Pension Scheme Regulations

Valid from 1 January 2018

Contents

A. General regulations

Art. 1 Terms and definitions

[1] The following terms and definitions are used in these Regulations:

OASI	Swiss Federal Retirement and Survivors' Insurance.
OASIA	Swiss Federal Act on Old Age and Survivors' Insurance of 20 December 1946.
Age	OPA age: difference between the current calendar year and the year of birth;
Appendix 1	Appendix 1 to the Regulations: In Appendix 1 the pension plan of the pension fund is defined (benefits and financing plan).
Annual salary	Income components included in the occupational pension scheme; usually the annual salary subject to Swiss Federal Old Age and Survivors' Insurance (OASI) deductions.
Employer	The employer that has affiliated to the foundation so that it can administer the occupational pensions of its employees.
Employees	Employees who are employed by the employer.
Entitled spouse	Divorced spouse or former partner who is awarded a benefit from pension equalization in the event of divorce or dissolution of the registered partnership
OPA	Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans of 25 June 1982.
OPO2	Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans of 18 April 1984
OPO3	Ordinance on the tax-deductibility of premiums paid into recognised pension funds of 13 November 1985.
Delegate	One employee representative and one employer representative for each pension fund elected by the Pension Fund Committee to elect the members of the Foundation Board.
Assembly of Delegates	Assembly of delegates for the periodic election of Foundation Board members, if the election is not conducted by postal ballot.
Beneficiary	Insured member, pension recipient or other person entitled to benefits provided by the Foundation.
Registered	Persons with the status "in a registered partnership" pursuant to the

Partnership	Swiss Federal Act on Registered Same-sex Partnerships of 18 June 2004 shall be on an equal footing with married couples.
Purchase account	Interest-bearing account to fund pension reductions and the OASI bridging pension in the event of early retirement.
VBA	Swiss Federal Act on the Vesting of Occupational Retirement, Survivors' and Invalidity Benefits 17 December 1994.
VBO	Ordinance on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits of 3 October 1994.
Company regulations	Company Regulations for the Pension Fund Committees.
Hypothetical termination benefit	Passive retirement capital that the Foundation continues for recipients of disability benefits within the context of their disability
IV	Swiss Federal Invalidity Insurance.
InvIA	Swiss Federal Act on Invalidity Insurance of 19 June 1959.
Coordination amount	Deduction from annual salary to take account of benefits from (state) social insurance.
MiIA	Swiss Federal Act on Military Insurance of 19 June 1992.
CO	Federal Act on the Amendment of the Swiss Civil Code of 30 March 1911.
Organization regulations	Organizational and administrative regulations of the Foundation.
PartA	Partnership Act of 18 June 2004
Pension recipient	Beneficiary of the Foundation who is receiving a pension (not an insured person)
Retirement age	OASI retirement age; first day of the month following men's 65th birthday, and women's 64th birthday; subject to different regulations in accordance with pension plan (Appendix 1).
Foundation	Convitus Sammelstiftung [collective foundation], Basel.
Foundation Board	Highest body of the foundation, constituted jointly on a member-employer basis.
AIA	Swiss Federal Act on Accident Insurance of 20 March 1981.
Insured person	employee included in the Foundation.
Insured	annual salary minus coordination amount;

salary	contributions and benefits are calculated on the basis of the salary received.
Pension committee	Administrative body of the Pension Fund.
Pension Fund	"Retirement fund" of the affiliated employer within the collective foundation, constituting a separate administrative and technical unit.
PHO	Promotion of home ownership
PHOO	Ordinance on the Promotion of Home Ownership using Occupational Pension Benefits of 3 October 1994.
CC	Swiss Civil Code of 10 December 1907.

[2] With the exception of retirement age, all regulatory provisions apply to both women and men. As far as possible, gender neutral terminology is used in this text; otherwise, masculine pronouns are understood to apply also to women and feminine pronouns to men.

[3] Persons with the status "in a registered partnership" are equated with married insured persons. This includes benefits to survivors, the distribution of the termination benefit on dissolution of the partnership and the requirement of agreement on the cash payment of benefits and on early withdrawal and the pledging of pension benefits to purchase residential property.

Art. 2 Purpose of the Foundation

[1] The purpose of the Foundation is to provide obligatory and continuing occupational pension coverage under the terms of the OPA and its implementing regulations, of the CC and the CO for the employees of employers affiliated to the Foundation, as well as to their dependents and survivors, against the economic consequences of old age, death and disability. Affiliation by an employer to the Foundation is on the basis of a written affiliation agreement, which must be brought to the attention of the supervisory authority.

[2] In all cases, the Foundation provides at least the minimum benefits in accordance with the OPA. For this purpose, it also maintains a control account for each member and each pension recipient that permits them to see, at any time, the OPA retirement capital that they have accumulated and their minimum entitlements in accordance with the OPA.

Art. 3 Enrolment in the Foundation

[1] The Foundation enrols employees who have reached their 17th birthday and who have not yet reached retirement age, whose prospective annual salary subject to OASI contributions exceeds the minimum salary pursuant to Art. 7 OPA. This is subject to paragraphs 2 and 3 and to divergent provisions in the Pension Plan (Appendix 1). Enrolment begins upon commencement of employment, but at the earliest on 1 January of the year following the insured member's 17th birthday.

[2] The following persons cannot be enrolled in the Pension Fund:

a) Self-employed persons or staff;
b) Employees who, within the meaning of IV, are at least 70% disabled, or employees who continue to be provisionally insured by another pension fund in the sense of Art. 26a OPA.
c) Employees who at the time of being enrolled in the Foundation are partially disabled within the meaning of the Federal Invalidity Act (IVA) will be insured if their salary subject to OASI exceeds the minimum salary pursuant to Art. 7 (1) OPA. This limit amount shall be reduced correspondingly by the partial pension entitlement. This reduction will apply accordingly during continuation of insurance pursuant to Art. 26a OPA;
d) Employees with a temporary employment contract of a maximum three months' duration. If the contract of employment is extended beyond three months, they will be insured as of the date from which the extension was agreed.
e) Employees who do not or who are unlikely to work in Switzerland on a permanent basis and who are sufficiently covered abroad, if they apply to the Foundation.

[3] Employees will be enrolled in the Foundation for continuing coverage or the insurance of benefit increases for continuing coverage benefits only if this is explicitly confirmed by the Foundation.

[4] Insured members with congenital defects or who have become disabled when minors (Art. 18 (b) and (c) OPA and Art. 23 (b) and (c) OPA), shall be insured for all survivors' and disability benefits exclusively pursuant to OPA.

[5] The Foundation shall not undertake any form of voluntary insurance for employees who are in the service of several employers.

Art. 4 Medical examination

[1] The Foundation can require that persons seeking cover for the risks of death and disability for the first time undergo a medical examination.

[2] Insured members must answer questions relating to their state of health completely and truthfully. The Foundation is entitled to require a medical examination be taken, at its own expense.

[3] In the absence of written confirmation of enrolment, benefits are limited to the legal minimum pursuant to OPA.

[4] For the risks of death and disability in the area of continuing coverage, the Foundation may impose a restriction of five years from enrolment or increase of benefit. The benefits due as a result of the termination benefits transferred from a previous pension scheme may not be subjected to restrictions on health grounds unless a restriction has already been applied to them. In this case, the period of the restriction already elapsed must be factored in. For the whole period of entitlement, the Foundation provides only the minimum legal benefits, if the medical conditions subject to the restriction cause death or inability to work requiring the Foundation to provide death or disability benefits.

[5] The insured person will be informed of any restriction after any documents needed for the enrolment examination are available.

[6] If impairments to health are not declared by the insured member (i.e. there is a breach of duty of disclosure), or if untrue statements are made at the time of the medical examination, the death or disability benefits may be reduced to the legal minimum within three months of the breach of duty of disclosure becoming known to the Foundation.

Art. 5 Retirement capital and retirement credits

[1] The retirement capital managed for each insured person consists of:

- Defined retirement credits
- Transferred-in entry benefits
- Buy-in amounts and other investments
- Interest
- Less any withdrawals made to purchase residential property or in the event of divorce

Interest is not paid on retirement credits for the current year; other payments and withdrawals are treated for interest as of the value date.

[2] The retirement credits are defined in the Pension Plan (Appendix 1).

Art. 6 Interest payable

[1] The interest rate applicable to the retirement capital is set annually by the Foundation Board taking into account the investment income achieved and the funding ratios (available fluctuation reserve or disposable assets).
At the end of each year, the Foundation Board sets the interest rate valid for the current year and the interest rate valid for the departures in the course of the following year.

[2] In setting the payment of interest on the retirement savings, the Foundation Board bases itself on the Foundation's technical interest rate.

