

Pension Fund Regulations

PensUnit

Index of Contents

GENERAL PROVISIONS	5
1. Name, Supervisory Authority for and Purpose of the Foundation.....	5
2. Insured persons.....	5
3. Commencement and end of the Insurance	5
4. Assignees and unpaid leave	6
5. Remaining in the Foundation after termination of a contract of employment	7
6. Qualifying annual salary and insured salary	7
INVESTMENT OF ASSETS	7
7. Selection of investment strategy by the Pension Fund Commission	7
FINANCING	8
8. Obligation to pay contributions	8
9. Purchase of pension benefits and employer contribution reserves	8
10. Purchases in special cases	9
11. Financing of early retirement.....	9
12. Retirement account	10
BENEFITS	10
13. Summary of the insured benefits.....	10
14. Retirement benefits	10
15. Disability benefits.....	11
16. Benefits on death.....	12
17. Leaving benefits and payment in cash	14
18. Home ownership.....	14
19. Divorce	15
FURTHER CONDITIONS FOR THE BENEFITS	15
20. Payment of benefits.....	15
21. Offsetting of third party benefits, reductions in benefits	16
22. Claims against liable third parties.....	16
23. Disclosure and reporting obligation	16
24. Provisions on Data Privacy	17

PensUnit

FINAL PROVISIONS	17
25. Partial liquidation	17
26. Jurisdiction.....	17
27. Gaps in the regulations	17
28. Deviations in various language versions	18
29. Transitional provisions.....	18
30. Changes to the regulations and effective date	18

Appendix 1 Conversion Rates

PensUnit

Foundation

Collective Foundation PensUnit

Founder

PensExpert AG

Company

Employer which has affiliated itself with the Collective Foundation PensUnit.

Retirement age

First of the month after reaching the standard AHV retirement age

Employee

Employee of an affiliated company

Insured person

Employee or person exempt from contributions of an affiliated company

Pension Fund Commission

Each company has a pension fund which is managed by its respective Pension Fund Commission. The composition, duties and responsibilities are described in the Organisational Rules.

Savings contributions

The savings portions paid annually to the Foundation

Pension capital

Corresponds to the retirement assets available on a specific date

Registered partners

Are treated as having equal status to the surviving spouse in accordance with the PartG [Registered Partnership Act]

AHV / IV

Swiss Federal Old Age and Survivors' Insurance / Swiss Federal Disability Insurance

BVG

Federal Act on Occupational Retirement, Survivors' and Disability Provision

BVV 2

Ordinance on Occupational Retirement, Survivors' and Disability Provision

FZG

Federal Act on Vested Benefits in Occupational Retirement, Survivors' and Disability Provision

WEFV

Ordinance on the Promotion of Home Ownership Financed through Occupational Pension Provision

PartG

Federal Act on the Registered Partnership between Same Sex Couples

Insofar as the masculine or feminine versions are used for persons in the provisions below these shall also apply to persons of the respective other gender.

GENERAL PROVISIONS

1. Name, Supervisory Authority for and Purpose of the Foundation

- 1.1 Collective Foundation PensUnit - (hereafter referred to as the "Foundation") – is a Foundation in accordance with Art. 80 et seq. ZGB [Swiss Civil Code] and Art. 331 et seq. OR [Swiss Code of Obligations] with registered office in Lucerne.
- 1.2 The Foundation is recorded in the Commercial Register and is subject to the BVG/LPP and Foundation Supervisory Authority for Central Switzerland (ZBSA).
- 1.3 The purpose of the Foundation is to offer voluntary occupational pension provision for employees, employers, members of organisations and self-employed persons in gainful employment insured within the framework of the statutory bases, as well as for their dependants and survivors, against the financial consequences of retirement as well as disability and death.
- 1.4 Membership of the Foundation is through an affiliation contract in writing.
- 1.5 These Pension Fund Regulations, together with the pension plan applicable for the company and the other regulations of the Foundation, govern the benefits, the financing and implementation of the non-compulsory occupational pension provision.
- 1.6 The cover for the risks of death and disability is provided through risk reinsurance contracts.

2. Insured persons

- 2.1 Membership is open to employees and employers in accordance with the definition in the pension plan. Membership is open to self-employed persons without any employees providing they comply with the statutory provisions (association pension provision). Salaries can be insured up to the maximum thirty times the maximum basic AHV retirement pension (as at 01/01/2021: CHF 860,400).
- 2.2 Affiliated companies register their employees as soon as the terms for admission in accordance with the pension plan have been met. If the employee is not registered then he/she is not entitled to any insurance cover.
- 2.3 Persons who are at least 70% disabled in accordance with the Federal IV, as well as persons who remain provisionally insured with another benefits institution in accordance with Art. 26a BVG will not be admitted into the retirement scheme.

