RULES OF RAUTE CORPORATION'S SICKNESS FUND

valid as of January 1, 2024

Approved by the Finnish Financial Supervisory Authority on December 12, 2023

GENERAL PROVISIONS

1§ The name of the employee benefits fund is Raute Corporation's Sickness Fund.
The fund's registered office is in Lahti.

2§ The fund's purpose is to grant benefits in accordance with the Finnish Health Insurance Act and additional benefits as specified in these rules. The fund is an employer's fund as referred to in the Finnish Health Insurance Act (1224/2004).

In addition to these rules, the Pension Funds Act (946/2021) and the Employee Benefits Funds Act (948/2021) are applied to the fund's operations.

The overall supervision of the fund's operations lies with the Finnish Financial Supervisory Authority.
The fund's operations according to the Health Insurance Act are supervised by the Social Insurance Institution of Finland.

3§ The fund shall have at least 300 insured persons.

SPHERE OF OPERATIONS AND INSURANCE RELATIONSHIP

4§ The fund's sphere of operations comprises the persons employed by the following employers:

1. Raute Corporation (0149072-6)
2. RWS-Engineering Oy (1011889-7)
3. HPP Bulk Technologies Oy (1876586-1)
4. Tamtron Precision Oy (0898455-0)
5. Lahti Glass Technology Oy (2915874-1)
6. Hiottu Oy (1940393-4)
7. Raute Corporation's Sickness Fund (0225474-1)

For the purposes of these rules, an employer is referred to as a stakeholder.

Being included in the sphere of operations requires that the person receives their main income from a stakeholder or the sickness fund; the working time specified in the employment contract must be a minimum of 50% on average. However, the fund's sphere of operations does not include persons whose employment relationship is intended to be temporary and short-term.

Persons included in the fund's sphere of operations have the right to join the fund as an insured person. An insurance relationship with the fund is voluntary for a person belonging to its sphere of operations.

The insurance relationship shall be applied for within three months from when the employment relationship began or the stakeholder joined the sphere of operations. By decision of the fund's Board of Directors, exceptions to the aforementioned three-month timeframe can be made for a justified reason. The fund's Board of Directors establishes that the conditions for an insurance relationship are met and decides on the beginning of the insurance relationship. The insurance relationship begins, if the conditions are met, from the beginning of the month following the application or after the Board of Directors' decision.

The Board of Directors can, by issuing a separate decision for a fixed period of time, enable also persons employed by a stakeholder who have not previously joined the fund as insured persons to apply for an insurance relationship.

When the insurance relationship begins, the insured persons are sent the rules of the fund by email. If a person does not have an email address, the rules are sent to the person's home address by post.

The insured persons are informed of the rules and changes to them on the sickness fund's website.

RESIGNATION AND DISMISSAL FROM THE FUND

5§ An insured person resigns from the fund when they are no longer covered by its sphere of operations. A person insured with the fund can resign from the fund by making a request in writing to that effect. In that case, the resignation will take effect on the last day of the salary payment period following the notice of resignation.

The insurance relationship ends when the employment relationship ends. A person who has resigned from the fund without their employment relationship having ended is not entitled to rejoin the fund as an insured person.

An insured person cannot be dismissed from the fund.

6§ A stakeholder resigns from the fund when it no longer belongs to its sphere of operations or by giving written notice of resignation to the fund at least six months prior to the date of resignation.

A stakeholder cannot be dismissed from the fund.

7§ An insured person or stakeholder who resigns from the fund is not entitled to any shares of the fund's assets.

INSURANCE PREMIUMS

8§ The fund's insurance premium is 1.80 per cent of the salary under the Prepayment Act (1118/1996) paid to the insured person by a stakeholder, but annually no more than the amount confirmed by the Fund Meeting each year. No insurance premiums are collected on the holiday pay and holiday bonus paid when the employment relationship ends.