Art. 7 Insured salary

[1] The insured salary corresponds to the annual salary less a coordination amount. It is capped at the maximum insured salary according to the Pension Plan (Appendix 1) that is set by the pension fund committee in agreement with the employer. The insured salary is in any case limited to the legal maximum pursuant to Art. 79c OPA (ten times the upper limit pursuant to Art. 8 (1) OPA). The insured salary comprises at least the legal minimum amount pursuant to Art. 8 (2) OPA, subject to divergent provisions in the Pension Plan (Appendix 1).

[2] The annual salary is defined in the Pension Plan (Appendix 1). It normally corresponds to the basic salary in accordance with OASIA. For employees who are not employed on a monthly salary basis, the annual salary is based on the last known annual salary, taking account of the changes agreed for the current year.

[3] The coordination amount is defined in the Pension Plan (Appendix 1). In the case of partially disabled insured members, the coordination amount is reduced by the amount of the pension entitlement. For members employed on a part-time basis, the coordination amount is calculated according to the provisions in the Pension Plan

(Appendix 1).

B. Benefits

Art. 8 Insured benefits

The Foundation provides insured members and survivors with the following benefits:

Benefits on retirement:	
• Retirement pension and retirement capital	Art. 9
• OASI bridging pension	Art. 10
• Retired person's child's pension	Art. 11
Disability benefits	
• Definition of disability and measurement of degree of disability	Art. 12
• Disability pension	Art. 13
• Disabled person's child's pension	Art. 14
• Exemption from obligation to pay contributions	Art. 15
Death benefits	
• Spouse's pension	Art. 16
• Survivors' benefits to divorced spouses	Art. 16
• Cohabiting partner's pension	Art. 17
• Orphan's pensions	Art. 18
• Lump-sum death benefit	Art. 19
• Purchase account	Art. 36
Departure benefits	
• Termination benefit	Art. 22-24

Art. 9 Retirement pension, retirement capital

[1] Entitlement to retirement benefit commences at the end of employment after the earliest date possible for early retirement stated in the Pension Plan (Appendix 1). This is subject to the provisions of Art. 22 (2). Statutory retirement begins on the first day of the month after retirement age is reached. The insured member has the opportunity to take early retirement between the earliest date stated in the Pension Plan (Appendix 1) and the statutory retirement age.

It is possible to take partial retirement as of the earliest date on which early retirement may be taken according to the Pension Plan (Appendix 1), but this requires the consent of the employer. The following conditions must be all be met:

a) The level of activity must be substantially and permanently reduced, by at least 20%.

b) Partial retirement must take place in a maximum of three stages;

c) The reduced level of activity must involve a corresponding reduction in salary.

d) The retirement benefits drawn must correspond to the reduction in the level of activity.

Insured members are advised to clarify the tax consequences of partial retirement with the relevant tax authority.

The retirement benefit can be paid in the form of a retirement pension or be taken in the form of a lump sum in accordance with Paragraph 3. The insured member may re-purchase either wholly or partially the reduction in retirement benefit brought about by early retirement, by means of monthly contributions or one-off investments, to the extent that this is allowed for in the Pension Plan (Appendix 1, Art. 36).

Insured members whose annual salary is reduced by a maximum of one half after their 58th birthday may request that the pension be maintained at most for the benefits hitherto insured until retirement age at the latest. The employer is only required to pay the employer contributions on the reduced insured salary.

The drawing of retirement benefits may be deferred if the employee continues to work beyond retirement age. It is possible to defer until the 70th birthday at the latest.

To the extent that retirement credits are planned beyond retirement age in accordance with the Pension Plan (Appendix 1), the retirement capital can be increased by means of retirement credits. There is no further entitlement to incapacity benefits (disability pension, disabled person’s child’s pension, exemption from contributions). In the event of inability to work, insurance cover ends and the planned retirement benefits are paid. In the event of death, entitlement is based on the survivors' benefits provisions for retirement pensions recipients. Pension plan capital may no longer be used to finance home purchases. If at the normal retirement date the insured member has opportunities to make purchases, voluntary purchases to increase benefits can also be made while the pension is continued. The potential for purchase is reduced by the retirement credits, investments and interest obtained during the period of continued insurance.

[2] The retirement pension is obtained by converting the retirement capital available at the time of retirement (Art. 5) with the conversion rate in accordance with Appendix 2.

[3] Upon retirement, the retirement capital can be taken in the form of a retirement lump sum. The maximum lump sum withdrawal is based on the Pension Plan (Appendix 1). All insured benefits will be reduced pro-rata in proportion to the lump sum withdrawal.

The Foundation must be notified of the intent to withdraw the retirement capital in writing at least three months in advance. The declaration is irrevocable from the start of this notice period. Persons who are married also need to provide their spouse's signature. The spouse's signature must be documented by provision of an identity card, which the Foundation may require to be legally or officially authenticated.

[4] Right to choose the amount of the deferred spouse's pension:
The insured member may increase the amount of the deferred spouse's pension (Art. 16) at the time the retirement pension is drawn. In so doing, the retirement pension is reduced in technical insurance terms taking into consideration the individual relationships of the insured member (in particular the age of the spouse).

The insured member must report in writing the increase in the deferred spouse's pension to the Foundation three months before the pension is drawn at the latest; otherwise the right to choose expires.
The Foundation may make the increase in the deferred spouse's pension dependent on a medical examination.

[5] The commencement, cessation and procedures of pension and lump-sum payments are based on Art. 21.

Art. 10 OASI bridging pension

Insured members taking early retirement may choose to receive an OASI bridging pension, in principle setting its extent and duration themselves. The OASI bridging pension may not exceed the amount of the maximum OASI retirement pension. Drawing the OASI bridging pension causes the retirement pension and the associated benefits to be reduced for the member's lifetime. The insured member may pre-finance either wholly or in part the OASI bridging pension by means of monthly contributions or lump-sum investments, to the extent that this is allowed for in the Pension Plan (Appendix 1, Art. 36).

Art. 11 Retired person’s child’s pension

If the recipient of a retirement pension has children who would be entitled to claim orphans' pensions on his death (Art. 18), then the insured member may claim retired person’s child's pensions for these children from retirement age. The retired person’s child's pension payable for each child is defined in the Pension Plan (Appendix 1).

Art. 12 Definition of disability and measurement of degree of disability

1 Incapacity to work in the sense of these regulations exists if

a) insured persons are suffering from an illness or the consequences of an accident which result in impairment of their physical or mental abilities and
b) the exercise of employment in the relevant, equal labour market after reasonable treatment and reintegration measures seems to be rendered partly or wholly impossible on a permanent or long-term basis and
c) an employment disadvantage is thereby suffered.

2 Disabled persons are entitled to disability benefits

a) if they were insured by the Pension Fund when the incapacity which resulted in the disability arose and
b) they are at least 40% disabled.

3 Insured persons are also entitled to disability benefits if they

a) were at least 20% but less than 40% unable to work on commencing employment due to a congenital defect, and were insured when their incapacity to work that led to their being classed as disabled rose to at least 40%;
b) were disabled as a minor and were therefore at least 20% but less than 40% unable to work on commencing employment, and were insured when the incapacity to work leading to their being classed as disabled rose to at least 40%.

In both cases, entitlement is limited to the OPA minimum benefits.

4 In principle, the Foundation recognises the degree of incapacity to work set by IV, insofar as the IV decision in not clearly untenable or formally incorrect. In special cases, the Foundation may have the insured person's state of health assessed by an independent medical examiner.

Art. 13 Disability pension

[1] If insured members become disabled before reaching retirement age (Art. 12 (1)), they are entitled to a disability pension.

[2] Insured members are entitled to a full disability pension in accordance with the Pension Plan (Appendix 1) if they have become disabled as a result of illness and they are at least 70% disabled, or they have become disabled as a result of an accident, accident cover is included in the Pension Plan (Appendix 1) and they are at least 70% disabled.

[3] Partial pension entitlement is calculated as a percentage of full disability pension as follows:

a) A three-quarters pension for a degree of disability of at least 60%;
b) A half pension for a degree of disability of at least 50%;
c) A quarter pension for a degree of disability of at least 40%.

A degree of disability of less than 40% does not represent grounds for entitlement to a disability pension.

[4] The commencement, cessation and procedures of pension payments are based on Art. 21.

Art. 14 Disabled person’s child’s pension

[1] If recipients of a disability pension has children who would be entitled to claim orphans' pensions on their death (Art. 18), then they may claim disabled person's child's pensions for these children. The disabled person’s child's pension payable for each child is defined in the Pension Plan (Appendix 1). In the case of partial invalidity, it corresponds to the ratio of the partial disability pension to the full invalidity pension multiplied by the full disabled person’s child’s pension.

