

## Regulations

The following regulations are based on Art. 9 of the Articles of Association of the Vested Benefits Foundation Swiss Life (hereafter Foundation):

### Art. 1. Opening of vested benefits accounts

The Foundation accepts payments from employee benefits institutions in favour of policyholders who leave their position with an employer affiliated to this employee benefits institution before entitlement to pension benefits arises. The Foundation also accepts payments from other institutions that serve to maintain employee benefits coverage and, in cases stipulated by law, from policyholders themselves.

A separate account (vested benefits account) is set up for every policyholder at a bank governed by Swiss law. Policyholders receive an annual statement of their pension plan savings.

### Art. 2. Interest

The Board of Trustees sets the interest rate at standard market conditions. Interest is credited to the vested benefits account at the end of each calendar year.

### Art. 3. Investments

The Board of Trustees decides upon Foundation investments and determines the relevant investment guidelines.

### Art. 4. Individual investments of policyholders

The policyholder can mandate the Foundation to invest all or part of the balance of his vested benefits account in units of investment groups of investment foundations pursuant to their regulations in a safekeeping account at a bank governed by Swiss law (vested benefits account). In such a case the Foundation is entitled to determine a minimum amount for investments in units of investment groups. The Foundation acquires the units for the individual account of the policyholder and manages them in his name. The composition of the investments is in accordance with Arts. 49 - 58 of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2).

The policyholder can purchase and/or redeem units at any time. The issue and redemption prices correspond to the price calculated by the investment foundation on the valuation date. The proceeds of a redemption of units are credited to the policyholder's vested benefits account.

For that part of the vested benefit savings invested in units there is no entitlement to either a minimum interest rate or capital preservation. The investment risk is borne by the policyholder.

### Art. 5. Transferability of the pension plan savings

Based on Art. 12 of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (FZV) the policyholder may at any time:

- a) transfer his pension plan savings to an employee benefits institution;
- b) change the institution or form of maintaining employee benefits coverage.

### Art. 6. Payment of pension plan savings

The policyholder has the right to his pension plan savings upon reaching the age limit (AHV retirement age or no later than five years afterwards).

Early payment of the retirement savings is permissible if:

- a) the policyholder is drawing 100% disability income from the Swiss Federal disability insurance and the disability risk is not insured in addition;
- b) the request is made by:
  - 1) a policyholder who is leaving Switzerland permanently subject to Art. 25f of the Federal Law on Vested Benefits for Occupational Retirement, Survivors' and Disability Pension Plans;
  - 2) a policyholder who is taking up self-employment and is no longer subject to mandatory employee benefits;
  - 3) a policyholder whose withdrawal benefit is less than his annual contribution;
  - 4) a policyholder who uses his pension savings for: the acquisition and construction of residential property for his own personal use; shares in or repayment of mortgage loans for such residential property.

Policyholders who are married or living in a registered partnership require the written consent of their spouse or registered partner for payments.

Upon payment of the pension plan savings, the Foundation honours its fiscal obligation concerning withholding tax by reporting the taxable benefit to the Swiss Federal tax authorities within the framework of Art. 19 of the Federal Law on Withholding Tax (VStG).



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The entitled person is responsible for proving the legitimacy of his/her claim to the foundation in a manner deemed necessary by the latter, for providing the necessary information for the validation of his/her claim to payment of the employee benefit or pension plan savings and for presenting the requisite supporting documents and evidence. In any case, the foundation is entitled to request additional clarification. It may require official or notary certification of signatures and documents.

## Art. 7. Employee benefits

On the basis of Art. 13, 14 and 16 FZV, the employee benefits consist of the following:

- a) the pension plan savings upon reaching retirement age
- b) the pension plan savings in the event of disability in accordance with Art. 8 2a of the regulations
- c) the pension plan savings in the event of death.

## Art. 8. Payment of the pension plan savings

The pension plan savings are paid exclusively as a lump sum, payable 31 days after the completed request is received. The amount corresponds to the balance on the vested benefits account.

## Art. 9. Assignment and pledging

The pension plan savings can be neither pledged nor assigned. The exceptions are described in Art. 30b of the BVG, Art. 331d of the Swiss Code of Obligations and Arts. 8 and 9 of the Ordinance on the use of occupational pension savings for home ownership (WEFV).

## Art. 10. Beneficiaries

The following persons are permissible beneficiaries:

- a) the policyholder upon survival
- b) upon death, the following in the order listed:
  - 1) the survivors in accordance with Arts. 19, 19a and 20 of the BVG;
  - 2) natural persons who were to a large extent financially dependent on the deceased, or a person who had cohabited with the deceased in a continuous marriage-like relationship in the five years prior to the latter's death, or must support one or more children from the relationship;
  - 3) the children of the deceased, who do not fulfil the conditions in accordance with Art. 20 of the BVG, the parents and siblings;
  - 4) other legal heirs (excluding cantons and communes).

The policyholder may specify beneficiaries' entitlements more precisely and expand the group of persons defined above under b1) to include those defined in b2).

If the policyholder does not specify the beneficiaries' entitlements in detail, the Foundation shall distribute the assets in equal parts per capita if there are several beneficiaries in one group.

The form provided by the Foundation is to be used to determine beneficiaries, alter their order or specify their entitlements in greater detail in the event of death.

The clarifications and/or amendments entered on the form are only taken into account in the distribution if the Foundation is informed of them at the latest upon payment of the lump-sum death benefit.

If the policyholder has not informed the Foundation of the existence of a life partner, the latter shall assume that such a partner does not exist. The Foundation is not obliged to actively seek out the life partner. This applies as well to natural persons who have enjoyed the substantive support of the policyholder, and to persons who must provide for a joint child.

## Art. 11. Liability

The Foundation is not liable for consequences to the policyholder resulting from a failure to comply with the legal, contractual and regulatory obligations.

## Art. 12. Messages

Communications to the policyholder are considered to have been legally sent if they are posted to the address given to the Foundation most recently by the policyholder.

## Art. 13. Changes in the regulations

The Foundation is entitled to make changes to these regulations at its own discretion. Any changes to the regulations are to be communicated to the relevant supervisory authority, however they do not require the approval of the supervisory authority. The policyholder shall be suitably informed of any such changes. Amendments to the legal provisions which form the basis for the regulations shall not be subject to this requirement and prevail.

## Art. 14. Fees

The Foundation may levy fees in compensation for its time. These are debited to the account balance. The list of fees will be communicated to the policyholder when the account is opened. The Foundation reserves the right to amend its fees at any time. The current list of fees can be requested from the Foundation at any time.



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## **Art 15. Applicable law and place of jurisdiction**

These regulations are exclusively governed by Swiss law. Swiss courts alone shall be responsible for judgements concerning any disputes that may arise.

## **Art. 16. Legal effect**

These regulations enter into force on 1 January 2021 and replace the previous version.

Zurich, 1 January 2021