A stakeholder's contribution is two per cent of the amount of the insurance premiums of the fund's insured persons employed by the stakeholder.

9§ The stakeholder withholds the insurance premium from the insured person's salary in connection with salary payment. Insurance premiums are paid to the fund at least once a month.

Contributions are paid to the fund once a month.

10§ If the financial situation of the fund so requires, the fund's Board of Directors can increase or decrease the insurance premiums by no more than 25 per cent. Approval by the stakeholder must be obtained before implementing the changes to the premiums.

Changes to premiums with a duration of more than six months, however, shall be implemented as changes to the rules.

OPERATIONS UNDER THE HEALTH INSURANCE ACT

11§ Insured persons are, under the Health Insurance Act and the provisions based on it, entitled to:

1) compensation for expenses arising from necessary medical treatment of an illness

2) allowance for a period of disability due to illness

3) compensation for necessary expenses in connection with pregnancy and childbirth

4a) maternity, paternity and parental allowance as well as special maternal allowance

4b) pregnancy allowance, special pregnancy allowance, parental allowance

5) allowance as referred to in Section 18 of the Act on the Medical Use of Human Organs and Tissues (101/2001).

12§ Benefits under the Health Insurance Act, their amounts and restrictions, commencement and expiry of the insurance, application for and payment of benefits, appeals and tasks related to operations according to the Health Insurance Act are defined by the Health Insurance Act and the provisions and regulations based on it.

13§ The fund is entitled to obtain from the health insurance fund of the Social Insurance Institution the assets required for the payment of the benefits defined in the Health Insurance Act and compensation for its administrative expenses as regulated in the Health Insurance Act and the Government Decree on the implementation of the Health Insurance Act (1335/2004).

ADDITIONAL BENEFITS

14§ The fund compensates expenses arising from necessary treatment to an insured person who must be treated by a doctor, a dentist or another person with appropriate professional training in case of illness, pregnancy or childbirth. Compensation is paid to the extent of expenses that the treatment would have cost without any unnecessary expenses.

Before payment, a deduction referred to in Section 17 is made from the additional benefit.

REIMBURSABLE EXPENSES:

1 a) 75% of the doctor's fee and minor procedures performed by the doctor during the appointment if the treatment is necessary to cure an illness other than a dental one. The expenses for supplies, administration and outpatient clinic fees and similar expenses charged by doctors and private clinics in addition to the doctor's fees are not compensated.

A dentist's fee and the fee of another doctor related to dental care are compensated based on Section 8.

1 b) Public healthcare customer fees other than dental care customer fees, and hospital outpatient fees and fees for day surgery are compensated up to the maximum limit specified in the Decree on Client Fees in Social Welfare and Healthcare (912/1992).

2 a) daily in-patient fees of a hospital and health center up to the maximum amount of the daily in-patient fee charged for short-term treatment provided in a central hospital's ward other than a psychiatric unit. Compensation is paid for a maximum of 90 days for the same illness.

2 b) fees for care in a private medical facility, either in full or in part, if considered reasonable by the Board in individual cases and if the treatment is not otherwise covered by paragraphs 1–8.

3 medication prescribed by a doctor, clinical nutritional supplements, products corresponding to these and basic creams are compensated when compensation has also been granted based on the Health Insurance Act. The compensation is calculated from the reference price.
The annual initial deductible for medications under the Health Insurance Act is compensated.

4 a) 70% of laboratory tests and pathology tests prescribed by a doctor with sampling are compensated. With the exception of sampling, no other additional fees are compensated.

4 b) 70% of radiological examinations and procedures prescribed by a doctor are compensated. No other procedures performed in connection with the examination are compensated.

4 c) 70% of a sleep apnea study prescribed by a doctor is compensated.

4 d) 70% of chiropractic care, physiotherapy and physiotherapeutic examinations prescribed by a doctor, no more than 12 treatment sessions during the same calendar year.