3. Commencement and end of the Insurance

- 3.1 Before admission, the entitled persons must complete a state of health questionnaire. Membership commences on the date on which the employment relationship starts or at the time entitlement to a salary arises or if earlier at the time when the employee starts the journey to work.
- 3.2 The Foundation can arrange for a medical examination by an independent doctor, apply temporary exclusions to benefits and refuse benefits.
- 3.3 The Foundation may apply a temporary exclusion to benefits for the risks of death and disability for a maximum of 5 years until death or the start of the incapacity to work that gives rise to a claim. The duration of a temporary exclusion imposed by a previous pension institution is added to the duration of the new temporary exclusion. The pension cover acquired by the existing vested benefits is not reduced by any new health-related temporary exclusion.

- 3.4 If the insured person is in breach of his disclosure obligation – such as concealing pre-existing health problems, making false statements during the medical examination and giving other false information– the Foundation may withdraw from or terminate the pension contract for this insured person by a written declaration within 6 months after being informed of this.
- 3.5 The definitive insurance cover commences with the unconditional acceptance by the Foundation. Notification is issued in writing.
- 3.6 Unless and until definitive insurance cover is in place, provisional cover shall be provided under the terms of a reinsurance contract under which the maximum amount of risk benefits is capped. The Foundation shall inform the insured person in writing concerning the relevant applicable limits. No provisional insurance cover will be issued for existing conditions, on the basis of which the insured is receiving medical treatment or under supervision by a doctor.
- 3.7 Relevant increases in the insurance benefits can be made dependent upon a renewed health check in accordance with Art. 3.2 to 3.4 relating to exclusions of benefits and breach of disclosure obligation. The Foundation and the third party entity responsible for carrying out the medical examination (risk insurance and insurance medicine services) may at their own cost carry out or arrange relevant clarifications for the purpose of the medical examination.
- 3.8 Even if a temporary exclusion is applied, no benefits will be paid up to the end of the insurance if the incapacity to work or death risk occurs during the period of the temporary exclusion.
- 3.9 The Foundation will only pay benefits in accordance with the pension plan if the incapacity to work, the cause of which leads to disability or death, occurs after admission to the Foundation.
- 3.10 If an insured person's contract of employment does not end as a result of retirement, disability or death, the insured person will leave the Foundation or can remain in the Foundation as an external member in accordance with Art. 5.
- 3.11 Persons leaving the Foundation are entitled to the retirement benefit in accordance with Art. 14 or to the departure benefits in accordance with Art. 17. After leaving the Foundation and for external membership, the previous insurance cover for the risks of disability and death will remain in force up to commencement of a new contract of employment within the scope of the pension plan, no longer however than for one month. The subsequent cover does not apply to departure as a result of retirement (according to Art. 14).
- 3.12 In any event, the insurance cover expires if the insured person reaches retirement age.
- 3.13 On request, the retirement provision after reaching retirement age can be continued up to the end of gainful employment, no longer however than on reaching the age of 70. Insurance cover no longer applies once the insured person has reached retirement age.

4. Assignees and unpaid leave

- 4.1 Insurance cover for insured persons assigned abroad can be continued in accordance with the pension plan. The affiliated company must make a corresponding application to the Foundation. The insurance cover for assignees is only applicable if this is confirmed in writing by the Foundation. The insurance cover can only be continued for insured persons who are temporarily engaged in working abroad for an employer with registered office in Switzerland and continue to be subject to the AHV. The provisions of the AHV apply correspondingly. The collection of the savings and risk contributions as well as the other costs is carried out 100% in full by the affiliated company.
- 4.2 In the case of unpaid leave of more than one month, the insurance cover in accordance with the pension plan can be continued for a maximum of 24 months. The affiliated company must make a prior corresponding application to the Foundation. The insurance cover for unpaid leave is only applicable if this is confirmed in writing by the Foundation. The contract of employment must remain in force, not under notice of termination, during the period of leave. The collection of the savings and risk contributions as well as the other costs is carried out 100% in full by the affiliated company.

5. Remaining in the Foundation after termination of a contract of employment

- 5.1 If the contract of employment with the affiliated company is terminated, insured persons without any new benefits institution can leave their pension assets as an external member with the Foundation for a maximum of 24 months and maintain the risk protection in accordance with the previous pension plan (benefits on death and disability) . .
- 5.2 The external membership ends:
- on the drawing of pension benefits
 - on reaching the earliest possible retirement age according to the pension plan
 - on joining another benefits institution
 - no later however than after 24 months
- 5.3 The insured person must submit a corresponding application to the Foundation within one month after leaving the company and answer a questionnaire. With the exception of the waiver of savings contribution in the event of incapacity to work or for gainful employment, the extended insurance cover remains in force in accordance with the previous pension plan.
- 5.4 The continued cover requested is only valid if the continuation is confirmed in writing by the Foundation. All contributions and other costs must be transferred from the insured person within one month after submission of invoice.
- 5.5 The external member must inform the Foundation if he/she joins another benefits institution.