[2] The commencement, cessation and procedures of pension payments are based on the provisions of Art. 21 on disability and orphans' pensions.

Art. 15 Exemption from obligation to pay contributions

[1] Employees' and employers' obligation to pay contributions does not apply at the end of the waiting period defined in the Pension Plan (Appendix 1) during the period of medically attested inability to work following illness or accident of at least 40%. The scope of the exemption from the obligation to pay contributions until the time the incapacity to work begins (Art. 12 (1)) is based on the medically attested degree of inability to work, in accordance with Art. 13 (2) and (3) on the basis of the insured salary at the time the inability to work begins.

[2] From the time the inability to work begins (Art. 12 (1)) the employees' and employers' obligation to pay contributions in accordance with the degree of disability recognised by the Foundation pursuant to Art. 13 (2) and (3) does not apply.

[3] During the period of provisional continued insurance pursuant to Art. 26a OPA, the entitlement to exemption from the obligation to pay contributions remains to the same extent as before the cancellation or reduction of the IV disability pension.

[4] The entitlement to exemption from the obligation to pay contributions pursuant to Art. 2 ends subject to Art. 3 when the entitlement to a disability pension ends.

[5]The provisions of Art. 26 are accordingly applicable.

Art. 16 Spouse's pension

[1] In the event of the death of a married insured member or pension recipient, surviving spouses receive a spouse's pension insofar as at the time of the death of the insured member they are

a) responsible for the maintenance of at least one child, or
b) over the age of 45 and the marriage lasted for at least five years.

If spouses do not fulfil either of these conditions, they are entitled to a one-off settlement in the amount of three times the annual spouse's pension.

This is subject to more favourable provision in respect of the spouse's pension (extended cover) in line with the Pension Plan (Appendix 1).

The possibility of drawing the spouse's pension in lump-sum form is set out in the Pension Plan (Appendix 1).

[2] The spouse's pension ends with the death or remarriage of the spouse.

[3] The spouse's pension is defined in the Pension Plan (Appendix 1). If the recipient of the retirement pension has chosen an increase in deferred spouse's pension pursuant to Art. 9 (4), the spouse's pension shall correspond to the corresponding percentage of the current retirement pension.

[4] If the spouse is more than 10 years younger than the insured member at the time the entitlement to a spouse's pension arises, the pension will be reduced for every year or part of a year exceeding the ten-year difference by 1% of the full spouse's pension.

[5] If the insured member or pension recipient married after their 65th birthday, the spouse's pension, which is reduced according to the preceding provisions if necessary, is also reduced by 20% of its amount for each year of age exceeding the 65th year of age.

If the insured member or pension recipient married after their 65th birthday and was suffering serious illness at that time which must have been known to them, no pension will be paid if they die of this illness within two years of the wedding.

The minimum benefits pursuant to OPA are guaranteed at all events.

[6] The divorced spouse of the deceased insured member or pension recipient is entitled to a spouse's pension pursuant to OPA provided that at the time of death all of the following conditions are met:

a) The marriage lasted at least ten years, and
b) The divorced spouse was awarded a pension pursuant to Art. 124e (1), Art. 125 or Art. 126(1) CC in the divorce decree.

[7] The former partner shall be deemed equivalent to the divorced spouse upon dissolution of the registered partnership provided that at the time of death all of the following conditions are met:

a) The registered partnership lasted at least ten years, and

b) The former partner was awarded a pension pursuant to Art. 124e (1) CC or Art. 34 (2) and (3) PartA in the decree of dissolution.

The benefits paid by the Foundation may, however, be reduced by the amount by which, together with the benefits from OASI, they exceed the entitlement arising from the divorce decree. AHV survivors' benefits are offset only to the extent to which they are higher than an insured member's own claim to an IV invalidity pension or an AHV retirement pension. These provisions shall apply as appropriate in the case of qualifying state benefits from foreign social insurance schemes.

[8] The entitlement to survivors' benefits shall exist as long as the pension would have been owed.

[9] The commencement, cessation and procedures of pension payments are also based on Art. 21.

Art. 17 Partner's pension

[1] The surviving partner is entitled to a partner's pension if at the time of the death of the insured member or pension recipient all the following conditions are fulfilled:

- both partners are neither married nor in registered or other partnerships;
- the partners are neither related to each other nor linked to each other in a step-child relationship;
- the surviving partner has
    - completed their 45th year and has lived prior to the death of the insured member or pension recipient in the same household in a continuous domestic relationship with them in the last five years;

  or

    - lived with the deceased person in the same household at the time of their death and is responsible for supporting one or more joint children;
- the partnership was reported to the Foundation during the insured member’s lifetime

[2] A partnership is defined as a shared household arising from a relationship solely between two people.

[3] The insured person must notify the Foundation in writing of the existence of a partnership giving rise to entitlement to benefits at the earliest upon the conditions for entitlement (partnership in existence for five years or joint children) being satisfied and before a pension claim, using the form provided by the Foundation for this purpose. This notification must be signed by both partners. In all cases, entitlement to receipt of a partner's pension shall be determined in the light of the circumstances prevailing at the time of the insured person's death. Dissolution of the partnership must be reported to the Foundation immediately.

[4] The size of the partner's pension corresponds to the spouse's pension pursuant to Art. 16. In this case there is no right to choose the size of the partner's pension pursuant to Art. 9 (4).

[5] If the surviving partner is more than 10 years younger than the deceased insured member, the partner's pension will be reduced for every year or part of a year exceeding the ten-year difference by 1% of the full partner's pension.

6 If the surviving partner marries or enters a new partnership, entitlement to the partner's pension shall cease. The Foundation conducts regular checks to confirm pension entitlement. The Foundation board may reduce or terminate the partner's pension in the event of any abuse.

7 If the recipient of a partner's pension receives a spouse's or partner's pension of a Swiss or foreign social insurance or pension institution, these benefits will be taken into account in the partner's pension paid. Alimony payments from a divorce decree will also be taken into account. The Foundation Board may reduce or suspend the partner's pension if the Foundation's beneficiary does not provide information about all qualifying income.

8 This is subject to more favourable provision in respect of the partner's pension (extended cover) in line with the Pension Plan (Appendix 1).

Art. 18 Orphan's pension

1 On the death of insured members or pension recipients, each of their children is entitled to an orphan's pension. The orphan's pension is payable until the child reaches the age of 18. For children who are still in education without being employed at the same time or who are unable or not fully able to work due to a physical or psychological infirmity, the pension entitlement shall continue until they reach the age of 25. If the child is permanently unemployable, the Foundation council shall take a decision regarding lifelong payment of the pension.

Foster children and stepchildren shall only receive an orphan's pension if the insured member contributed towards their upbringing to a considerable extent.

2 The orphan's pension is defined in the Pension Plan (Appendix 1).

3 The commencement, cessation and procedures of pension payments are based on Art. 21.

Art. 19 Lump-sum death benefit

1 If an insured member or a recipient of temporary disability benefits dies, a lump-sum death benefit is payable, if retirement assets have been accumulated and these are not, or not completely, required to finance survivors' pensions[1] or if, in accordance with the Pension Plan (Appendix 1), an entitlement to an additional lump-sum death benefit exists.

2 Subject to the provisions in the Pension Plan (Appendix 1) the following persons are beneficiaries, independently of inheritance law.

a) the surviving spouse; in their absence
b) the children who are entitled to a Foundation orphan's pension; in their absence
c) natural persons who were supported in a substantial manner by the deceased person, or the person with whom the insured person lived together in a domestic partnership for at least five consecutive years before their death, or who are

[1] Spouses', partners' or orphans' pensions

responsible for supporting one or more joint children, provided that they are not receiving a widow's, widower's or partner's pension; in their absence

d) the children of the deceased person who do not fulfil the requirements set out in Art. 18, the parents or siblings

3 The persons given under (c) above are beneficiaries only if the Foundation has been notified of them in writing. The notification must be submitted to the Foundation while the insured member or disability benefits recipient is alive.

4 The insured member or disability benefits recipient may modify, to the extent set out below, the group of beneficiaries under paragraph 2 at any time by notifying the Foundation in writing:

- if there are persons as designated under paragraph 2 (c), the beneficiaries designated under para. 2 (a), (b) and (c) may be merged into a single group.
- if there are no persons as designated under paragraph 2 (c), the beneficiaries designated under paragraph 2 (a), (b) and (d) may be merged in a single group.

The notification must be submitted to the Foundation while the insured member or disability benefits recipient is alive.

5 The insured member may specify the entitlements of the beneficiaries within a beneficiary group (paragraphs 2 and 4) at his discretion by notifying the Foundation in writing. If no notification is received from the insured member or recipient of disability benefits, the lump-sum death benefit shall be divided equally among all beneficiaries within a beneficiary group. The notification must be submitted to the Foundation while the insured member or disability benefits recipient is alive.