4 e) cytostatic treatment, radiation therapy and artificial kidney treatment and light therapy prescribed by a doctor are compensated up to the amount of the lowest fee category of a central hospital ward other than a psychiatric unit.

5 a) travelling expenses incurred by a person insured in the fund as specified in the general guidelines given by the fund's Board that are necessary for receiving medical treatment or for procuring and maintaining aids or other equipment prescribed by a doctor, using the cheapest means of transport, unless the nature of the illness or traffic conditions are considered to require other means of transport; However, compensation is not paid for trips made using a taxi if the taxi has not been booked by calling the regional dispatch number designated by Kela and which do not count towards the insured person's annual out-of-pocket maximum.

5 b) necessary accommodation expenses as specified in the general guidelines given by the fund's Board, in cases where an insured person during a reimbursable journey has had to stay overnight in a commercial accommodation establishment or an accommodation provided for patients of a research or medical institution, however, up to the maximum amount that the trips would have cost instead of the overnight stay.

6 a) costs of acquisition of dressings, aids and artificial replacements prescribed by a doctor, up to the maximum amount annually announced by the Fund Meeting, in cases where these items cannot be permanently or temporarily obtained free of charge.

6 b) treatment devices, equipment and measuring instruments prescribed by a doctor, either fully or in part, if deemed reasonable by the Board in individual cases.

7) for a person that has been covered by the fund for at least two years, the acquisition costs of a pair of eyeglasses prescribed by a doctor or an optician up to the maximum amount per compensation disclosed by the Fund Meeting annually. The condition for compensation is that the lenses of the eyeglasses are ground optically to correct eyesight.
Compensation for new eyeglasses can be paid again if at least two years have passed since the previous compensation for eyeglasses.
Eye laser surgery is compensated as a lump sum amounting to the price of a pair of eyeglasses up to the maximum amount announced by the Fund Meeting annually.

8 a) for a person that has been covered by the fund for at least two years, fees or payments for treatment given by a dentist, a dental technician or a dental hygienist. The treatment also includes dental examination, orthodontics, dental prosthetics and dental technical work. The annual amount of compensation paid as an additional benefit is no more than the maximum amount announced by the Fund Meeting annually.

8 b) the dentist's fee if the treatment was necessary to cure an illness other than a dental one.

In deviation of the compensation of costs mentioned in these rules, treatment provided as home visits or fees related to them are not compensated.

Costs for an expensive examination, surgery or other similar doctor's fee or procedure performed in a private clinic or medical center are compensated according to what the fund's Board separately decides in each individual case.

REQUIREMENTS FOR ADDITIONAL BENEFITS

15§ The payment of compensation under these rules is conditional upon the following:

1) The examination was performed or the treatment was provided by a doctor or other appropriately qualified professional who is included in the central register of healthcare professionals maintained by the National Supervisory Authority for Welfare and Health (Valvira), or;

2) An examination performed or treatment provided in private healthcare was carried out in a private healthcare unit as referred to in the Private Healthcare Act (714/2023).

Examinations and treatment are considered necessary if they are medically generally accepted and conform to the principles of good clinical practice. A medical prescription must be obtained prior to the occurrence of an event entitling to compensation. The prescription entitles to compensation within a period of one year upon its issue. A prescription entitles to compensation for a maximum of 15 examination or treatment visits if the examination is performed or the treatment is provided within one year of the date of the prescription. Medicines, nutritional preparations and basic creams can be compensated at a time only in quantities needed for a treatment period of three months.

Treatment provided abroad is compensated up to the maximum amount that the treatment would have cost in Finland. No compensation is paid for travel expenses abroad.

The additional benefit compensation amounts, which have an (annual) maximum euro amount, under these rules can be adjusted with the decision of the Fund Meeting.