6. Qualifying annual salary and insured salary

- 6.1 The registered annual salary can comprise fixed and variable AHV salary components. The registered annual salary cannot be higher than the actual AHV salary accounted for. The annual salary can be adjusted to salary changes in salary during the year.
- 6.2 The insured savings and risk-related salary is defined in the pension plan.
- 6.3 Contributions and benefits shall be determined with reference to the salary specified in the pension plan, which is based on the registered annual salary pursuant to Art. 6.1.
- 6.4 The provision for insured persons whose AHV salary after reaching the age of 58 is reduced by a maximum of one half can be continued at the previous level up to retirement age on request. The financing of the contributions is regulated in the pension plan.

INVESTMENT OF ASSETS

7. Selection of investment strategy by the Pension Fund Commission

- 7.1 The Pension Fund Commission determines the investment strategy within the framework of the Organisational Rules and Rules on Investments.
- 7.2 The employer must build up a collective fluctuation reserve for the pension fund. The target amount level for this reserve depends upon the chosen investment strategy and is defined in the Rules on Investments.
- 7.3 There is no entitlement to a minimum interest rate and capital guarantee from the Foundation.
- 7.4 In the event of a shortfall in the pension fund, the Pension Fund Commission is obligated to take immediate action to rectify the situation and to fundamentally eliminate the shortfall within a period of one year.

In this context, the following measures can be taken to eliminate the shortfall:

- Voluntary deposit by the employer
- Deposit from the employer contribution reserve
- Waiver of use for the employer contributions reserve
- Minimal and zero interest on the pension capital sums
- Restructuring contributions from employees and employer
- Reduction in the interest rate for the calculation of the departure benefit in accordance with Art. 17 FZG/LFLP

7.5 If the Pension Fund Commission fails to act, or if the measures taken are insufficient, the Foundation Board will set out what restructuring measures are required. Liability for any shortfall lies exclusively with the affiliated company.

7.6 Further information regarding the procedure and conditions is explained in the Organisational Rules and Rules on Investments.

FINANCING

8. Obligation to pay contributions

8.1 The obligation to pay the standard contributions commences on admission to membership of the Foundation. This obligation continues until a pension provision event arises (retirement, death, total disability) or until the insured person leaves the Foundation.

8.2 In the event of incapacity to work (sickness or accident) all contributions by the employer continue to be payable during the agreed waiting period. The same applies if notice of termination is given for a contract of employment.

8.3 The savings and risk contributions as well as the contributions for the remaining costs (administration costs, contributions to the Security Fund) are financed in accordance with the pension plan, with the employer being liable for at least 50% of these contributions.

8.4 The fees for advice and Foundation management are charged in accordance with the fee regulations.

8.5 The risk contributions, contributions for the remaining costs as well as the fees for advice and Foundation management are payable annually as at 31 March and the savings contributions annually as at 31 July.

8.6 The savings contributions are determined according to the savings salary insured in accordance with the pension plan and age, calculated as the difference between the corresponding calendar year and the year of birth.

8.7 If the insured person remains in a contractual relationship with the company even after reaching retirement age, the previous savings process can be continued, in agreement with the company, up to the actual date the insured person leaves the company, no later however than when he reaches the age of 70.

9. Purchase of pension benefits and employer contribution reserves

9.1 Insured persons and the employer can make voluntary purchases or back payments at any time within the scope of the statutory requirements in order to achieve the full benefits under the regulations.

9.2 With regard to the permitted level of purchases or back payments, the basic principles of reasonableness as understood by the statutory provisions and the pension fund regulations and – insofar as these are derived from donations by the employer or the use of employer contribution reserves – proportionality and equal treatment, must be followed.

- 9.3 Payments for the purchase of missing contribution years as well as for increases in salary etc. can be made at any time. The maximum purchase amount corresponds to the maximum permitted pension capital plus interest, calculated by the qualifying annual salary as at the purchase date, less the effectively available pension capital. Subject to the statutory regulations.
- 9.4 If purchases have been made within the framework of the occupational pension provision, the resultant benefits may not be withdrawn as a lump-sum within the subsequent three years.
- 9.5 If pre-payments have been made for the promotion of home ownership (WEF), voluntary purchases may then only be made if the pre-payments have been repaid.
- 9.6 The employer can accumulate employer contribution reserves.

