

Pension regulations

Having regard to Art. 6 of the articles of association of the Independent Vested Benefits Foundation Zurich (hereinafter «Foundation»), the board of trustees shall adopt the following pension regulations:

Art. 1 Purpose

1. The Foundation serves to maintain pension protection in another form in accordance with Art. 4 Swiss Vested Pension Benefits Act (FZG) and the further development of the occupational pension provision by means of collective management of the vested benefits capital entrusted to it. For this purpose, the Foundation accepts termination benefits and vested termination benefits from insured persons.
2. The Foundation can offer insurance protection to cover the risks of disability and death and conclude insurance contracts for this purpose.

Art. 2 Content of the regulations

These pension regulations regulate the rights and obligations of the insured person (hereinafter referred to as the Client) and entitled parties towards the Foundation.

Art. 3 Benefits agreement – Application to open an account/custody account

1. Accession to the Foundation takes place with the conclusion of the benefits agreement and ends with its dissolution.
2. The Client applies to the Foundation for a benefits account and/or custody account using the appropriate form.
3. The decision as to whether the benefits agreement is concluded rests with the management. The Board of Trustees issues guidelines to this effect.
4. Upon conclusion of the vested benefit agreement, the Client is entitled to transfer vested benefits or termination benefits to the Foundation.

Art. 4 Opening of an account/custody account

1. The Client has the option of choosing the account solution and/or the securities solution.
2. For each Client, the Foundation opens and maintains a vested benefit account/vested benefits custody account in the name of the Client with a bank (hereinafter «Custodian Bank») subject to the Swiss Financial Market Supervisory Authority FINMA.
3. Only vested benefits or vested benefits credit balances from tax-exempt pension or vested benefits institutions may be paid into the vested benefits account/deposit. Subsequent contributions are only possible if they are vested benefits or pension assets of a pension fund or another vested benefits foundation or repayments in accordance with Art. 30d BVG.

Art. 5 Vested benefits account

1. The Client has to submit the request to open a vested benefits account.
2. Among other things, the vested benefits account is credited with:
 - a. Pension assets from second pillar schemes
 - b. Interest and securities income
3. Among other things, the vested benefits account is debited with:
 - a. Transfers of pension assets to other second pillar schemes
 - b. Client draws under statutory provisions
 - c. Fees specified in the fee regulations and benefits agreement
 - d. Any risk premiums
4. Credits and debits are made pro rata in favour of, or debited to, the compulsory and supplementary part of the retirement savings capital.

Art. 6 Interest on vested benefits account

1. The interest rate of the vested benefits account is determined by the Board of Trustees per product and product provider and is continuously adjusted to market conditions. The applicable interest rate can be found on the Foundation website or the respective Client portal (if available).
2. The interest is credited at the end of each calendar year.
3. If the Client leaves the Foundation during the year, the interest is calculated pro rata temporis up to the value date of the withdrawal.

Art. 7 Vested benefit custody account

1. The Client must file an application to open a vested benefits custody account. He may instruct the Foundation to invest part or all of the balance of his pension capital in securities.
2. The Foundation acquires the investments for the Client's individual account. When investing the pension assets in securities, there is neither a claim to a minimum interest rate nor to a guaranteed asset value. The investment risk is borne solely by the Client.
3. Purchase and sale orders of the Client to the Foundation may be issued at any time, subject to number 4 below. Orders are punctually processed according to the holiday regulations of the Foundation's canton of domicile, the Custodian Bank and the trading days/trading hours of the stock exchange. Executions always take place at market.

4. Purchase and sales orders shall be executed at least once per week. An interest rate that differs from the account solution may be specified for the period between the payment being received and the investment. In order to be able to invest, the deposits must be credited to the Client's account/custody account with good value at least three working days prior to the investment date and booked three working days prior to the investment date. The Foundation shall not be liable for any delays in the investment or disinvestment, subject to gross negligence.
5. If the Client has selected an investment strategy in the pension agreement, it is incumbent upon the Foundation to implement this with OPO 2 (Occupational Pension Ordinance) compliant investments.
6. The issue and redemption price correspond to the price calculated by the respective fund management on the valuation date, less any fees specified in the fees regulation and benefits agreement, respectively.
7. If the balance on the vested benefits account is too low to cover any fees accruing in accordance with the fee regulations and benefits agreement, the Foundation may sell securities to the extent required and debit the vested benefits account accordingly.