16§ Upon the death of an insured person, a funeral grant is paid in the euro amount annually confirmed by the Fund Meeting. Upon decision of the November General Fund Meeting, the amount of the funeral grant can be adjusted, as of the beginning of the following year, to reflect the change in the value of money during the General Fund Meeting year.

If the insured person was married at the time of death, the funeral grant is paid to the spouse, otherwise the funeral grant is paid to the children or, if there are no children, the parents of the insured person or, if neither of them is alive, to the estate of the deceased. If the person entitled to the grant does not take care of the funeral arrangements, the grant can first be used to refund no

more than the actual funeral expenses to the person who has taken care of the funeral arrangements.

The provision regarding marriage and the spouse, found in Subsection 2 above, is also applied to a registered partnership and registered partners as referred to in the Act on Registered Partnerships (950/2001).

17§ Before the payment of an additional benefit, the compensation under the Health Insurance Act or other act is deducted from it. Correspondingly, if the insured person is entitled to compensation under the legislation of a country other than Finland, this compensation can, at the discretion of the Board, be taken into account in full or in part when determining the amount of compensation to be paid by the fund.

18§ The fund's liability with regard to additional benefits begins when the insurance relationship begins and ends when the insurance relationship ends. The fund only compensates expenses incurred during the insurance relationship.

Costs are considered to arise when the treatment is provided or the examination is performed. In terms of the maximum annual compensation amounts, the grounds for compensation are determined based on the date and time of treatment, regardless of when the expenses have been paid.

However, compensation for hospital care ends only when the maximum period defined in Section 14, Subsection 2, Paragraph 2a ends or, if the insured person retires on old-age pension before that, at the commencement of old-age pension, if the hospital care has begun prior to the end of the insurance relationship.

RESTRICTIONS CONCERNING ADDITIONAL BENEFITS

19§ If an insured person falls ill during a work stoppage or a temporary lay-off due to a lack of work or during an absence from work due to reasons other than illness or childbirth and they do not receive pay during this period, they are not paid any additional benefits under Sections 14–15 of these rules for the period in question.

The additional benefits under Section 14 are not in force during a study leave, care leave, leave of absence, alternate leave, military service or other similar unpaid leave.

20§ If, after the occurrence of an insured event, an insured person has in bad faith given the fund false or incomplete information of importance for the payment or the amount of the additional benefit, the benefit may be reduced or refused, as considered reasonable under the circumstances.

21§ As far as additional benefits are concerned, the fund has no liability towards an insured person or beneficiary who has willfully caused an insured event.

If an insured person or beneficiary has caused the insured event through gross negligence, their benefit can be refused or reduced or the payment of an already granted benefit can be discontinued, insofar as it is reasonable under the given circumstances.

The same applies if an insured person or beneficiary has willfully prevented the restoration of their health or has without good reason refused the examination or treatment prescribed by a doctor authorized by the fund, with the exception of procedures causing a considerable health risk. Before refusing or reducing a benefit or discontinuing the payment of a granted benefit, the insured person or beneficiary must be heard and the conduct of the insured person or the beneficiary in the matter and the amount of the paid benefit must be taken into account.

22§ The Board is entitled to determine which doctor and/or service provider must be used as far as compensation of treatment as an additional benefit under these rules is concerned.

The insured person is obliged, by order of the fund's Board and at the expense of the fund, to visit a doctor and/or service provider designated by the Board in order to be examined in connection with their compensation claim.

If the insured person does not follow the fund's Board's orders based on Subsection 1 or 2, the compensation can be refused in full or in part.

APPLYING FOR AND PAYMENT OF ADDITIONAL BENEFITS

23§ Additional benefits under these rules shall be applied for in writing. A clarification that is considered necessary shall be attached to the application.

Additional benefits shall be applied for within six months after the expenses to be compensated have been paid. Funeral grants shall be applied for within one year after the event. If the application is late, the benefit can still be granted in full or in part if a refusal is to be considered unreasonable.