10. Purchases in special cases

- 10.1 A vested benefit transferred as part of a divorce settlement can be repurchased without any purchase restriction.
- 10.2 Insured persons who have recently moved to Switzerland from abroad and have never previously been a member of a benefits institution in Switzerland may not purchase more than 20% of their insured savings salary in the first five years after moving to Switzerland.
- 10.3 Pension assets which are derived directly from a foreign system of occupational pension provision can be deposited into the Foundation. In this context, the restriction on purchases in accordance with Art. 10.2 does not apply if no claim for a tax deduction is made for the deposited pension assets.
- 10.4 Insured persons whose AHV salary is reduced by a maximum of one half from the age of 58 and who exercise the right to continue having their salary insured in accordance with Art. 6.4 can continue to make purchases on the basis of the actual salary insured.
- 10.5 Following a partial withdrawal of the retirement benefit in accordance with Art. 14.1, voluntary purchases are only permitted on the basis of the reduced salary.
- 10.6 Insured persons with missing contributions and continuing in gainful employment after reaching retirement age can continue to make purchases within the scope permitted under the statutory regulations. This assumes that there was a gap in the purchases on the date of the normal retirement age

11. Financing of early retirement

- 11.1 Early retirement is permitted from no earlier than the age of 58. Where the insured person has a corresponding requirement, a "special early retirement fund" (referred to below as a "special fund") can be held. In this context, the purpose of the special fund must be as follows:
- Financing of an AHV bridging pension (basic maximum AHV retirement pension in accordance with Scale 44) up to the normal AHV retirement age
 - Financing of bridging capital for reductions in retirement benefits within the framework of the occupational pension provision
- 11.2 This fund can be accumulated through continuous and/or one-off employer and employee contributions.
- 11.3 The special fund can only be accumulated by the insured person if he has previously purchased the full benefits in accordance with the pension fund regulations.
- 11.4 On leaving the Foundation, the insured persons have a claim to the pension assets accumulated in their special fund.

PensUnit

- 11.5 If the insured person continues to work beyond the individual chosen retirement age after the special fund has already been accumulated in full, the target retirement benefits may be exceeded by a maximum of 5%. In order to ensure compliance with this limit, the ordinary savings process under the pension plan shall be suspended until the actual time of retirement (or if earlier until the AHV retirement age). If the suspension of the savings process is not sufficient in order to ensure compliance, an interest block may be applied.
- 11.6 If the target retirement benefits are nonetheless exceeded by more than 5%, the excess amount shall be forfeit to the Foundation.

12. Retirement account

- 12.1 A personal retirement account will be kept for all insured persons. The pension capital can be accumulated through, amongst others:
- Pension assets from benefit and vested benefit institutions
 - Normal savings contributions
 - Interest
 - Deposits by the employer
 - Voluntary purchases
 - Transfers as a result of divorce
 - Reimbursement of pre-payments in relation to the promotion of home ownership financed through occupational pension provision
- 12.2 The level of interest is determined by the Pension Fund Commission within the framework of the requirements of the Foundation Board, the Rules on Investments and taking into account Art. 46 BVV2.
- The interest is paid at the end of the calendar year according to the level of the pension assets at the start of the same year. No interest is paid on the retirement credits of the current year. Interest on the deposits and withdrawals made during the calendar will be paid with effect from their date.

BENEFITS

13. Summary of the insured benefits

The Foundation grants the insured persons or their dependants and survivors the following benefits:

- Retirement benefits
- Disability benefits
- Benefits on death
- Benefits on leaving the Foundation

14. Retirement benefits

- 14.1 Insured persons can take full or partial retirement no earlier than from the age of 58. The provision can be continued up to the end of gainful employment, no longer however than on reaching the age of 70. On taking retirement the insured person is entitled to the pension capital.
- 14.2 A reduction in the degree of employment and the associated, minimum one third reduction in salary, constitutes an entitlement to draw the corresponding retirement capital.
- 14.3 In place of the pension capital, on reaching retirement age or for early retirement, the insured person can draw a retirement pension. For the retirement pension option, the insured person must apply to the Foundation in writing no later than three months prior to drawing the retirement benefit. The retirement pension is equal to the accumulated pension capital, multiplied by the conversion rate, applicable on the actual retirement date, as defined in Appendix 1.

- 14.5 If an insured person is married or living in a registered partnership, payment of the retirement capital is only permitted if the spouse or the registered partner gives his/her consent in writing. If the insured person is unable to obtain the written consent of the spouse or the registered partner, or if this consent is refused, the insured person has recourse to the civil court. The Foundation is not liable to pay any interest on the retirement capital for the period during which the insured person fails to obtain the consent.
- 14.6 In place of the retirement benefit, insured persons can take a leaving benefit if they leave the Foundation between the earliest possible retirement age and the retirement age and if they intend to continue in gainful employment or if they are registered as unemployed.