If the death benefit is not awarded to anyone, it reverts to the Foundation or the corresponding asset pool.

6 The amount of the lump sum death benefit is defined in the Pension Plan (Appendix 1). Subject to application of para. 7 of the Pension Plan (Appendix 1), this lump sum death benefit shall be reduced by the sum of the voluntary purchases made with the Foundation (including interest) during the term of the pension relationship.

7 If an insured person or a recipient of disability benefits dies who has made exceptional contributions in accordance with Art. 35 para. 3 and/or Art. 36 para. 1, the sum of the voluntary purchases made with the Foundation during the term of the pension relationship shall, unless stipulated otherwise in the Pension Plan (Appendix 1), become payable plus interest as an additional lump sum death benefit. This amount shall be reduced by any advance withdrawals for home purchase (Art. 30) and/or any transfer due to pension equalization in the event of divorce (Art. 31). Repayments of withdrawals for home purchase and repurchases in the event of divorce shall not be deemed voluntary purchases as defined by this provision.

Art. 20 Benefit adjustments for price indexation

1 By order of the Federal Council, statutory survivors' and disability benefits which have been paid for more than three years shall be adjusted for price index changes at the beginning of the following year insofar as they do not exceed OPA minimum benefits.

2 Other pensions shall be adjusted for price index changes as far as financially possible. The Foundation Council shall decide annually whether pensions are to be adjusted

and to what extent. It shall explain the decisions in its annual report to insured members and pension recipients (Art 29 (2)).

Art. 21 Conditions regarding payment

[1] Subject to paragraph 2, the following provisions apply to the commencement and cessation of pensions:

a) A disability pension shall be paid for as long as the insured member is disabled. It ends
   - when the incapacity to work ceases; subject to the provisions of Art. 26a OPA
   - on the death of the pension recipient
   - when the pension recipient reaches normal retirement age. In this case the disability pension is replaced by a retirement pension in accordance with Art. 9 (2). This corresponds as a minimum to the disability pension adjusted for price index changes in accordance with OPA.
b) The retirement pension is paid out for the first time for the month following retirement. It is provided until the pension recipient's death.
c) A spouse's pension is paid for the first time for the month following the member's death; it is paid throughout the spouse's life but ceases should the spouse remarry.
d) An orphan's pension is paid for the first time for the month following the member's death. It is paid until the 18th or 25th birthday of the orphan concerned or until their pension entitlement ceases.
e) Lump-sum benefits become due for payment four weeks after all the documents required for proof of entitlement have been received by the Foundation. If payment is not received by this deadline, the Foundation shall charge default interest in the amount of the OPA minimum interest rate effective from the first day following expiry of this deadline.

Payment is conditional upon receipt in due time of the evidence of entitlement that is required and requested by the Foundation.

[2] In the case of a member's disability or death, no pension shall be provided while the employer continues to pay their salary or a salary top-up. The entitlement to a disability pension may also be deferred until depletion of a daily benefit entitlement if

a) instead of a full salary the insured member receives daily benefits from the health insurer that are equivalent to at least 80% of the foregone salary and
b) at least half of the daily benefits insurance is financed by the employer.

[3] The pensions are paid to the beneficiaries in monthly instalments at the end of the month. Payment is made by post or bank transfer to the place of payment named by the beneficiary.

The full pension instalment is paid for the month in which entitlement to the pension ceases.

[4] If the retirement or disability pension is less than 10%, the spouse's pension less than 6%, the orphan's pension less than 2% of the minimum OASI retirement pension, a lump-sum settlement may be awarded instead of a pension.

The lump-sum settlement will be calculated according to actuarial methods. Once the settlement has been paid, neither the insured member nor his survivors may make any further claims on the Foundation.

C. Termination of membership

Art. 22 Termination date, continued coverage, reimbursement

[1] Insured members are entitled to a termination benefit if they leave the pension fund for the following reasons:

a) Their employment ends before a pension entitlement arises;
b) The end of the provisional continued insurance pursuant to Art. 26a (1) and (2) OPA is reached;
c) It seems likely that the statutory conditions for the application of OPA will no longer be fulfilled on a permanent basis.

[2] If their employment ends after the earliest possible retirement date defined in the Pension Plan (Appendix 1), insured members may only claim a termination benefit if they continue the employment or are reported as unemployed.

[3] The termination benefit shall be payable on the date the person leaves the Foundation. From this time onward it shall accrue interest at the minimum interest rate pursuant to OPA. If the Foundation does not transfer the termination benefit within 30 days of receiving the necessary details, default interest in an amount of the minimum interest rate plus one percent is payable at the end of this period.

[4] During the month following the termination of membership, the member remains insured against disability and death, but for no longer than until a new contractual employment relationship begins.

[5] If the Foundation is obliged to pay survivors’ or disability benefits after it has transferred the termination benefit, the termination benefit must be refunded to the Foundation to the extent necessary to pay the survivors’ or disability benefits. Survivors' and disability benefits shall be reduced by the extent to which the refund falls short of the amount due in the absence of the refund.

Art. 23 Amount of the termination benefit

[1] The termination benefit corresponds to the retirement savings (Art. 15 VBA) plus purchase account.

[2] The termination benefit corresponds at least to the minimum amount pursuant to Art. 17 VBA, which comprises the following:

a) the insured person's transferred-in entry benefits and buy-in amounts plus interest
b) savings contributions made by the insured member during the contribution period with interest, plus a supplement of 4% for each year of age after age 20, up to a maximum of 100%. .
   Age corresponds to the OPA age.
c) Purchase account.

The above amount is reduced by any transferred termination benefit following a divorce (Art. 31) or any advance withdrawal for home purchase (Art. 30), with interest.

The risk contributions up to and including OPA age 24 are classified as consumed and are not taken into account in the calculation of the termination benefits

Interest is generally paid on the transferred-in entry benefits and buy-in amounts at the minimum OPA interest rate. During any deficit period, the rate of interest is reduced to the rate of interest which was paid on the savings assets.

3 The minimum termination benefit consists in any case of the retirement capital available in accordance with the OPA on the date the member leaves the Foundation.

Art. 24 Use of the termination benefit

1 If the insured member joins a new pension plan, the Foundation shall transfer the termination benefit to the new pension plan.

2 Insured members who do not join a new pension plan must notify the Foundation whether the termination benefit is to be transferred to a vested benefits account at a banking foundation or used to set up a vested benefits policy at an insurance institution subject to insurance supervision.

If this information is not received, the termination benefit will be transferred with interest to the Substitute Occupational Benefit Institution no earlier than six months and no later than two years after termination.

3 Insured members may request cash payment of the termination benefit if

a) they leave Switzerland and the Principality of Liechtenstein permanently (subject to paragraph 4);
b) they become self-employed and are no longer subject to the mandatory pension fund requirements, or
c) the termination benefit amounts to less than their annual contribution.

If the insured member is married, cash payment is permissible only if the spouse consents in writing. The spouse's signature must be documented by provision of an identity card, which the Foundation may require to be certified by a notary or other official body. If such written consent cannot be obtained or is refused without a legitimate reason, the aid of the court may be invoked.

4 Insured members may not demand cash payment of the termination benefit in accordance with paragraph 3 (a) in the amount of the retirement capital pursuant to Art. 15 OPA if

a) in accordance with the laws of a member state of the European Community, they remain subject to obligatory insurance cover for the risks of old age, death and disability;
b) in accordance with the laws of Iceland and Norway, they remain subject to obligatory insurance cover for the risks of old age, death and disability;

D. Special provisions

Art 25 Deduction of benefits provided by third parties, benefit reductions

1 If, in the event of the disability or death, the benefits provided by Foundation, together with other qualifying income, generate a pension income of more than 90% of the insured member’s presumed foregone income for the insured member and his children or surviving dependents, the benefits to be paid by the Foundation shall be reduced until the stated limit is no longer exceeded.

The income of the surviving spouse and the orphans is combined.

While the provisional insurance cover continues and entitlement to benefits is maintained in accordance with Art. 26a OPA, the disability pension shall be reduced in accordance with the insured person's reduced degree of disability, but only to the extent to which the reduction is compensated by additional income of the insured person.

The retirement benefits shall be reduced in the same way if benefits are also provided by accident insurance or military insurance or if similar benefits are provided by an institution abroad. The Foundation is not obliged to compensate for reductions in benefits in accordance with Art. 20 para. 2ter and 2quarter AIA and Art. 47 para. 1 MilA. In all cases, at least the minimum benefits in accordance with the OPA and its regulations for calculation will be provided.

If, in the event of divorce, a retirement or disability pension is spilt following normal retirement age, the share of the pension that was awarded to the entitled spouse shall still be taken into account when calculating any reduction in the spouse's pension.