Benefit applications shall be processed as urgent. If a benefit is late, the provisions of Chapter 6, Section 8 of the Employee Benefits Funds Act apply.

24§ Compensation under Section 14 of these rules can, notwithstanding the provisions of Section 17, be paid in full if the payment of compensation referred to in the Health Insurance Act or another act is delayed for reasons beyond the control of the fund's insured person and if the insured person commits to repay to the fund, from the amount of compensation that they received pursuant to the law, the portion that corresponds to the compensation paid by the fund.

25§ If an insured person or other beneficiary has received more additional benefits under these rules than they are entitled to, the unduly paid benefits shall be collected back from them. In collecting unduly paid additional benefits, good collection practices shall be followed and the insured person or other beneficiary shall be heard.

The collection of an unduly paid additional benefit can be overlooked in part or in full if this is considered reasonable and if the payment of the benefit cannot be regarded as the result of insincere conduct on the part of the insured person or beneficiary or their representative or if the amount to be repaid is insignificant.

An unduly paid additional benefit can also be recovered by setting it off against future benefit payments, if the insured person or beneficiary consents to this.

APPEALING AGAINST A DECISION ON ADDITIONAL BENEFITS

26§ Persons dissatisfied with the fund's decision on additional benefits can request a recommendation for settlement from the Finnish Financial Ombudsman Bureau (FINE). A request concerning the recommendation for settlement shall be sent to the insured person's own fund or FINE within 30 days of when the insured person was notified of the decision. The insured person is deemed to have been notified of the decision on the seventh day from the date of mailing the decision.

Anyone dissatisfied with a decision concerning an additional benefit can also bring the matter before a court. The action shall be brought within three years of when the party dissatisfied with the additional benefit decision was notified in writing of the decision and the three-year timeframe. The court is the court of first instance of the fund's domicile, i.e. the Päijät-Häme district court. The action can also be brought before the district court in whose jurisdiction the claimant has their domicile or normal place of residence.

EQUITY RESERVES

27§ The fund has a legal reserve and a contingency reserve.

The legal reserve shall annually be increased by at least 20 per cent of the surplus shown in the financial statements after deduction of the deficit from previous financial periods shown in the balance sheet.

When the legal reserve is at least as large as the average premium income of the financial period and the two previous periods, the transfer to the legal reserve is no longer obligatory.

The legal reserve may be reduced, upon decision of the Fund Meeting, only in order to cover a deficit shown in the balance sheet.

Notwithstanding what is stipulated in Subsection 4, the Financial Supervisory Authority can, on application, give the fund permission to reduce the legal reserve for special reasons, generally not, however, to an amount smaller than the amount of the full legal reserve.

28§ The part of the surplus that is not transferred to the legal reserve shall be transferred to the contingency reserve.

The contingency reserve may be used:

1) to primarily cover a deficit shown in the financial statements;

2) to increase, at the discretion of the Board, benefits under Section 14 in accordance with a plan approved by the Board for a maximum period of one year at a time;

3) to pay, at the discretion of the Board, benefits during unpaid periods mentioned in the fund's rules in accordance with a plan made for a fixed term.

TECHNICAL PROVISIONS

29§ The fund's technical provisions consist of a provision for claims outstanding that corresponds to the still unpaid compensation amounts payable due to insured events and other amounts.

The provision for claims outstanding is calculated in the financial statements using the calculation principle issued by the Financial Supervisory Authority.

FINANCIAL STATEMENTS

30§ The fund's financial period is the calendar year.

For each financial period, financial statements shall be drawn up in accordance with the Decree of the Ministry of Social Affairs and Health (1196/2021) and the regulations of the Financial Supervisory Authority, consisting of a profit and loss account and a balance sheet including notes. A report of the Board of Directors shall be attached to the financial statements. The financial statements and the report of the Board of Directors shall be submitted to the auditors at least one month before the General Fund Meeting.

