

# Vested benefits foundation of PFS Pension Fund Services AG

## Regulations

Based on Art. 8 of the Foundation Deed of the Vested Benefits Foundation of PFS Pension Fund Services AG (hereinafter Vested Benefits Foundation) the following regulations shall be adopted:

### 1. Convening of the Foundation Board

The Foundation Board shall meet as required, but at least once a year. All members of the Foundation Board shall be invited to the meetings by the Chairman. A quorum is constituted when a majority of Board members are present. Resolutions are passed on the basis of a simple majority of votes. In the case of a tie, the Chairman's vote shall count twice. Resolutions may also be passed by written consent. Minutes shall be kept of the proceedings and resolutions.

### 2. Management duties

Management is responsible for carrying out current business and, in particular, for implementing the resolutions of the Foundation Board.

### 3. Opening of vested benefits accounts

The Vested Benefits Foundation accepts payments from pension funds in accordance with Swiss law in favour of pension account holders who leaves the pension fund before any pension benefits become due. The Vested Benefits Foundation also accepts payments from other institutions that serve to protect pension interests and, in certain cases permitted by law, from pension account holders. The Vested Benefits Foundation also receives deposits in cases of divorce and legal dissolution of registered partnerships, in accordance with legal requirements.

A separate account is kept for each pension account holder. Pension account holders receive an annual statement of their pension assets.

### 4. Interest payments

The Foundation Board determines the rate of interest that is to be applied to the pension assets under the account-linked investments. Interest is credited at the end of the respective calendar year in accordance with Art. 16, para 2 of the BVV2.

### 5. Investments

The pension account holder may choose between account-linked and/or securities-linked investments.

Where account-linked investments are chosen, the respective assets are invested by the Vested Benefits Foundation as savings deposits with a bank that is subject to FINMA.

Where securities-linked investments are chosen, the assets are invested exclusively in collective investment instruments that are subject to FINMA supervision or that are licensed for distribution by it in Switzerland or that were issued by Swiss investment foundations. Art. 71 para 1 BVG and Art. 49–58 ff. BVV2 shall apply accordingly to the investment of assets in securities savings.

The Foundation Board decides how the Vested Benefits Foundation shall invest its assets and establishes investment guidelines within the parameters of Art. 19 and 19a OLP/FZV.

Income and losses from securities savings are accounted for in accordance with Art. 16, para 2 BVV2.

### 6. Disclosure

The Vested Benefits Foundation will comply with Swiss documentation and information requirements. Any documentation or disclosure requirements of non-Swiss authorities (e.g., US tax authorities) will only apply to the respective pension account holder, and the Vested Benefits Foundation will accept no liability and provide no services in respect of them.

### 7. Purchase and sale of units in collective investment schemes

The pension account holder may instruct the Vested Benefits Foundation to invest part or all of the balance of his/her vested benefits account in units of collective investment schemes.

In addition to the account-linked credit balance, pension account holder has the option of investing in various securities-linked investments (products). These products differ in terms of the asset classes and the foreign currency component. A detailed breakdown of the strategy chosen by the Board of Trustees for the individual products can be found in the investment regulations.

The Vested Benefits Foundation subscribes the units for the individual account of the pension account holder and manages them in his/her name. The collective investment schemes are managed according to Art. 49–58 of the Ordinance on Occupational Old Age, Survivors' and Disability Benefit Plans (BVV2).

The pension account holder may instruct the Vested Benefits Foundation by submitting by post or to the Vested Benefits Foundation's e-mail address the "Securities investment via PFS vested benefits account" form to subscribe or re-deem units on a weekly basis. The subscription and redemption prices correspond to the price calculated on the basis of the stock exchange closing prices on the relevant valuation date. Redemption proceeds are credited to the pension account holder's vested benefits account.

The pension account holder acknowledges that, in comparison with traditional account deposits, collective investment schemes are subject to exchange rate fluctuations, and these fluctuations increase the higher the equity or foreign currency component. The pension account holder may benefit from stock price gains, but must also be willing to bear any stock market loss. The vested benefits invested in such shares are not entitled to minimal interest or capital value preservation. The investment risk shall be borne by the pension account holder.