[2] Qualifying income includes:

a) Benefits from the OASI/IV (and/or Swiss or foreign social insurance) with the exception of allowances for helpless persons;
b) Pension benefits from compulsory accident insurance or military insurance;
c) Daily allowances paid out under compulsory insurance;
d) Benefits from private insurance for which the employer has paid at least half of the premiums;
e) Benefits from Swiss and foreign pension schemes and vested benefit institutions.

In addition, any continuing employment income or replacement income that is or could reasonably be earned by recipients of disability benefits may be taken into account. In so doing, the non-disability and disability income based on the degree of disability by the IV department and the insured person's residual capacity for work is generally the deciding factor.

Additional income received during participation in reintegration measures pursuant to Art 18a InvIA is not taken into account.

One-off lump-sum payments are taken into account at their pension conversion value. Exceptions to this are compensatory damages and similar settlements that need not be taken into consideration.

The only benefits taken into account are those of the same type and purpose that are paid out to the beneficiary on the basis of the loss event.

In all cases, however, at least the minimum benefits in accordance with the OPA and its regulations for calculation will be provided.

[3] The pension reduction will be reviewed periodically. In cases of hardship or of major rises in the cost of living, the Foundation Board may reduce or cancel such reductions to pensions.

[4] If there is a dispute regarding the benefits to be provided by the accident or military insurance provider or by the Occupational Retirement, Survivors' and Disability Pension Plans in accordance with the OPA, advance benefits may be requested from the Foundation. The Foundation shall provide advance benefits in line with the statutory

minimum benefits according to the OPA. If the case is taken over by another insurance provider, the entity in question must, within the scope of its obligation to provide benefits, refund the advance benefit payments made.

Art. 26 Reduced benefits; claims against liable third parties

[1] Should the social insurance provider reduce, deny or withdraw a benefit because the authorised claimant is criminally responsible for the disability or death of the insured member or because the insured member has resisted the rehabilitation measures of the IV, the Foundation may also reduce, deny or withdraw its benefits accordingly. In accordance with the provisions of Art. 25 (2) of OPO2, the Foundation is not under a duty to compensate for refusals to provide benefits or for reduced benefits by the accident or military insurance providers.

[2] The Foundation may demand that persons holding reversionary rights to a survivors' or disability pension surrender to the fund any claims to which they are entitled for damage in respect of liable third parties, to the extent that these exceed OPA benefits.

Art. 27 Safeguarding of benefits; offsetting

[1] The benefits provided by the Foundation are exempt from foreclosure insofar as this is legally permitted. The entitlement to benefits may not be pledged or assigned before the benefits become due, subject to Art. 30. Any agreements to the contrary are invalid.

[2] Claims against an insured member or pension recipient assigned by the employer to the Foundation may not be offset against benefits provided by the Foundation. An exception to this rule is any contributions owed by the member.

[3] Benefits wrongfully acquired from the Foundation will be offset against future benefit claims on the Foundation.

Art. 28 Duty to provide information and notification

[1] Insured members and pension recipients must provide the Foundation with truthful information about all circumstances materially relevant to their insurance coverage, particularly changes in marital status and family relationships, without being specifically requested to do so.

[2] At the request of the Pension Fund, recipients of pensions must provide evidence that they are still alive. Disabled persons must provide information regarding any income they receive from other pensions and/or gainful employment as well as changes in their degree of disability.

[3] Insured members and beneficiaries are obliged to provide the Foundation with the necessary information and documents requested and to submit documents relating to benefits, reductions or refusals issued by other insurance institutions or third parties as mentioned in Art. 25. In the event of a refusal, the Foundation may reduce benefits according to its best judgement.

[4] The Foundation disclaims all liability for any adverse consequences that may result from violation of the aforementioned obligations for insured members or their survivors. Should the Foundation incur damage as a result of such infringements, the Foundation Board may hold the person at fault liable.

Art. 29 Information for insured members
[1] At the beginning of the year, the Foundation shall send each insured member a certificate of insurance bearing the following information:

- Annual salary and insured salary
- Employee's and employer's contributions
- Insurance benefits to which the member has a contingent right (including the termination benefit)
- Buy-in amount in the full insurance benefits

All information applies subject to limiting regulatory provisions.

[2] The Foundation shall inform the insured members and pension recipients by the middle of the year by means of an annual report regarding the organization and financing of the Foundation and regarding the members of the joint Foundation Board.

Art. 30 Home ownership: early withdrawals and pledges
[1] Up to one year before retirement age, insured members may claim an amount to fund the purchase of residential property for their own use (flat, house or Independent and permanent building lease). For the same purpose, they may also pledge this amount or their claim to pension benefits. Recognised forms include:

- Acquisition and construction of residential property;
- Acquisition of shares in a cooperative housing association or similar holdings;
- Repayment of a mortgage loan.

[2] Before reaching the age of 50, the insured member may claim an amount equivalent to the relevant termination benefit. After the age of 50, an amount equivalent to termination benefit at the age of 50 or half of the termination benefit at the time of drawing it is available. The early withdrawal must amount to at least CHF 20,000. An early withdrawal may be claimed every five years at most. This minimum amount does not apply to the acquisition of shares in residential cooperatives or similar, or to pledging.

[3] In the event of early withdrawal or realisation of the pledged assets, the insured benefits are reduced.

[4] The early withdrawal shall be deducted proportionately from the obligatory and non-obligatory retirement capital. Repayment of the early withdrawal shall be governed by the legal provisions on the promotion of home ownership and the funds shall be credited to the obligatory and non-obligatory retirement capital in the retirement account to the same extent as in the case of the early withdrawal.

[5] The insured member may submit a written application requesting information about the amount available to them as a withdrawal for residential property purchase and the reduction in benefits associated with any such withdrawal. The Foundation shall negotiate a supplementary insurance to cover the lack of insurance that arises and inform insured members of their tax liability on the amount withdrawn.

6 If insured members take advantage of the withdrawal or pledge option, they must submit the contract documents relating to the purchase or construction of the residential property or the repayment of the mortgage loan, the regulations and/or the rental or loan agreement on acquisition of shares in a residential cooperative with the respective house-building association and the respective deeds for similar types of co-ownership. For insured members who are married, the written consent of the spouse must be provided. The spouse's signature must be documented by provision of an identity card, which the Foundation may require to be legally authenticated.

7 If the liquidity of the Foundation is at risk from early withdrawals, it may postpone processing of early withdrawal requests. The foundation board determines an order of priorities for the treatment of the request.

8 The Pension Fund shall pay out the early withdrawal no later than 6 months after the insured member has applied for it. If the Foundation is in an underfunded situation it can extend this period to 12 months. If there is significant underfunding, the Foundation may refuse to pay out the early withdrawal intended for repayment of a mortgage loan.

9 The Foundation shall invoice the insured member for internal and external costs.

10 Further information may be obtained from the information sheet published by the Foundation Board.

Art. 31 Pension equalization in the event of divorce or dissolution of the registered partnership

1 Only legally binding decrees made by the Swiss courts shall be legally binding for the Foundation.

The following provisions shall apply as appropriate also in the event of the dissolution of a registered partnership. In this case, the pension equalization shall be governed by the legally binding decree of dissolution.

2 If the marriage of an insured member is dissolved and the Foundation is obliged by the legally binding divorce decree to transfer a portion of the termination benefit accrued during the marriage to the pension scheme of the divorced spouse, all insured benefits shall be reduced proportionately in the obligatory and non-obligatory component insofar as they are defined in the Pension Plan (Appendix 1) on the basis of the retirement capital. The retirement capital shall also be reduced proportionately by the transferred-in termination benefit in the obligatory and non-obligatory component.

If the marriage of a recipient of a disability pension is dissolved and the Foundation is obliged by the legally binding divorce decree to transfer a portion of the hypothetical termination benefit to the pension scheme of the divorced spouse, the disability pension in payment and all deferred benefits shall be reduced proportionately in the obligatory and non-obligatory component insofar as they are defined in the Pension Plan (Appendix 1) on the basis of the retirement capital. The accumulated retirement capital shall also be reduced proportionately by the transferred-in termination benefit in the obligatory and non-obligatory component. If the Foundation is paying child's pensions at the time divorce proceedings are initiated, the amount of these pensions shall remain unchanged.

