationally and financially separate affiliated pension funds:

Affiliated pension funds	Company	Insured persons (approx.)
RUAG	RUAG Ltd (Land and Air divisions) RUAG Real Estate Ltd	2,100 100
Environment	RUAG Environment Ltd	55
Aerospace	RUAG Switzerland Ltd (Space, Aerostructures, MRO International) RUAG Corporate Services Ltd	700 230
Ammotec	RUAG Ammotec Ltd	330
Slip Rings	RUAG Slip Rings Ltd	40
Simulation & Training	RUAG Simulation & Training Ltd	310
Livica	Livica Collective Foundation office	5
Pensioners RUAG	All RUAG pensioners who started drawing a pension on or before 1 January 2020.	1,840

The affiliated pension funds are managed by pension committees whose composition is based on equal representation (each with an equal number of employee and employer representatives). The number of members of the pension committee is four persons for affiliated pension funds with more than 100 insured persons or two persons for affiliated pension funds with fewer than 100 insured persons. The process of electing members of the pension committees is currently underway. You will be informed about this by your elected employee representatives.

The most important tasks of the pension committees will in future be to set the interest rate for retirement assets and determine the investment strategy, as well as monitoring asset management.

As early as 1 January 2020, all previous old-age pensioners and those drawing a survivor's pension were transferred to their own affiliated pension funds with unchanged pension entitlements. It is managed directly by the Foundation Council. The disability pensioners are assigned to the corresponding affiliated pension fund.

Interim financial statements as of 30 June 2020 – allocation of assets to affiliated pension funds

The organisational transformation requires interim financial statements to be drawn up as of 30 June 2020. On 1 July 2020, the affiliated pension funds will start operating with their own balance sheet and income statement. The assets are allocated to the individual affiliated pension funds based on the calculations of the occupational pension expert. The auditors and the supervisory authority will review and monitor the work.

In the next few weeks, we will keep you informed about the technical implementation and the allocation of assets to the affiliated pension funds.

How can you get in touch with us?

As a result of the change, our offices will be closed from 1 to 3 July 2020.

We will be at your service again from 6 July 2020:

Tel. 031 330 21 11
E-mail info@livica.ch
Website www.livica.ch

Monday to Thursday:
08.30 – 11.30 / 13.30 – 16.30

Friday
08.30 – 11.30

Kind regards

Livica Collective foundation



Corrado Tedeschi
Managing Director



Smain Barka
Deputy Managing Director