15. Disability benefits

- 15.1 The pension plan can provide for the following insured disability benefits:
- Disability pension
 - Disabled person's child's pension
 - Waiver of contribution
- 15.2 The amount of the insured benefits is specified in the pension plan. The disability pension is calculated in principle as a percentage of the insured salary (defined benefit method). However, the pension plan may provide for calculation based on projected retirement assets (defined contribution method).
- 15.3 An insured person is deemed to be disabled if he is expected to be permanently incapacitated to work on health grounds (accident or illness, including deterioration of the mental and physical faculties), i.e. objective proof based on medical findings that he is fully or partially incapable of pursuing his profession or other gainful employment reflecting his knowledge and skills which can be reasonably expected of him and having regard to his previous professional status.
- 15.4 An entitlement to disability benefits applies if insured persons are disabled in accordance with the IV and providing they were insured when they became incapacitated to work, the cause of which led to the disability.
- 15.5 The Foundation makes its decisions on recognition and degree of the disability based on assessments by its own reinsurer, the Swiss Federal IV and, if necessary, the accident insurers of the affiliated companies. If necessary, a report can be obtained from an independent doctor.
- 15.6 The benefits for partial disability will be adjusted to reflect the degree of incapacity for gainful employment. The calculation of the pension amount and waiver of contributions is based on the following table:

Incapacity for gainful employment in %	Amount of pension as a % of the full disability pension
25 – 59	25 – 59
60 – 69	75
from 70	100

There is no entitlement to benefits for partial disability of less than 25%.

- 15.7 The entitlement to any insured disability pension and disabled person's child's pension arises after the waiting period defined in the pension plan, no earlier however than on termination of salary payments by the company. The entitlement to benefits lapses on the death of the insured person if the disability is less than 25%, no later however than when the insured person reaches the retirement age that was applicable when the incapacity to work that caused the disability occurred. Subject to the provisional continuation of insurance in accordance with Art. 26a BVG. The provisions on the orphan's pension as per Art. 16.9 and 16.10 apply for the entitlement to a disabled person's child's pension.

PensUnit

- 15.9 The renewed incapacity to work or for gainful employment for the same reason within six months is deemed to be a relapse. No new waiting period is applied in the event of a relapse. Following an uninterrupted period of full incapacity to work or gainful employment of more than six months, a relapse is deemed to be a new event with a new waiting period.
- 15.10 Where provision is made in the pension plan, depending upon the degree of incapacity for gainful employment (for an uninterrupted period of incapacity for gainful employment), the waiver of payment obligation is granted for the savings and risk contributions. The same shall apply for the first 24 months in the event of incapacity to work without incapacity for gainful employment.
- 15.11 The waiver of savings and risk contributions ends on the date of the death of the insured person; no later however than on the date he returns to a capacity to work of more than 75% or reaches the retirement age applicable at the time of the occurrence of the incapacity to work that caused the disability, or the date he takes early retirement. In the event of incapacity to work but not for gainful employment, the dispensation from savings and risk contributions shall end at the latest after 24 months.

16. Benefits on death

- 16.1 The pension plan can provide for the following insured benefits on death:
- Spouse's pension
 - Life partner's pension
 - Orphan's pension
 - Additional lump-sum on death
- 16.2 The amount of the insured benefits is specified in the pension plan. The spouse's or life partner's pension is calculated in principle as a percentage of the insured salary (defined benefit method). However, the pension plan may provide for calculation based on projected retirement assets (defined contribution method).
- 16.3 The surviving spouse is entitled to a spouse's pension – if provision has been made in the pension plan – regardless of his age, term of the marriage and number of children. Except as specified below, the pension will be paid up to the death of the surviving spouse.
- 16.4 For recipients of a retirement pension, in the event of death the spouse's pension is 100% of the retirement pension unless specified otherwise in the pension plan. The orphan's pension is 20% of the retirement pension. The spouse's pension is reduced if the marriage was concluded after the first time the retirement pension was drawn. The reduction is 20% for each full year of retirement beyond the effective retirement age.
- 16.5 The entitlement to the spouse's pension will expire in the event of remarriage before reaching the age of 45. A settlement lump-sum of three times the annual pension will be paid. On payment of the settlement lump-sum any further entitlement to a spouse's pension will expire.
- 16.6 If the surviving spouse is more than 10 years younger than the deceased insured person, the spouse's pension will be reduced. For each commenced or full year which the age difference exceeds 10 years the spouses' pension will be reduced by 1%.
- 16.7 Instead of a spouse's pension, – if provision has been made in the pension plan – the surviving spouse can apply for a one-off lump-sum settlement. In this context, the application in writing must be submitted to the Foundation before the first pension payment is made. The settlement lump-sum shall correspond to the cash value of the pension due, reduced by 3% for each year or part thereof by which the entitled person is younger than 45. The settlement lump-sum shall amount to at least 4 annual pensions.