### 8. Joining a new pension fund

If the pension account holder joins a new pension fund, the vested benefits foundation must transfer the pension assets to the new pension fund in order to maintain the pension cover. The account holder must notify the vested benefits foundation of joining the new pension scheme (Art. 4 para. 2bis FZG).

### 9. Transferability of the pension assets

Based on Art. 12 para. 1 of the Vested Benefits Ordinance (hereinafter FZV), the pension account holder can divide his pension assets and transfer both parts to a maximum of two vested benefits institutions.

Based on Art. 12 para 2 of the Ordinance on Vested Benefits (hereinafter OLP/FZV), the pension account holder may at any time:

- a) place the pension assets in another vested benefit fund;
- b) change the institution or form in which the pension savings are maintained.

### 10. Drawing of the pension assets

In accordance with Art. 16, para 1 OLP/FZV the pension assets can only be paid out to the pension account holder, at the earliest, five years before and, at the latest, five years after attainment of the normal AVS/AHV retirement age.

Upon request of the pension account holder pension assets may be paid out in advance if:

- a) the pension account holder receives a full disability pension from Federal Disability Insurance (AI/IV), and the risk of disability is not additionally insured pursuant to Art. 10, para 2 and 3, (second sentence) of the FZV.
- b) the request is made by a pension account holder:
  1. who is leaving Switzerland definitively; whereby the compulsory part cannot be drawn for a move away to an EU/EFTA country, if the pension account holder is subject to an insurance obligation in this country as well;
  2. who has become self-employed within a period of one year and is no longer subject to the compulsory occupational pension plan;
  3. whose entire assets at the Vested Benefits Foundation of PFS Pension Fund Services AG are less than an annual contribution (exclusively employee contributions) to the previous pension fund prior to the transfer of the vested benefits to the vested benefits foundation;
  4. who uses his/her pension assets within the scope of the provisions governing owner-occupied residential property for:
    - a) the acquisition and construction of residential property for his/her own use;
    - b) participations in or

- c) repayment of mortgage loans on such a residence.

Disbursements may only be made to an account in the name of the pension account holder.

If the insured person is married or lives in a registered partnership, lump sum distributions of pension assets are only allowed with the written approval of the spouse or registered partner. If the insured person cannot obtain approval or an approval request is rejected, he may file suit in civil court.

When pension assets are disbursed, the Vested Benefits Foundation shall report the taxable benefit to the tax authorities pursuant to Art. 19 of the Federal law on withholding tax. Partial withdrawals are only possible as per section 9 para 2 lit. b) note 1 within the context of the statutory restrictions and note 4. In the remaining cases of disbursement as per section 9 para 2 lit. a) and b), the entire pension assets fall due for payment.

#### 11. Pension benefits

Based on Art. 13, 14 and 16 of the OLP/FZV, pension benefits come:

- a) from the pension assets when retirement age is reached;
- b) from the pension assets in the event of invalidity as per section 9 para 2 lit. a) of the regulations;
- c) from the pension assets in the event of death.

All benefits will be transferred by the Vested Benefits Foundation as a lump sum to an account held in the name of the pension fund member or beneficiary. Benefits payable by the Vested Benefits Foundation will be made exclusively in Swiss francs. The Vested Benefits Foundation is not liable for any losses arising from exchange rate differences, costs, etc., and recommends for this reason that the transfer be made to a bank account denominated in Swiss francs.

If the Vested Benefits Foundation fails to transfer the due pension or vested benefits within 30 days after receiving all necessary information, interest on arrears shall be payable from the end of the 30-day period. The interest on arrears for benefits due shall correspond to the Vested Benefits Foundation's currently applicable interest rate plus 0.5%. For transfers, the default interest is based on art. 7 OLP/FZV.

In line with Art. 41, para 3 of the BVG, unused credits are transferred to the Guarantee Fund after a period of ten years after the normal retirement age.

#### 12. Assignment and pledging

The pension assets or claims to benefits not yet due cannot be pledged or assigned. This is subject to Art. 22 of the Swiss Federal Law on Vesting in Pension Plans (LFLP/FZG) as well as Art. 30b LOB/BVG, Art. 331d of the Swiss Code of Obligations and Art. 8 and 9 of the Ordinance on the Use of Pension Assets for the Encouragement of Home Ownership (hereinafter OEPL/WEFV).