31§ If the contingency reserve is not sufficient to cover the fund's deficit, the legal reserve will be used for this purpose.

The fund is not subject to the obligation to contribute referred to in Chapter 4, Section 12 of the Employee Benefits Funds Act.

AUDIT

32§ The fund has one auditor who are elected for one calendar year at a time. The auditor can be a natural person or an approved audit firm. If the auditor is a natural person, a deputy auditor shall be elected. If the auditor is an audit firm, no deputy auditor is elected.

The auditor and deputy auditor shall be auditors as referred to in the Auditing Act (1141/2015).

33§ The auditors shall, to the extent required by good auditing practice, audit the fund's financial statements and its accounting records and administration and, for each financial period, submit an auditors' report to the Board at least two weeks before the General Fund Meeting.

FUND MEETING

34§ The supreme decision-making power in fund matters rests with the Fund Meeting in which all insured persons and stakeholders are entitled to participate and exercise their right to speak.

The Fund Meeting shall be held in Lahti or Nastola.

35§ Each insured person has one vote in the Fund Meeting. An insured person can exercise their right at the Fund Meeting in person or through a representative. A representative has the right to represent no more than one insured person.

At the Fund Meeting, the stakeholders represent a number of votes which is 25 per cent of the total number of votes of the insured persons represented at the meeting. The number of votes is divided between the stakeholders in proportion to their contributions for the previous financial period.

Representatives of insured persons and stakeholders shall produce a dated special power of attorney.

36§ The fund annually holds two General Fund Meetings.

At the General Fund Meeting held no later than in April:

1) the financial statements and the auditors' report are presented

2) a decision is made on the adoption of the financial statements for the previous year

3) a decision is made on using any surplus or covering any deficit

4) a decision is made on discharging the Board members and the Managing Director from liability

5) decisions are made on other measures that may be necessary based on the operations and financial statements of the previous year

6) any other matters possibly mentioned in the notice of meeting are discussed.

At the General Fund Meeting held no later than in November:

1) the fees of the Chair and the members of the Board and the fees of the auditors are decided

2) Board members and deputy members are elected to replace Board members and deputy members with expiring terms

3) the auditors and, if necessary, deputy auditors, are elected

4) any other matters possibly mentioned in the notice of meeting are discussed.

37§ An Extraordinary Fund Meeting shall be held when the Board considers it necessary.

An Extraordinary Fund Meeting shall also be held if persons entitled to vote at a Fund Meeting who hold at least one-tenth of the total number of votes of those entitled to vote, or the Financial Supervisory Authority or the auditor of the fund so require in writing to address a matter specified by them.

The notice of an Extraordinary General Meeting shall be delivered within two weeks after the demand referred to in Subsection 2 was presented.

38§ The notice of the Fund Meeting shall be delivered no earlier than four weeks and no later than one week before the meeting. If the decision on a matter discussed at the Fund Meeting is adjourned to a subsequent meeting, a separate notice shall be delivered when the meeting is to take place after more than four weeks.

The notice of meeting and the fund's other information releases are communicated through a notice that is delivered to the designated contact persons of the stakeholders and employers by email.

39§ The notice of the Fund Meeting shall indicate the time and place of the meeting and the matters to be discussed at the meeting. If a change to the fund's rules is to be discussed at the Fund Meeting, the main content of the change shall be described in the notice of meeting.

When the financial statements are discussed at the Fund Meeting, the relevant documents or copies thereof shall be made available for review by the persons entitled to vote at the Fund Meeting, no less than a week before the meeting, at the fund's office or on the website. The documents shall also be available for review at the Fund Meeting. The same applies when a matter concerning a change to the rules is to be discussed at the Fund Meeting. The availability of the documents for review shall be mentioned in the notice of meeting and on the fund's website.

40§ The Fund Meeting is chaired by the person who has been elected for this task by the meeting.