- 16.8 Non-registered life partners – including same sex partners – are entitled to a life partner pension, providing
- a) a written confirmation of beneficial interest has been received and
 - b) both life partners are unmarried, are not living in a registered partnership, are not related and
 - c) evidence is provided that the partner has lived in a permanent and exclusive relationship with the deceased insured person as a couple for at least five years, or if the partner was responsible for supporting one or more joint children in accordance with Art. 16.9 and 16.10
 - d) a corresponding application was submitted to the Foundation no later than three months after the death of the insured person and
 - e) the beneficiary is not in receipt of a widow's or widower's pension or life partner pension from the occupational pension provision.

The entitlement to a life partner pension expires at the end of the month during which the beneficiary dies, marries, registers a new partnership, enters into a new life partnership or a settlement lump-sum becomes payable.

- 16.9 The children eligible for a pension will be determined in accordance with the provisions applicable in the AHV. If an insured person dies, each child eligible for a pension - if provision has been made in the pension plan – will be entitled to an orphan's pension.
- 16.10 The orphan's pension is payable for the life of the child, no later however than when the child reaches his 20th birthday. If the child has reached or exceeded this age, the entitlement to a pension still applies whilst the child continues in education without being simultaneously primarily gainfully employed, no later however than up to his 25th birthday.
- 16.11 If an insured person dies before reaching retirement age, the available pension capital (incl. any possible pension assets from the "early retirement" special fund) together with any insured supplementary lump-sum on death - if provision has been made in the pension plan - will be paid out.

In this context, independently of inheritance law, the following order of beneficiaries applies:

- a) the surviving spouse or registered life partner;
- b) the eligible children in accordance with Art. 16.9 and 16.10;
- c) the surviving, non-registered life partner (including same sex partner), whereby compliance with the conditions under Art. 0 b) to d) is required;
- d) persons who have provided considerable support for the deceased insured persons;
- e) the remaining children;
- f) the parents;
- g) the siblings;
- h) the remaining legal heirs, to the exclusion of the state.

Subject to Art. 16.14 to 16.16, the group of persons above excludes the following from the right to benefit. Persons falling under c) and d) shall only be entitled to claim if they were reported in writing to the Foundation when the insured person was still alive. Within a group of persons the benefit due is shared on a per capita basis.

The entitlement in accordance with f) to h) covers a maximum of the respectively available pension capital as well as any available pension assets from the special fund. The remaining groups of persons are entitled to the full, insured benefit.

- 16.12 If an insured person, gainfully employed in accordance with Art. 3.13 dies after reaching retirement age, the available pension capital will be paid out.

In this context, independently of inheritance law, the order of beneficiaries in accordance with Art. 16.11 applies.

- 16.13 By submitting a written declaration to the Foundation, insured persons can provide for a distribution of benefits – within a group of persons in accordance with Art. 16.11 – that differs from the distribution on the basis of the number of persons.

- 16.14 Insured persons submit a written application to the Foundation requesting that the eligible children should have priority in the order of beneficiaries above the surviving spouse or registered partner. In reaching its decision, the Foundation Board will be bound by the purpose of the Foundation as set out in the Foundation Deed. The requested order of beneficiaries comes into force when approved by the Foundation, retrospectively to the date of the application.
- 16.15 By submitting a written application to the Foundation, insured persons can request that in addition to the persons in accordance with Art. 16.11, a) and b), persons in accordance with c) and d) should also be accorded preferential treatment. The distribution is made on the basis of the number of persons. If there are no persons who fall under c) and d), alongside the persons falling under a) and b) benefits may also be paid to persons falling under e). The distribution is made on the basis of the number of persons.
- 16.16 By submitting a written application to the Foundation, insured persons can change the order of beneficiaries in accordance with Art. 16.11, e) to g). In reaching its decision, the Foundation Board will be bound by the purpose of the Foundation as set out in the Foundation Deed. The requested order of beneficiaries comes into force when approved by the Foundation, retrospectively to the date of the application.
- 16.17 Insured persons can revoke a special rule in accordance with Art. 16.13 to Art. 16.16 at any time. In this case the rule on beneficiaries in accordance with Art. 16.11 will come back into force.

17. Leaving benefits and payment in cash

- 17.1 Insured persons who leave the Foundation before an insured event occurs are entitled to a leaving benefit.
- 17.2 The departure benefit corresponds to the available pension capita in accordance with Art. 12.
- 17.3 However, the departure benefit may not be less than the vested benefit entitlement calculated in accordance with Art. 17 FZG [Vested Benefits Act].
- 17.4 The departure benefit will be paid in cash at the request of the insured person
- if he/she leaves Switzerland permanently and does not take up residence in the Principality of Lichtenstein, or
 - if he takes up gainful self-employment and is no longer subject to the mandatory occupational pension provision, or
 - if the amount of the departure benefit is less than his/her annual contribution.