Art. 8 Investments in the securities portfolio

1. The Foundation Board shall decide on the investment opportunities offered to the Client in accordance with Art. 19a Vested Benefits Regulation (FZV) and shall lay down the investment guidelines.
2. Collective investments must be subject to supervision by FINMA, which must have approved them for distribution in Switzerland or issued them by Swiss investment foundations.
3. Investment instruments are primarily investment groups of investment foundations, institutional tranches of investment funds, retrocession-free fund tranches and ETFs.
4. If, in the context of asset management mandates, funds are used as an exception, that pay retrocessions, the Client is entitled to them.

Art. 9 Information obligation

1. After opening the vested benefits account or vested benefits custody account, the Foundation will send the Client a confirmation and, at the beginning of each year, an account/custody account statement for the past year stating all transactions, including interest credited and the balance of the pension assets.

2. The Client must notify the Foundation of address, name and civil status changes. If the Client is married or lives in a registered partnership, he must also inform the Foundation of the date of marriage or registration of the partnership. The Foundation declines any responsibility for the consequences of insufficient, late or incorrect information about address and personal details.
3. Notices to Clients shall be deemed to have been legally delivered if they have been sent to the last address recorded by the Foundation or if they can be accessed on the respective Client portal (if available).
4. All correspondence from the Client must be addressed directly to the Foundation and/or the appropriate advisor according to the request. The address of the Foundation can be found on the Foundation website.

Art. 10 Order of Beneficiaries

1. The Client is the beneficiary in the event of survival.
2. If the Client dies before reaching the OASI normal retirement age, the following persons shall be regarded as beneficiaries in the following order of priorities:
 - a. the survivors according to Art. 19, 19a and 20 BVG
 - b. natural persons who have received substantial support from the Client, or the person who has lived with the Client continuously for the last five years until his death, or who is responsible for the maintenance of one or more common children
 - c. children of the deceased who do not meet the requirements under Art. 20 BVG, in the absence thereof;
 - d. parents, in the absence thereof
 - e. siblings, in the absence thereof
 - f. other legal heirs excluding the community.
3. The Client has the right to specify the claims of the beneficiaries in more detail and to extend the group of persons pursuant to subsection 2 letter a above with those pursuant to subsection 2 letter b above.
4. If the Client does not specify the claims of the beneficiaries in further detail, the Foundation will divide the credit equally per person, if there are several beneficiaries that are members of the same group.
5. If, in the event of death, beneficiaries are determined, their sequence changed, or claims specified in further detail, the form provided by the Foundation must be used.
6. The details and/or changes reported on the form will only be included in the disbursement if the Foundation has been informed of them at the latest by the time the lumpsum death benefit is paid out.

7. If the Client has not informed the Foundation of the existence of a civil partner, it shall assume that no civil partner exists. The Foundation is under no obligation actively to search for the civil partner. This also applies to individuals who have received significant support from the Client and to persons required to pay for the maintenance of a joint child.
8. The beneficiaries or persons who make a claim to the Foundation stating that they are entitled to benefits following the death of the Client must provide the Foundation with evidence to confirm that they meet the requirements for entitlement. In particular, the person who cohabited with the Client must provide the Foundation with evidence confirming that they had cohabited continuously for the last five years preceding the Client's death.
9. The Foundation may reduce or refuse its benefits to an entitled person if it becomes aware of the person having deliberately brought about the death of the Client. The Foundation is not obliged to carry out investigations regarding this. The benefit that has become available will fall to the next beneficiary in accordance with subsection 1 above.

Art. 11 Premature termination of the account and custody account relationship by the Foundation

If no funds have been credited to the vested benefits/custody account within six months of it being opened, the Foundation reserves the right to terminate the vested benefits/custody account.