[3] If, during ongoing divorce proceedings, the entitlement to a retirement pension commences or, in the case of recipients of a disability pension, the disability pension is replaced by a retirement pension, the retirement pension shall, following transfer of the termination benefit to the entitled spouse, be recalculated on the basis of the reduced retirement capital at the time of retirement or at the time the disability pension is replaced by a retirement pension. If this calculation results in a lower retirement pension than the pension paid from the time pension payments are commenced until the time the divorce takes legal effect, the retirement pension shall be reduced by the amount of the pension benefits paid in excess, divided 50:50 between both spouses. The portion accruing to the entitled spouses shall be deducted from the termination benefit to be transferred. The portion accruing to the pension recipient shall be converted using an actuarial calculation into a retirement pension and the future pension benefit reduced by this amount for the lifetime of the insured member. The deferred survivors' benefits shall be calculated on the basis of this reduced retirement pension. Art. 19g VBO shall apply to the reduction.

[4] If a recipient of a retirement pension is obligated by a legally binding divorce decree to cede a portion of his pension benefit to the divorced spouse, the future retirement pension shall be reduced by this amount. The deferred survivors' benefits shall be calculated on the basis of this reduced retirement pension. Any child's pensions already in payment when divorce proceedings are initiated shall not be affected by the pension equalization.

The pension awarded to the divorced spouse shall be converted on an individual basis into a lifelong retirement pension without entitlements in accordance with the actuarial principles (Art. 19h VBO) that apply when the divorce decree takes legal effect.

The entitlement to the pension from the pension equalization shall end upon the death of the entitled spouse.

If the divorced spouse belongs to a pension scheme, the individually calculated pension shall be transferred to this pension scheme once a year, including interest at half of the regulatory interest rate applicable in the year in question. The transfer shall be made proportionately to the obligatory and non-obligatory component.

If the divorced spouse has reached the earliest possible retirement age according to Art. 1 (3) OPA and he is unable to transfer his entitlement into a pension scheme, the pension shall be paid out directly to the payment address specified by the entitled person pursuant to the provisions of Art. 21 (3).

If the pension is transferred to a pension scheme, the divorced spouse may request a lump-sum payment in place of a lifelong pension. The amount of the lump-sum payment shall be calculated according to actuarial principles. A written declaration must be made before the first pension payment.

[5] The insured member may at any time repurchase in full or in part the amount transferred to the entitled spouse in his pension plan in accordance with (2).

Repurchase is excluded in the case of recipients of disability benefits who are at least 70% disabled as defined under IV. In the case of insured persons who are partially disabled, the repurchase is restricted to the portion of the retirement capital that does not correspond to the partial pension entitlement at the time of the purchase.

The repurchase shall never serve to increase a disability pension in payment that has previously been reduced due to pension equalization.

The deposits made shall be credited proportionately to the obligatory and non-obligatory retirement capital.

[6] If an insured member is awarded a termination benefit or a pension from his divorced spouse by a legally binding divorce decree, the amount shall be credited proportionately to the obligatory and non-obligatory retirement capital.

If a recipient of a disability or retirement pension is awarded a termination benefit or a pension by a legally binding divorce decree, the termination benefit or the periodic pension payment may be transferred to the Foundation only if the Foundation maintains retirement capital for partial employment. The transfer shall be made proportionately to the obligatory and non-obligatory component.

Art. 32 Partial liquidation

In the event of partial liquidation, the insured members leaving the Foundation have, in addition to the entitlement to the defined termination benefit, an individual or collective claim on the Foundation's surplus funds, insofar as they have contributed to the formation of the Foundation's surplus funds. In the event of underfunding in the sense of Art. 44 OPO2, the defined termination benefits will be reduced by the amount of the underfunding, provided the retirement capital pursuant to Art. 15 OPA is not thereby reduced. The conditions and procedure for partial liquidation are defined in Appendix 3.

E. Financing and assets

Art. 33 Financing

[1] The benefits to be provided by the Foundation shall be financed by its assets and the income therefrom and by the defined contributions of the insured members and the employer. The contributions of the insured members and the employer comprise retirement credits and risk contributions. The risk contributions finance the risks of death and disability, administration costs, contributions to the guarantee fund and the statutory inflation adjustment of disability and survivors' pensions (Art. 20 (1)).

Art. 34 Contributions of insured members and employers

[1] Contributions of insured members and employers are defined in the Pension Plan (Appendix 1).

[2] The employer shall deduct the contributions from the insured member's salary and transfer them to the Foundation quarterly.

[3] The obligation to pay contributions begins with admission to the Foundation and ends when the employment is terminated, the minimum salary is not achieved, entitlement to retirement benefits commences or if the insured person dies.

[4] In the case of accident, illness, maternity leave or military service, the contributions shall be continued, either by deducting them from the salary that continues to be paid

or from a salary compensation benefit. This is subject to the provisions regarding exemption from the obligation to pay contributions (Art. 15).

Art. 35 Lump sum on entry, purchasing benefits

1 The termination benefit of a previous pension institution and any pension assets to maintain pension coverage in vested benefit schemes must be transferred to the Foundation as lump sum on entry.

2 The lump sum on entry shall be payable on the date of enrolment in the Foundation.

The insured member must allow the Foundation access to the calculations concerning the termination benefit from the previous pension scheme. The member must also inform the Foundation of any previous membership in a vested benefits scheme and the nature of the pension coverage.

3 Insured members may at any time pay in voluntary buy-in amounts up to the level of the defined benefits (see table attached to Appendix 1), provided that at the time of buying in they are fully capable of work or employment in line with his current degree of employment. This is subject to paragraph 5 and paragraph 6.

4 The lump sum on entry and the voluntary buy-in amounts are used to purchase additional insurance benefits.

5 The maximum buy-in amount is reduced by the amount of Pillar 3a assets that exceed the interest-paid total of the annual maximum amounts deductible from income according to Art. 7 (1) (a) OPO 3 of the year following the 24th birthday of the insured member (Art. 60a (2) OPO2) and by the vested benefit assets not required to be transferred in pursuant to Art. 3 VBA and Art. 4 (2^{bis}) VBA (Art. 60a (3) OPO2).

6 The insured member must clarify with the tax authorities the tax consequences of a lump-sum withdrawal within three years of a purchase of benefits. If early withdrawals are made for home ownership, voluntary purchases of additional benefits may only be made once the amounts withdrawn have been repaid. This is subject to the purchase of benefits after repayment of the early withdrawal for home purchase is no longer permitted (Art. 60d OPO2).

Art. 36 Purchases in the early retirement purchase account

1 Insured members who are insured for the maximum defined benefits and to the extent it is allowed for in the Pension Plan (Appendix 1) may, as of the contribution age of 25 make monthly contributions or lump-sum investments to repurchase the retirement pension reduction and to finance the OASI bridging pension in the event of early retirement.

2 The maximum permitted contribution or one-off investment is shown in the table attached to Appendix 1 and by the state of the purchase account. The purchase account may only be increased to the extent that it will be necessary to repurchase the reduction in the retirement pension and to finance the OASI bridging pension at the agreed early retirement date.

3 If the insured member does not take early retirement and as a result the balance in the purchase account is greater than is necessary to repurchase the reduction in the retirement pension and to finance the OASI bridging pension at the actual retirement

date, the defined retirement pension benefit target may be exceeded by a maximum of 5%. Any excess amount in the purchase account shall revert to the Foundation. The Foundation shall inform the insured member of the anticipated amount of the capital that will revert to the additional account, insofar as the insured member only later wishes to take pre-funded early retirement. In this case, the employee contributions will be funded from the purchase account until retirement.

4 Any withdrawal for home purchase must be taken into account.

5 The size of the contributions or the one-off investments may be restated by the insured member in each calendar year and remain unchanged during this period.

6 The use of the purchase account in the event of death is based on Art. 19 (6) and 7.

Art. 37 Unpaid leave

1 In the case of unpaid leave lasting up to one month, the insurance shall be continued in its previous scope as per the provisions outlined in the Pension Scheme Regulations.
There shall be no reporting duty towards the Foundation.

2 Any unpaid leave lasting more than one month must be reported to the Foundation. The insurance shall be continued in accordance with the agreement made between the employer and the employee. The financing of contributions, the scope of the insurance and the maximum duration of unpaid leave are governed by the Pension Plan (Appendix 1).

3 In the case of unpaid leave, the insurance may only be continued with the consent of the employer. A written agreement between the employee and the employer must be submitted to the Foundation before commencement of the unpaid leave.

4 The insurance can only be continued if the insured member extends his non-occupational accident insurance pursuant to Art. 3 (3) AIA for the duration of the unpaid leave subject to prior arrangement.

5 The insured member may suspend the insurance for the duration of the unpaid leave. Any such suspension must be notified to the Foundation prior to commencement of the unpaid leave

Art. 38 Accounting and investments

1 The Foundation's financial year is the calendar year. The Foundation's accounts are closed on 31 December of each year.

2 The annual financial statements and the annual report are to be issued within 6 months of the end of the financial year at the latest.