For married insured persons, the certified written consent of the spouse is required for payment in cash, or for registered partnerships, the certified written consent of the registered partner. The certification can also be provided by the Foundation and the accredited banking partner.

18. Home ownership

- 18.1 Insured persons can claim an amount from the Foundation for the purpose of home ownership for their own use, or pledge their entitlement to pension benefits, in whole or in part, up to one year prior to reaching retirement age.
- 18.2 Pre-payment or pledging may not exceed the amount of the respective pension capital up to the insured person's 50th birthday. Older insured persons may take pre-payments from or pledge up to half of the pension capital or the amount they would have been entitled to at the age of 50.
- 18.3 Repayment of the pre-payment for home ownership can be made up to retirement age.

- 18.5 Both pledging as well as pre-payments for married insured persons are permitted only with the certified, written consent of the spouse, or, for registered partnerships, only with the certified written consent of the partner. The certification can also be provided by the Foundation and the accredited banking partner.
- 18.6 In the event of a shortfall in cover of a pension fund, the Foundation can restrict or totally refuse the prepayment for an insured person of this pension fund, in terms of the timing and amount. If the purpose of the prepayment is to repay mortgage loans.
- 18.7 Moreover, the statutory provisions (30a-g WEF and WEFV) on the promotion of home ownership, apply.

19. Divorce

- 19.1 In the case of divorce, the court can rule that a portion of the departure benefits accumulated by a spouse during the period of the marriage is to be transferred to the pension institution of the other spouse.
- 19.2 The departure benefits of a spouse which are to be divided up, essentially equate to the difference between the departure benefits on the date the divorce proceedings are initiated and the departure benefits on the date of marriage (together with accumulated interest).
- 19.3 If the liable spouse reaches retirement age during the course of the divorce proceedings, the Foundation can reduce the departure benefits and the retirement pension in accordance with Art. 123 or 124 Para. 1 ZGB [Swiss Civil Code]. Art. 19g FZV [Ordinance on Vested Benefits] applies for the reduction.
- 19.4 If the spouse is drawing a retirement pension on the date the divorce proceedings are initiated, the court may order that a portion of this pension be transferred to the other spouse. If the entitled spouse is awarded such a lifelong pension (divorce pension) by the court, it shall if possible be transferred to his/her pension institution. The entitled spouse may request that the transfer be made to his/her pension institution as a lump-sum as an alternative to the recurring transfer of the pension.
- 19.5 The entitled spouse may request that a lump-sum be paid instead of a divorce pension pursuant to Art. 22e FZG. Any declaration to this effect must be issued irrevocably and in writing before the first pension payment.
- 19.6 Capitalisation according to Art. 19.4 and 19.5 shall be calculated in accordance with the relevant technical bases of the Foundation for the retirement pension that is to be divided.
- 19.7 Moreover, the statutory provisions apply.

FURTHER CONDITIONS FOR THE BENEFITS

20. Payment of benefits

- 20.1 The pension will only continue to be paid for as long as the requirements for entitlement are met.
- 20.2 The retirement, disability or survivors' benefits are fundamentally paid quarterly in advance. If the full pension is not due, a corresponding partial pension will be payable.
- 20.3 Overpaid benefits will be reclaimed or offset against other entitlements. If the entitlement to benefits ends as a result of the death of the insured person or the pension recipient, the final pension payment will be made in full. Pension payments made after the date of death and which relate to a period after the date of death, must be repaid.

- 20.4 Instead of a pension, the Foundation can pay a settlement lump-sum if the disability pension is less than 10% of the minimum AHV retirement pension (scale 44), the spouse's or life partner pension less than 6%, or the orphan's pension less than 2%.

21. Offsetting of third party benefits, reductions in benefits

- 21.1 If the benefits paid by the Foundation on death or disability (lump-sum benefits will be offset at the pension conversion value according to the parameters of the reinsurer) together with other income that can be offset in accordance with Art. 21.3 produce a pension income for the insured person or his survivors exceeding 100% of his/her assumed lost earnings, the benefits to be paid by the Foundation will be reduced to the extent that the above-mentioned limit is no longer exceeded.

Instead of the final annual salary, the qualifying salary is taken into account for persons who reduce their working hours in accordance with Art. 6.4.

- 21.2 In this context, the pension capital available on the date of death (incl. any possible pension assets from the special fund) is always paid out.