The opinion that is supported by more than half of the votes cast becomes the decision of the Fund Meeting, unless Finnish law or another section of these rules stipulates otherwise. In the case of a tie, the Chair's vote decides. In elections, the person who receives the highest number of votes is considered as elected. In the case of a tie, the election is made by lot.

A decision concerning a change to the fund's rules is valid only if supported by persons entitled to vote who hold at least two thirds of the votes represented at the meeting.

If a change to the rules directly concerns a stakeholder's rights or obligations, the adoption of the change additionally requires that the stakeholder has approved the change at the Fund Meeting or otherwise. If there are more than one stakeholder, the adoption of a change to the rules requires that at least two thirds of all stakeholders have approved the change at the Fund Meeting or otherwise. A further requirement is that the number of votes held by the stakeholders having approved the change represents at least two thirds of the votes that the stakeholders would have held together if all stakeholders had been represented at the Fund Meeting.

41§ If the Pension Funds Act's provisions regarding the procedures to be followed or the provisions of these rules concerning the notice of meeting have not been followed when discussing a matter, a decision on the matter can only be made if the insured persons and stakeholders that the neglect concerns give their consent. If a matter, according to the law or these rules, is to be discussed at the Fund Meeting, the Fund Meeting can make a decision on it even if the matter was not mentioned in the notice. The Fund Meeting can also always decide to convene an Extraordinary Fund Meeting to discuss a specific matter.

An insured person or a stakeholder has the right to bring a specific matter to the Fund Meeting for discussion. A demand to that effect shall be presented to the Board in writing early enough for the matter to be included in the notice of meeting.

42§ Minutes shall be kept at the Fund Meeting, recording the persons entitled to vote who were present and their votes, the decisions made at the meeting and the voting results in cases where a decision was made by voting. The minutes shall be inspected and signed by the Chair and by at least one other person entitled to vote, elected for this purpose at the meeting. The minutes shall be numbered sequentially and kept in a reliable manner. The minutes shall be made available for review by the insured persons and the stakeholders at the fund's office no later than two weeks after the meeting. The stakeholders and the insured persons have the right to obtain a copy of the minutes and their attachments.

BOARD OF DIRECTORS

43§ The fund's Board of Directors consists of seven members, each of whom shall have a personal deputy.

The Board of Directors is elected by the Fund Meeting. The fund's insured persons elect five Board members and their deputies. The stakeholder elects two members and their deputies.

A Board member's term of office is two calendar years, and every other year, two, and every other year, three members and their deputies elected by the fund's insured persons, and one member and deputy member elected by the stakeholder, resign from the Board.

The Board Chair, Deputy Chair, members and deputy members are paid a meeting fee, the amount of which is decided by the Fund Meeting.

44§ The Board of Directors represents the fund and ensures its administration and the proper organization of its operations.

In particular, the Board of Directors is tasked with:

1) electing and dismissing the Managing Director and the fund's employees and determining the conditions of their employment

2) giving the Managing Director the instructions and orders necessary for the proper management of the fund's day-to-day administration and other operations

3) being responsible for the proper organization of the control of the fund's accounting and asset management

4) deciding on the investment of the fund's assets and on taking out loans

5) deciding on the granting of benefits, unless the Board of Directors has authorized the Managing Director or the fund's employees to make decisions

6) convening the Fund Meeting and preparing the matters to be discussed at the meeting as well as presenting to the meeting in its report a proposal of measures concerning the surplus/deficit shown in the financial statements

7) giving the right to sign the name of the fund.

45§ The Board elects a Chair and a Deputy Chair from among its members each year. The Managing Director cannot act as the Chair of the Board of Directors.

The Board of Directors is convened by the Chair, or, when the Chair is prevented from attending to their duties, by the Deputy Chair. The Chair shall convene a meeting of the Board of Directors at the request of a Board member or the Managing Director.

The Board of Directors constitutes a quorum when the Chair or Deputy Chair and at least three other members are present.