3 The Foundation’s assets are to be managed in accordance with recognized principles where, aside from the security of the investment, an appropriate return is to be aimed for and the Foundation’s liquidity requirements are to be taken into account. The Foundation Board shall formulate investment rules in this respect.

Art. 39 Financial balance
[1] At least every three years, an accredited pension actuary must draw up an actuarial balance sheet, which must be made available to the supervisory authority.

[2] If a separate account (asset pool) or individual pension funds generate an actuarial deficit, the Foundation Board, in collaboration with the accredited pension actuary and, insofar as the underfunding affects an individual pension fund, shall, together with the pension committee of the pension fund concerned, determine appropriate measures to cover the shortfall. If necessary, the contributions of the insured member and the employer must be increased, or the insurance benefits – including current pensions – must be adjusted to the resources available, following prior agreement with the supervisory authorities. All the aforementioned measures may be linked to one another.

[3] In particular, the Foundation may, for the duration of underfunding, levy contributions from the insured members, the employer and the pension recipients in order to cover the shortfall. The employer's contribution must be at least equal to that of the sum of the insured members' contributions. The contribution from pension recipients will be levied by deduction from current pensions. The Foundation shall, if required, draft an appendix to the regulations in this respect in conjunction with its accredited pension actuary.

[4] The Foundation shall keep the supervisory authorities, the employer, the insured members and the pension recipients informed about the underfunding and the measures that have been determined.

[5] In the event of partial liquidation, the actuarial deficit of the Foundation or the pension fund concerned shall be proportionally deducted from the defined termination benefits to be transferred. The pension fund concerned must ensure that the OPA retirement capital is not thereby reduced.

F. Organization of the Foundation

Art. 40 Supervisory bodies and delegates of the Foundation
The rules on the rights and obligations of the supervisory bodies and delegates of the Foundation are laid down in the organizational regulations.

G. Final regulations

Art. 41 Benefits in cases of particular hardship
[1] The Foundation Board shall establish principles and guidelines that will allow the pension committees to pay out benefits in cases of particular hardship, at the expense of its pension plan's surplus funds, where these Regulations do not provide for any benefits for an insured member, their family or persons close to them, but for whom the payment of a benefit would be reconcilable with the Foundation's pension-related purpose.

[2] The pension committee shall decide in the context of the principles and guidelines of the Foundation Board and in consideration of the circumstances of the individual case at its own discretion. If necessary, it shall determine the nature, scope and duration of the benefit.

Art. 42 Application of the regulations and gap-filling

[1] The Foundation Board shall issue any additional implementation provisions required for the Regulations.

[2] In special cases it may deviate from the provisions within these Regulations if their application would lead to hardship for the affected person or persons, and such deviation corresponds to the purpose and objectives of the Foundation.

[3] The Foundation Board shall take decisions on all questions that are not governed or only partially governed by these Regulations in accordance with the Foundation's purpose.

Art. 43 Modification of the regulations

[1] These Regulations may be changed at any time by a decision of the Foundation Board while respecting the acquired rights of the beneficiaries. The competent supervisory authority must be made aware of changes to the Regulations.

[2] Provisions which require or imply additional benefits from the employer may not be issued without the employer's consent.

Art. 44 Disputes

[1] Disputes between the Foundation and the employer or the beneficiaries shall be decided by the competent cantonal court pursuant to the OPA, in accordance with the statutory procedure.

[2] The place of jurisdiction shall be the Swiss domicile or residence of the defendant or the location of the company where the insured member is employed.

Art. 45 Effective date; temporary provisions

[1] These Regulations have been determined on 13 February 2018 by the Foundation Board which is constituted jointly on a member-employer basis and shall enter in force on 1 January 2018. It is replacing the Regulations of 25 August 2015.

[2] Current pensions and all future benefits of pension recipients and insured members remain unchanged.

Basel, 13 February 2018

Dr. Thomas Giudici
The Chairman of the Foundation Council

Simon A. Ganther
The Deputy Chairman of the
Foundation Council

Appendix 2 to the Pension Scheme Regulations

Conversion rates for the calculation of the retirement / disability pension as a percentage of the retirement savings capital and the reductions due to a drawing of the OASI. The OPA minimum benefits are adhered to. Separate accounts may apply different conversion rates. Deviations are to be defined in the pension plan (Appendix 1).

Retirement age 2017

Age	Conversion rate Retirement pension / Bridging pension		Age	Conversion rate Retirement pension / Bridging pension	
	Men	Women		Men	Women
58	5.00%	5.00%	65	6.05%	6.05%
59	5.15%	5.15%	66	6.20%	6.20%
60	5.30%	5.30%	67	6.35%	6.35%
61	5.45%	5.45%	68	6.50%	6.50%
62	5.60%	5.60%	69	6.65%	6.65%
63	5.75%	5.75%	70	6.80%	6.80%
64	6.90%	5.90%			

Retirement age 2018

Age	Conversion rate Retirement pension / Bridging pension		Age	Conversion rate Retirement pension / Bridging pension	
	Men	Women		Men	Women
58	4.85%	4.85%	65	5.90%	5.90%
59	5.00%	5.00%	66	6.05%	6.05%
60	5.15%	5.15%	67	6.20%	6.20%
61	5.30%	5.30%	68	6.35%	6.35%
62	5.45%	5.45%	69	6.50%	6.50%
63	5.60%	5.60%	70	6.65%	6.65%
64	5.75%	5.75%			

Retirement age 2019

Age	Conversion rate Retirement pension / Bridging pension		Age	Conversion rate Retirement pension / Bridging pension	
	Men	Women		Men	Women
58	4.70%	4.70%	65	5.75%	5.75%
59	4.85%	4.85%	66	5.90%	5.90%
60	5.00%	5.00%	67	6.05%	6.05%
61	5.15%	5.15%	68	6.20%	6.20%
62	5.30%	5.30%	69	6.35%	6.35%
63	5.45%	5.45%	70	6.50%	6.50%
64	5.60%	5.60%			

Retirement age 2020

Age	Conversion rate Retirement pension / Bridging pension		Age	Conversion rate Retirement pension / Bridging pension	
	Men	Women		Men	Women
58	4.55%	4.55%	65	5.60%	5.60%
59	4.70%	4.70%	66	5.75%	5.75%
60	4.85%	4.85%	67	5.90%	5.90%
61	5.00%	5.00%	68	6.05%	6.05%
62	5.15%	5.15%	69	6.20%	6.20%
63	5.30%	5.30%	70	6.35%	6.35%
64	5.45%	5.45%			

Appendix 3: Partial liquidation

The present partial liquidation regulations are based on Art. 53b and 53d OPA, Art. 27g and 27h OPO2, Art. 29 and the terminology of the Pension Fund Regulations of 19 November 2010.

Art. 1 Requirements for partial liquidation

1 The conditions for partial liquidation are fulfilled

a) if there is a significant reduction in the workforce of an affiliated employer,
b) an affiliated employer reduces its workforce due to restructuring; or
c) an affiliation agreement is dissolved and the pension fund continues to operate.

2 A workforce reduction is significant if it comprises at least the following reductions in the workforce and the committed assets:

Size of the workforce	Reduction in the workforce and the committed assets by
> 100 persons	10%
50 to 99 persons	20%
10 to 49 persons	30%
1 to 9 persons	50%

Here, the reduction in each "Size of the workforce and the committed assets" tier corresponds in nominal terms to the reduction in the preceding category.

3 A restructuring is said to occur if previous areas of activity in a company are amalgamated, shut down, sold, outsourced or otherwise modified, bringing about a reduction in the workforce and the individually committed assets on the following scale:

Size of the workforce	Reduction in the workforce and the committed assets by
> 100 persons	5%
50 to 99 persons	10%
10 to 49 persons	15%
1 to 9 persons	25%

Here, the reduction in each "Size of the workforce and the committed assets" tier corresponds in nominal terms to the reduction in the preceding category.

4 The decisive factor is the reduction in the workforce or a restructuring / reduction of the committed assets taking place within 12 months of a commensurate resolution being passed by the employer's competent executive bodies. If the rationalization plan itself is scheduled to apply over a longer or shorter period of time, this time limit shall apply.

Art. 2 Share of the pension surplus or deficit

1 If the conditions for a partial liquidation are met, entitlement to a share of the non-committed funds exists. An actuarial deficit is proportionately deducted, provided the retirement savings capital according to the OPA is not thereby reduced.

[2] Surplus funds (or an actuarial deficit) at the level of the pension fund are in any case proportionately transferred to the departing portfolio.

Surplus funds at the Foundation level are proportionately transferred at most to the extent that the Foundation's cover level pursuant to Art. 44 OPO2 has increased since the affiliation of the Pension Fund. This regulation applies analogously in the case of anactuarial deficit and the deterioration of the Foundation's cover level pursuant to Art. 44 OPO2 since the affiliation of the Pension Fund.