- 21.3 The following income can be offset:

- AHV/IV benefits, with the exception of attendance allowances
- Benefits from foreign social security insurances
- Benefits from military insurance, accident insurance and occupational pension provision
- Liability claims against the company or third parties
- Other income achieved or which can reasonably still be achieved from gainful employment or replacement income of a disabled insured person
- Daily benefits under voluntary insurance, if at least half of such insurance was financed by the employer

- 21.4 If the disability has been self-inflicted by the insured person or is the result of gross negligence on his part, or if the duration of the disability is extended for the same reasons, the Foundation can accordingly reduce or refuse the claim to a benefit. The same also applies in the event of the insured person refusing suitable medical treatment which, in the opinion of the medical expert, could have achieved a reduction in the degree of disability. This provision also applies if the disability case or death had been caused by active participation by the insured person in a war or hostilities, without Switzerland itself having been at war or having been involved in hostilities.

- 21.5 In the event of war involving Switzerland or participation in a war, there is no insurance cover. Hostilities are treated the same as war. The provisions of FINMA will be applied accordingly.

- 21.6 AHV and IV refusals of and reductions in benefits will be adopted in the same ratio. No compensation will be paid for refusals of and reductions in benefits by accident and military insurers.

22. Claims against liable third parties

Persons with a claim to death or disability benefits must transfer to the Foundation their claims against liable third parties up to the amount of the Foundation's liability to benefits.

23. Disclosure and reporting obligation

- 23.1 The insured persons or their dependants and survivors must provide truthful information at all times on the circumstances relevant for the insurance and submit the documents required to substantiate the entitlements to benefits.

PensUnit

- 23.3 The insured persons as well as the recipients of disability or survivors' benefits must notify any changes in their marital status (such as conclusion of marriage, registered partnership, divorce) or the assumption resp. relinquishment of obligations to provide support, or changes in the income that can be offset in accordance with Art. 21.3, without delay in each case.
- 23.4 Recipients of disability or survivors' benefits must provide information on any income that can be offset (e.g. domestic and foreign social security benefits, benefits from other benefit institutions, other income earned from gainful employment).
- 23.5 The insured persons or their dependants and survivors who are entitled to claim benefits from the Foundation are liable to the Foundation for the consequences of the failure to provide information, providing false information or any delay in providing information.
- 23.6 The Foundation can refuse or halt payment of benefits in the event of
- breach of contractual or statutory disclosure and reporting obligations
 - failure to provide requested information and documents
 - the authorisation to view files being refused
 - examinations by independent doctors being unable to be conducted for reasons for which the insured person or the survivors are responsible
 - the obligation to provide assistance and minimise damage/loss is not fulfilled by the insured person.
- 23.7 Benefits which are refused or ceased cannot be subsequently requested if a warning on this has been issued beforehand in writing, giving a reasonable period of notice and if the breach of obligation is not to be seen as without fault on his/their part given the circumstances.

24. Provisions on Data Privacy

- 24.1 The Foundation can conclude a group life insurance contract with a life insurance company to cover the risks of death and disability. All rights and obligations arising from the group life insurance contract are borne exclusively by the Foundation and the insurance company. The insured persons have no direct claims against the corresponding life insurance company.
- 24.2 The Foundation can forward all the data required for checking the proposal form, contract processing and settlement of all benefit cases (e.g. name, date of birth, medical data, insurance decisions etc.) to the insurance company for processing. The insured person must assist the Foundation and any insurance company in procuring information and documents.

FINAL PROVISIONS

25. Partial liquidation

The requirements and the procedure for this are set out in a separate set of rules.

26. Jurisdiction

The court having jurisdiction shall rule on any disputes. The place of jurisdiction is the Swiss registered office or place of domicile of the defendant or the location of the company where the insured person was employed.

27. Gaps in the regulations

In cases where these regulations contain no express rule, the Foundation Board will pass a rule that reflects the purpose of the pension provision.

28. Deviations in various language versions

If there are versions of these regulations in different languages and should these give rise to deviations, the German version has precedence.

29. Transitional provisions

29.1 For disability cases that existed when these regulations came into force, the pension provision regulations valid at the time of the incapacity to work that gave rise to the disability shall apply.

29.2 In the event of the death of an insured person incapacitated to work, survivors' benefits shall be determined with reference to the start of the incapacity to work that resulted in death. For insured persons who are exempt from contributions or disabled, survivors' benefits shall be determined with reference to the start of the incapacity to work that resulted in the contribution exemption or disability.

30. Changes to the regulations and effective date

30.1 These regulations can be amended at any time by the Foundation Board, in compliance with the statutory regulations.

30.2 These regulations come into force with effect from 1 January 2021 and replace the regulations dated 1 January 2020.

Lucerne, 29 June 2021

Foundation Board of the Collective
Foundation PensUnit