The Board of Directors' decision will be the opinion supported by more than half of those present at the meeting, or, in the case of a tie, the opinion supported by the Chair.

A member of the Board or the Managing Director may not take part in discussing a matter concerning their relationship with the fund or otherwise their personal interest.

46§ Minutes shall be kept of Board meetings and signed by the Chair of the meeting and the author of the minutes. The minutes are checked by at least one member specially elected by the Board for each particular meeting.

A member of the Board and the Managing Director have the right to have their differing opinion recorded in the minutes. The minutes shall be numbered sequentially and kept in a reliable manner.

The following shall be recorded in the minutes:

1) the date of the meeting, its start and end times, and the venue

2) the Board members and other persons present at the meeting

3) the matters discussed, decisions made and elections held at the meeting, as well as differing opinions

4) disqualification from decision-making and other matters deemed necessary.

MANAGING DIRECTOR

47§ The Managing Director's task is to manage the fund's day-to-day administration in accordance with the instructions and orders given by the Board. The Managing Director shall ensure that the accounting of the fund is lawful and that its asset management is organized in a reliable manner.

The Managing Director has the right to represent the fund in matters falling within their duties according to Chapter 4, Section 13 of the Pensions Funds Act.

SIGNATURE OF THE FUND

48§ The fund's name is signed by a member of the Board, the Managing Director or an employee of the fund authorized by the Board, two together.

INVESTMENT OF ASSETS AND BORROWING

49§ The fund shall invest its assets in a secure and profitable manner, keeping liquidity in mind. The fund's assets must not be used for purposes which are foreign to its operations.

The fund shall adapt its operations such that the operations are possible without borrowing.

However, the fund may temporarily take out short-term loans to maintain liquidity. The fund must not provide guarantees.

CHANGES TO STAKEHOLDER'S OBLIGATIONS

50§ If the stakeholder wishes to change the obligations concerning the stakeholder laid down in these rules, the fund shall be notified of this in writing no later than six months before the change takes effect.

After having received the notice referred to in Subsection 1, the fund shall take immediate action to implement the required changes to the rules. The same applies if the stakeholder has given notice of resignation referred to in Section 6, Subsection 1.

MERGER AND DEMERGR

51§ The fund cannot merge or demerge in the manner provided for in Chapter 7 of the Employee Benefits Funds Act.

INSURANCE PORTFOLIO TRANSFER AND VOLUNTARY LIQUIDATION AND DISSOLUTION OF THE FUND

52§ Concerning the transfer of the fund's insurance portfolio and voluntary liquidation and dissolution of the fund and the measures required by them, the provisions of Chapter 8 of the Employee Benefits Funds Act shall be followed.

STATUTORY LIQUIDATION AND DISSOLUTION

53§ Concerning the statutory liquidation and dissolution of the fund and the measures required by them, the provisions of Chapter 9 of the Employee Benefits Funds Act shall be followed.

The fund shall be placed into liquidation and dissolved:

1) if the number of insured persons at the end of the previous two calendar years did not meet the minimum required under these rules and it cannot be considered likely that the number will increase above the aforementioned number within the next four months

2) if the fund's financial statements show a deficit and the deficit is not covered during the following two financial periods

3) if the fund does not meet the principles for calculating the technical provisions or the requirements concerning the covering of technical provisions and the segregation of the cover

4) if all its stakeholders cease their operations in the sphere in which the insured persons operate

5) if so separately stipulated by the rules

6) if the Financial Supervisory Authority has ordered the fund to be dissolved.

54§ When the fund is dissolved, the remaining assets are distributed among those who were insured persons when the liquidation began. The assets are distributed among them in proportion to the insurance premiums they have paid during a period of sixty months immediately preceding the beginning of the liquidation. If the distributable amount is insignificant, the Fund Meeting can decide with a two-thirds majority of the votes that the assets be used for another purpose of general interest corresponding to the fund's operations.