[3] In the case of individual departures, there is individual entitlement to surplus funds. In the case of a collective departure, the surplus funds are collectively transferred if the target fluctuation reserves of the receiving foundation are increased by at least half; otherwise they are individually transferred. There is no entitlement to an individual transfer of the share in the surplus funds.

[4] A collective departure occurs where half of the departing beneficiaries or at least ten beneficiaries transfer together to another pension plan.

Art. 3 Size of the surplus assets and of the deficit

[1] The surplus assets (or deficit) comprise the positive (or negative) result constituted by total assets minus the balance sheet items of fluctuation reserves, employer contribution reserves, borrowings such as accrued expenses, other creditors and liabilities, and reduced by the beneficiaries' defined associated resources (retirement capital, termination benefits or pension cover capital) and the actuarial provisions.

The actuarial provisions and the fluctuation reserves are based on the corresponding regulatory provisions.

[2] The entitlement to surplus funds and reserves of the beneficiaries remaining in the pension plan is always collective. Any deficit is also collectively attributable to the beneficiaries.

[3] Should the relevant assets and liabilities change by more than 5% between the effective date of the partial liquidation and transferral of the assets, a corresponding adjustment will be made.

Art. 4 Proportion of the actuarial provisions and the fluctuation reserves

[1] In a collective departure there is, in addition to an entitlement to the surplus funds, a collective proportionate entitlement to the fluctuation reserves and - to the extent corresponding risks can be transferred - also a collective, proportionate entitlement to the actuarial provisions. The Foundation Board shall adopt the necessary resolution.

[2] There is no collective entitlement to the actuarial provisions or fluctuation reserves if the departing group was responsible for triggering the partial liquidation.

[3] The proportionate entitlement to the actuarial provisions and the fluctuation reserves is based on the statements of the accredited pension actuary or on the values stated in the applicable balance sheet.

Entitlement of the collectively departing members to fluctuation reserves shall be proportionate to their share of entitlement to savings and actuarial reserves. The entitlement shall be reduced in accordance with the degree by which the departing insured persons have contributed less to the accumulation of the provisions in question than did those insured persons who remain in the Fund.

[4] Should the assets and liabilities in question change by more than 5% between the reference date of the partial liquidation and the transfer of the actuarial provisions and fluctuation reserves, a corresponding adjustment will be made.

[5] The nature and extent of the associated risks along with the effective date for the transfer and any changes in accordance with paragraph 4 must be stated in writing in the transfer agreement.

Art. 5 Effective date and basis

[1] The effective date for determining the surplus assets, the actuarial provisions and the fluctuation reserves or the shortfall is the balance sheet date nearest to the time frame after the event that led to the partial liquidation (Art. 1 (4).

[2] Key elements for determining the surplus assets or the deficit are the audited balance sheet and the actuarial report prepared by the accredited pension actuary in respect of the effective date.

Art. 6 Distribution plan

[1] Distribution of the surplus assets initially takes place among the pension recipient or insured member groups on the basis of the amounts of pension cover capital or the termination benefits apportionable to both groups.

[2] Distribution of the entitlements then takes place on the basis of the

- individual pension reserves in the case of the pension recipients,
- qualifying termination benefits and the full contributing years in the case of insured members.

  The criteria of qualifying termination benefit and full contributing years are equally weighted.

  The qualifying termination benefit of the insured member is taken to mean the effective termination benefit minus the vested benefit deposits and buy-in amounts that were transferred into the Foundation in the five years preceding the effective date, plus the termination benefits provided in the same period (early withdrawals for home purchase / divorce).

[3] A contract must be concluded for collective transfers. This must be brought to the notice of the regulatory authority. Individual entitlements shall be transferred as provided for in Arts. 3 to 5 or Art. 25f VBA.

Art. 7 Procedure

1 The Foundation Board is responsible for determining whether a partial liquidation is necessary and for carrying out such a liquidation. The Foundation Board must determine in particular the event which caused the partial liquidation, the exact time it occurred and the applicable time frame pursuant to Art. 1 (4).

2 In accordance with statutory provisions and the present regulations, and based on the actuarial appraisal prepared by the accredited pension actuary, the Board shall determine:

- the surplus funds;
- the actuarial provisions and fluctuation reserves;
- the deficit and its apportionment; and
- the distribution plan

. The Foundation Board shall also notify the regulatory authority, the auditor and the accredited pension actuary.

If a partial liquidation issue in connection with an actuarial deficit (shortfall) is likely, the Foundation Board may decide to reduce appropriately the vested benefits of the insured members affected by the partial liquidation. Any subsequent payment shall be made after the partial liquidation becomes legally binding.

3 The Foundation Board shall inform the pension recipients of the partial liquidation in writing, inform them in detail regarding the individual process steps and make them aware that for 30 days they have the opportunity to examine at the registered office of the pension fund the relevant balance sheet, the actuarial report and the distribution plan.

If it cannot be ensured that the written guidance can be sent to all persons concerned, the Foundation must publish the information three times in the Swiss Official Gazette of Commerce.

4 During this 30-day period, pension recipients and insured members may dispute the conditions for a partial liquidation or file an objection with the Board against the procedure and distribution plan.

5 If objections are filed, the Board shall hear the dissenters and respond to them in writing. If the objections are accepted, the distribution plan and/or the procedure shall be adapted accordingly.

6 At the end of the period, the Board shall inform the regulatory authority whether any objections were filed, and if and how they were settled.

If no objections were filed, or if the objections were settled in a mutually satisfactory manner, the Board shall implement the distribution plan provided it receives written confirmation from the regulatory authority that no objections were filed with it either within the time limit. The partial liquidation shall thereupon become legally binding.

7 If an objection cannot be settled, the Foundation Board shall refer the objection to the regulatory authority with its written response and any other relevant documents.

The regulatory authority shall examine the matter and shall issue a decision on the conditions for a partial liquidation, the procedure, distribution plan and the objection.

In accordance with Article 74 OPA, the decision of the regulatory authority may be contested before the Federal Administrative Court within 30 days. The appeal against a decision of the regulatory authority shall, however, have only suspensive effect where so decided by the president of the competent division of the Federal Administrative Court or by the examining judge, whether ex officio or at the applicant's request.

Art. 8 Payment of costs

The costs of implementing the partial liquidation shall be charged to the pension fund, or in the absence of surplus funds are to be borne by the employer.

Art. 9 Resolution / Amendment / Issue

These regulations were adopted by the Foundation Board at its meeting of 16 December 2010. The regulations and all amendments were approved by competent regulatory authority on 18 March 2011. They must be distributed to all beneficiaries.

Basel, 16 October 2010 The Foundation Board

Appendix 4: Measures to remedy a shortfall (Art. 39 - Financial equilibrium)

The appendix regulates the procedure and the permissible measures if the foundation is underfunded. This does not affect asset pools with a coverage ratio of at least 95%. Asset pools which have only one employer and have a coverage ratio of less than 90%, can take measures according to Art. 4, employer contribution reserve with waiver of use, and Art. 5, if there is a shortfall of the BVG minimum interest rate according to Art. 15 para. 2 BVG after prior notification of the board of trustees and the insured persons.

Art. 1 Low or zero interest

If the foundation is underfunded, the board of trustees may decide to apply a minimum or zero interest rate on all or part of the retirement assets.

Art. 2 Limitation of advance withdrawal for home ownership

Advance withdrawal for home ownership for the repayment of mortgage loans is denied for asset pools that are in significant underfunding (<95%) for the duration.

Art. 3 Remedial contributions

Asset pools that show a significant underfunding (<90%) have to collect joint remedial contributions. Their amount is determined by the board of trustees in consultation with the expert.

Additional possible measures for asset pools, which have only one employer

Art. 4 Employer contribution reserve with waiver of use

1 The employer may make contributions to a separate account, *employer contribution reserve with waiver of use,* and also transfer funds from the ordinary employer contribution reserve to this account.

2 Deposits may not exceed the amount of the shortfall, they are not interest-bearing and may not be used, pledged, assigned or otherwise diminished.

Once the shortfall has been completely eliminated, the employer contribution reserve with waiver of use must be released and transferred to the ordinary employer contribution reserve. An early partial dissolution is not possible.

Art. 5 Underfunding of the BVG minimum interest rate according to Art. 15 para. 2 BVG

If an asset pool in which only one employer has insured his employees is in substantial underfunding, the insured parties are free to fall below the minimum interest rate during the period of underfunding, albeit for no longer than five years, by a maximum of 0.5 percentage points (Art. 65d para. 4 BVG), according to the previous guidelines.

Art. 6 Entry into force

The measures taken to remedy a shortfall come into force retroactively on January 1, 2011.

Basel, 1 March 2010 The Board of Trustees