Art. 12 Withdrawal of pension assets

1. The Client has the right to dispose of his pension assets upon reaching the age limit (the OASI normal retirement age, no earlier than five years before and no later than five years afterwards).
2. An early transfer of the pension assets is permissible if:
 - a. the Client uses the pension assets for a transfer to a pension fund or vested benefits institution (Art. 12 FZV);
 - b. The Client receives a full disability pension from the Federal Disability Insurance (IV) and the disability risk is not insured (Art. 16 para. 2 FZV);
 - c. the request is made by:
 1. a Client who is leaving Switzerland permanently (Art. 14 FZV in conjunction with Art. 5 FZG, Art. 25f FZG remains reserved).
 2. a Client who takes up self-employment as his main occupation and is no longer subject to compulsory occupational benefits (Art. 14 FZV in conjunction with Art. 5 FZG).
 3. a Client whose pension assets are smaller than the annual contributions of the Client in the previous pension relationship extrapolated for an entire contribution year.
 4. a Client who wishes to withdraw his pension assets in advance for the purposes of home ownership (Art. 30c BVG, WEFV).

3. To withdraw his vested benefits or retirement benefits, the Client must submit the relevant form for the circumstances in question to the Foundation, which must contain precise details about the reason for the payment and the payment instruction and list the documents needed for each reason for payment. The Foundation will provide all the forms, which list the formal requirements in each case. The Foundation may require notarised certification of the signatures. The costs involved are borne by the Client. The Client is solely responsible for all tax consequences resulting from a capital withdrawal.

Art. 13 Payment of benefits

Benefits are generally paid in capital form and are due 31 days after receipt of the complete application. The amount of benefits corresponds to the balance of the vested benefits account or vested benefits custody account less the charge for fees.

Art. 14 Pledging and assignment

The entitlement to benefits can neither be legally assigned nor pledged before the due date. Art. 16 and Art. 17 of these regulations remain reserved.

Art. 15 Home ownership promotion

1. The Client can pledge or make an early withdrawal of his vested benefits credit in line with promoting home ownership for his own needs.
2. An early withdrawal of the funds or repaying the funds is possible up to five years before reaching the OASI normal retirement age. Pledging the funds is possible up to the OASI normal retirement age.
3. An early withdrawal is possible every five years. The minimum amount is CHF 20'000.–
4. The amount available for the early withdrawal or pledge generally corresponds to the vested benefits credit balance. If the Client has already reached the age of 50, the Client may only withdraw the vested benefits credit to which he would have been entitled at the age of 50 or half of the existing vested benefits credit.
5. In the case of Clients either married or living in a registered partnership, the Foundation may request notarised certification of the signature of the spouse or registered partner both for an early withdrawal and an assignment.
6. In addition, the BVG and the WEFV (Home Ownership Promotion Regulation), whose legal regulations and conditions must be complied with at all times, apply.

Art. 16 Divorce

1. In the event of divorce or dissolution of a registered partnership, the court may determine that part of the pension assets acquired by the Client during the period of marriage or registered partnership shall be transferred to the pension fund of his spouse or registered partner.
2. This part of the vested benefits credit is transferred to the pension fund or vested benefits institution by the Foundation to the beneficiary in accordance with the provisions of the court ruling.
3. A pension paid to a divorced person can be credited to the vested benefits account/vested benefits custody account when a pension compensation from a divorce is made. In agreement with the divorced persons and the pension fund of the spouse paying the pension compensation, a transfer in the form of capital is also possible.
4. The transferred termination benefit or pension is credited to the compulsory and other assets in the ratio in which it was debited in the pension plan of the committed spouse.

Art. 17 Self-employment

A cash payment for a self-employed person can only be claimed at the time of taking up self-employment or within one year after taking up self-employment. After that, a disbursement is only possible for the purpose of business investments.

Art. 18 Failure to comply with the maintenance obligation

1. If a report of a failure to comply with the maintenance obligation pursuant to Art. 40 para. 1 BVG and Art. 13 para. 1 InkHV has been received, the pension fund will report the date on which the Client is entitled to receive payment to the office responsible if a request for payment has been received pursuant to Art. 12 of this regulations.
2. The pension fund must also report the pledge of pension assets held by the person responsible to provide maintenance in accordance with Art. 30 BVG and the realisation of these pledged assets to the reporting office.