#### 13. Beneficiaries

The following persons are eligible as beneficiaries in accordance with Art. 15 para 1 lit. a and b and para 2 of the OLP/FZV:

- a) in the event of survival, the pension account holder;
- b) in the event of death, the following in the order set out below:
  1. the survivors as set out in Art. 19, 19a and 20 of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (LOB/BVG);
  2. natural persons who were substantially supported by the pension account holder, or the person who was living with the pension account holder in a permanent domestic relationship for the last five years immediately prior to his/her death, or who is responsible for maintaining one or more joint children;
  3. children of the deceased who do not meet the requirements stipulated in Art. 20 of the LPP/BVG;
  4. the parents;
  5. the siblings;
  6. other legal heirs, with the exception of the cantonal government.

The pension account holder may set out the entitlements of the beneficiaries in greater detail in the agreement and extend the scope of persons as defined in para 1 lit. b) note 1 to include those listed under note 2.

If the Vested Benefits Foundation has not been informed by the pension account holder of the existence of a partner, the Vested Benefits Foundation will assume that no partner exists; moreover, the Vested Benefits Foundation is not obliged actively to seek a partner. The same applies to natural persons receiving significant support from the pension account holder and to persons who must provide maintenance for a joint child.

If the pension account holder does not more precisely specify the

beneficiaries' entitlements, and the same group contains more than one beneficiary, the Vested Benefits Foundation shall apportion the assets equally on a per capita basis. Where beneficiaries in the event of death are named, their order changed or their entitlements more precisely specified, the form provided by the Vested Benefits Foundation is to be used. The clarifications and/or changes reported on the form will be acted on in the distribution of the death benefit only if the Vested Benefits Foundation has been informed of them by the date on which the lump sum death benefit is paid out at the latest. If this is not the case, the corresponding entitlement to the lump sum death benefit does not apply.

The vested benefits assets will no longer be paid interest at the latest five years after the statutory retirement age under Art. 13 BVG is reached and also from the date of death.

#### 14. Changes of address and personal data

The pension account holder is obliged to keep the Vested Benefits Foundation up to date about his notified data, such as name, address, residence, marital status, email, phone number, etc.

#### 15. Liability

The Vested Benefits Foundation is not liable vis-à-vis the pension account holder for the consequences which may result if the pension account holder does not comply with legal, contractual and regulatory obligations.

#### 16. Notices to pension account holders

Notices to pension account holders shall be considered as having been sent with legally binding effect if they have been sent to the last address known to the Vested Benefits Foundation. The date of dispatch shall be assumed to be the date indicated on the copies or distribution lists in the possession of the Vested Benefits Foundation.

#### 17. Complaints

If the pension account holder or any beneficiary wants to assert a claim of incorrect execution of instructions or non-execution of instructions of any kind, or wants to dispute any account or custody account statements or other notices from the Vested Benefits Foundation, he/she must do so immediately upon receipt of the advice in question, but at the latest within 30 days. If no objection is made, the advice will be assumed to be correct.

#### 18. Fees

The Vested Benefits Foundation may set a management and processing fee as compensation for the administration and management of retirement assets as well as for special efforts. They are defined in the fee regulations.

#### 19. Amendments to provisions and additional provisions

The Foundation Board reserves the right to make amendments to these regulations at any time. These will be communicated to the pension account holder in an appropriate manner. Amendments to the legal provisions which form the basis for the regulations shall not be subject to this requirement and prevail.

In addition to the regulations, additional provisions may apply if such provisions result from the applicable standard contract forms.

#### 20. Applicable law, place of performance and jurisdiction

Swiss substantive law is exclusively applicable for the relationship between pension account holder and Vested Benefits Foundation or the beneficiary of the pension account holder and Vested Benefits Foundation. Place of performance, place of enforcement (the latter applies only to persons domiciled abroad) is Morschach. The place of jurisdiction is as per Art. 73, para 3 of the BVG.

#### 21. Effective

These regulations shall take effect as of January 1, 2024 and supersede all previous regulations.

Any use of the male form also includes female persons.

**The German text is authoritative for the interpretation of these regulations.**