Art. 19 Fees

The Foundation may charge fees in accordance with the fee regulations as compensation for its efforts. They are charged to pension assets. The Foundation reserves the right to change its fee regulations at any time. The applicable fee regulations can be found on the Foundation website or the respective Client portal (if available).

Art. 20 Central office 2nd pillar

1. If the Foundation does not have clear instructions from the Client for payment at the time of maturity or if the beneficiaries are not clearly known to it, these assets shall be reported to the 2nd Pillar Central Office but shall remain with the Foundation until further notice.
2. After the expiration of ten years from normal retirement age (Art. 13 BVG), credit balances from the vested benefits account must be transferred to the BVG security fund. If it is not possible to determine the exact date of birth of the Client, vested benefits credit for which the Foundation has not received any information from the Client or his heirs for ten years will also be transferred to the security fund (Art. 41 para. 3 and 4 BVG).

Art. 21 Tax reporting obligation

1. The Foundation shall report the disbursement of vested benefits credit to the tax authorities to the extent required by federal and cantonal laws or official orders.
2. If the Client is domiciled abroad at the time of payment, the Foundation deducts the withholding tax owed from the vested benefits credit to be paid out.

Art. 22 Liability and complaints

1. The Foundation shall not be liable to the Client for the consequences arising from the 'Client's failure to fulfil legal, contractual and regulatory obligations.
2. Complaints from the Client regarding orders of any kind or complaints about account or custody account statements and other notifications must be submitted to the Foundation in writing immediately upon receipt of such notification, but at the latest within four weeks. If this notification is not made, the transactions are considered confirmed and accepted. The consequences of belated complaints shall be borne by the Client. He shall bear any loss to his person or third parties arising from the inability to act unless the Foundation has been informed of this in writing.

Art. 23 Duty of care

The Foundation undertakes to perform all administrative activities in connection with the benefits agreement to the best of its knowledge and belief and to exercise the same diligence as it exercises in its own affairs. Apart from this, the Foundation is only liable for intentional or grossly negligent breaches of contract or law.

Art. 24 Client's personal data

To fulfil its responsibilities under the benefits agreement, the Foundation has engaged Lienhardt & Partners Private Bank Zurich Ltd (hereinafter referred to as the «Management») as well as other service providers, including financial institutions and brokers. By accepting the benefits agreement, the Client agrees that the Client's personal data will be stored and processed by the Management and the Foundation's other service providers to implement the benefits agreement and for other purposes specified in the privacy statement, if fulfilment of the respective responsibilities necessitates this. Further information on the data processing undertaken by the Foundation and its service providers can be found in the respective privacy statement. This can be found on the Foundation website.

Art. 25 Authoritative language

If there are differences between different language versions, the German regulations shall be authoritative.

Art. 26 Gaps in the regulations

Insofar as these regulations do not contain any provisions for special circumstances, the Board of Trustees shall make a provision corresponding to the purpose of the Foundation.

Art. 27 Changes in regulations

The Board of Trustees may decide to amend these pension regulations at any time. The Client shall be notified of the amendments in writing or electronically. The current version can be found on the Foundation website or the respective Client portal (if available).

Art. 28 Electronic communications

The Foundation and the Custodian Bank may fulfil their information and accountability obligations towards the Client by written notification or in electronic form. Electronic account documents are considered delivered as soon as they are available to the Client on the respective Client portal.

Art. 29 Caveat regarding legal provisions

Mandatory legal or regulatory provisions take precedence over any contradictory provisions in these regulations and the benefits agreement. In particular, subsequent amendments to laws and regulations shall apply even without the Client being notified thereof.

Art. 30 Place of jurisdiction and applicable law

The regulations are subject to Swiss law to the exclusion of any provisions governing the conflict of laws. Jurisdiction is the Swiss registered office or domicile of the defendant, otherwise the registered office of the Foundation. In addition, the Client has the possibility to sue from his place of residence.

Art. 31 Legal validity

These benefits regulations were approved by a circular resolution of the Foundation Board in September 2023 and will take effect on 1 January 2024.

Zurich, January 2024

The Board of Trustees of the Independent Vested Benefits Foundation Zurich